

AUDITOR'S REPORT

To the Shareholders of Thai Stanley Electric Public Company Limited

I have audited the accompanying balance sheets as at 31 March 2005 and 2004, and the related statements of income, changes in shareholders' equity and cash flows for the year ended 31 March 2005 and for the two-month period ended 31 March 2004 of Thai Stanley Electric Public Company Limited. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position as at 31 March 2005 and 2004, the results of operations and cash flows for the year ended 31 March 2005 and for the two-month period ended 31 March 2004 of Thai Stanley Electric Public Company Limited in conformity with generally accepted accounting principles.

UNAKORN PHRUITITHADA
Certified Public Accountant
(Thailand) No. 3257
PricewaterhouseCoopers ABAS Limited

Bangkok
16 May 2005

Thai Stanley Electric Public Company Limited**Balance Sheets****As at 31 March 2005 and 2004**

	Notes	2005 Baht	2004 Baht
Assets			
Current assets			
Cash and cash equivalents	3	163,515,495	107,280,637
Trade accounts receivable, net - other companies	4	1,028,408,846	883,429,106
- related companies	4,5	154,050,674	143,127,917
Foreign currency forward contracts receivable, net		-	1,931,760
Inventories, net	6	635,645,657	357,096,128
Other current assets		41,266,643	33,067,959
Total current assets		<u>2,022,887,315</u>	<u>1,525,933,507</u>
Non-current assets			
Investments in associates	7	118,276,645	96,542,472
Long-term investments	8	149,634,855	150,434,855
Property, plant and equipment, net	9	2,401,069,444	2,415,698,585
Other non-current assets, net	10	17,798,854	22,037,510
Total non-current assets		<u>2,686,779,798</u>	<u>2,684,713,422</u>
Total assets		<u><u>4,709,667,113</u></u>	<u><u>4,210,646,929</u></u>

Director Mr. Hiroyuki Nakano
(Mr. Hiroyuki Nakano)Director Mr. Apichart Leeissaranukul
(Mr. Apichart Leeissaranukul)

Date _____

The notes to the financial statements on pages 8 to 26 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited**Balance Sheets**

As at 31 March 2005 and 2004

	Notes	2005 Baht	2004 Baht
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from banks	11	-	300,000,000
Trade accounts - other companies		415,806,910	353,958,615
- related companies	5	239,960,126	218,638,565
Other payable - other companies		159,824,337	82,499,164
- related company	5	89,939,795	46,553,384
Foreign currency forward contracts payable, net		2,892,360	-
Accrued income tax		134,723,008	118,181,223
Other current liabilities		112,111,882	115,343,450
Total current liabilities		<u>1,155,258,418</u>	<u>1,235,174,401</u>
Total liabilities		<u>1,155,258,418</u>	<u>1,235,174,401</u>
Shareholders' equity			
Share capital	12	383,125,000	383,125,000
Premium on share capital	12	504,250,000	504,250,000
Unrealised gain on revaluation of available for-sale-securities		3,780,000	4,580,000
Legal reserve	13	38,312,500	38,312,500
Unappropriated retained earnings		2,624,941,195	2,045,205,028
Total shareholders' equity		<u>3,554,408,695</u>	<u>2,975,472,528</u>
Total liabilities and shareholders' equity		<u><u>4,709,667,113</u></u>	<u><u>4,210,646,929</u></u>

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Thai Stanley Electric Public Company Limited

Statements of Income

For the year ended 31 March 2005 and for the two-month period ended 31 March 2004

		For the year ended 31 March 2005 Baht	For the two-month period ended 31 March 2004 Baht
	Notes	Baht	Baht
Revenues			
Sales	23	6,869,653,495	1,087,412,672
Share of net profit from investments in associates	7	36,818,620	7,946,666
Gain on exchange rate		12,710,336	720,779
Other income	14	108,084,922	23,042,915
Total revenues		<u>7,027,267,373</u>	<u>1,119,123,032</u>
Expenses			
Cost of sales		5,430,662,050	887,346,007
Selling and administrative expenses		453,248,423	71,665,592
Directors' remuneration	18	1,919,970	320,000
Total expenses		<u>5,885,830,443</u>	<u>959,331,599</u>
Operating profit before interest expense and income tax			
	19	1,141,436,930	159,791,433
Interest expenses		3,072,659	596,492
Income tax		271,305,979	35,434,716
Net profit for the year/period		<u>867,058,292</u>	<u>123,760,225</u>
			(Restated)
Basic earnings per share	15		
Net profit for the year/period		<u>11.32</u>	<u>1.62</u>

The notes to the financial statements on pages 8 to 26 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited

Statements of Changes in Shareholders' Equity

For the year ended 31 March 2005 and for the two-month period ended 31 March 2004

		For the year ended 31 March 2005					
		Issued and paid-up share capital	Premium on share capital	Unrealised gain on revaluation of available-for- sale securities	Legal reserve	Unappropriated retained earnings	Total
Notes		Baht	Baht	Baht	Baht	Baht	Baht
Opening balance		383,125,000	504,250,000	4,580,000	38,312,500	2,045,205,028	2,975,472,528
Reserve for fair value	8	-	-	(800,000)	-	-	(800,000)
Net profit for the year		-	-	-	-	867,058,292	867,058,292
Dividends paid	16	-	-	-	-	(287,322,125)	(287,322,125)
Closing balance		<u>383,125,000</u>	<u>504,250,000</u>	<u>3,780,000</u>	<u>38,312,500</u>	<u>2,624,941,195</u>	<u>3,554,408,695</u>
		For the two-month period ended 31 March 2004					
		Issued and paid-up share capital	Premium on share capital	Unrealised gain on revaluation of available-for- sale securities	Legal reserve	Unappropriated retained earnings	Total
Notes		Baht	Baht	Baht	Baht	Baht	Baht
Opening balance		383,125,000	504,250,000	6,340,000	38,312,500	1,921,444,803	2,853,472,303
Reserve for fair value	8	-	-	(1,760,000)	-	-	(1,760,000)
Net profit for the period		-	-	-	-	123,760,225	123,760,225
Closing balance		<u>383,125,000</u>	<u>504,250,000</u>	<u>4,580,000</u>	<u>38,312,500</u>	<u>2,045,205,028</u>	<u>2,975,472,528</u>

The notes to the financial statements on pages 8 to 26 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited**Statements of Cash Flows****For the year ended 31 March 2005 and for the two-month period ended 31 March 2004**

		For the year ended 31 March 2005 Baht	For the two-month period ended 31 March 2004 Baht
	<u>Notes</u>	<u>Baht</u>	<u>Baht</u>
Cash flows from operating activities:			
Net profit for the year/period		867,058,292	123,760,225
Adjustments for:			
Depreciation and amortisation	9,10	582,278,205	93,522,262
Share of net profit from investments in associated companies	7	(36,818,620)	(7,946,666)
Dividend income	14	(19,792,113)	(128,000)
Gain on disposal of fixed assets		(4,257,209)	(13,947)
Provision for bad debts		1,264,490	-
Interest expenses		3,072,659	596,492
Income tax expense		271,305,979	35,434,716
Unrealised (gain) loss on exchange rate		5,707,595	(1,419,609)
Changes in operating assets and liabilities			
Trade accounts receivable - other companies		(145,667,568)	(113,467,669)
- related companies		(11,499,419)	(17,845,935)
Inventories		(278,549,528)	(9,181,169)
Other current assets		(7,965,110)	2,509,316
Other non-current assets		(424,557)	346,593
Trade accounts payable - other companies		61,848,295	62,300,473
- related companies		21,321,561	49,524,328
Other payable - other companies		37,585,666	(77,495,947)
- related company		43,386,411	(58,402,335)
Other current liabilities		(3,297,944)	22,481,668
		<u>1,386,557,085</u>	<u>104,574,796</u>
Interest paid		(3,006,284)	(642,411)
Income tax		(254,764,195)	(1,306,550)
Net cash provided by operating activities		<u>1,128,786,606</u>	<u>102,625,835</u>

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Thai Stanley Electric Public Company Limited**Statements of Cash Flows****For the year ended 31 March 2005 and for the two-month period ended 31 March 2004**

		For the year ended 31 March 2005 Baht	For the two-month period ended 31 March 2004 Baht
	<u>Notes</u>	<u>Baht</u>	<u>Baht</u>
Cash flows from investing activities:			
Purchases of property, plant and equipment	9	(543,093,399)	(80,622,123)
Advance payment of equipment		(3,537,810)	-
Proceeds from disposals of property, plant and equipment		26,442,568	14,018
Dividends received	7, 8	34,876,561	128,000
Net cash used in investing activities		<u>(485,312,080)</u>	<u>(80,480,105)</u>
Cash flows from financing activities:			
Proceeds from long - term borrowings		-	5,000,000
Decrease in loans from banks		(300,000,000)	-
Dividend paid	16	(287,322,125)	-
Net cash provided by (used in) financing activities		<u>(587,322,125)</u>	<u>5,000,000</u>
Effects of exchange rate changes		<u>82,457</u>	<u>(191,751)</u>
Net increase in cash and cash equivalents		56,234,858	26,953,979
Cash and cash equivalents at beginning of the year/period		<u>107,280,637</u>	<u>80,326,658</u>
Cash and cash equivalents at end of the year/period	3	<u><u>163,515,495</u></u>	<u><u>107,280,637</u></u>
Non-cash items			
Purchase of property, plant and equipment by credit		39,739,507	21,660,539

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1 General information

Thai Stanley Electric Public Company Limited (“the Company”) is incorporated and domiciled in Thailand, and registered as a public company on 26 July 1993, and engages in the manufacture of automotive bulbs, lighting equipment and molds and dies.

The Company’s head office is located at 29/3 Moo 1 Bangpooon-Rungsit Road, Banklang, Amphur Muang, Pathumthanee 12000.

On 4 September 2003, the Company registered with the Department of Business Development, Ministry of Commerce, for the change of its accounting period to 1 April to 31 March every year which will become effective from the two-month accounting period ending 31 March 2004.

As at 31 March 2005, the Company has 1,981 employees (31 March 2004 : 1,893 employees).

2 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying financial statements are therefore not intended to present the financial position and results of operations in accordance with jurisdictions other than Thailand. Consequently, these financial statements are prepared based on the assumption that the users of the financial statements have an understanding of Thai generally accepted accounting principles and practices.

The financial statements have been prepared under the historical cost convention except for the fair value application to investment as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Significant accounting policies (Cont'd)

2.2 Revenue and expense recognition

Sales net of discounts, are recognized upon delivery of products and customer acceptance.

Interest income is recognized on an accrual basis unless collectibility is in doubt.

Dividend income is recognized when the shareholders' right to receive payment is established.

Other income and expenses are recognised on an accrual basis.

2.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments.

2.4 Trade accounts receivables

Trade accounts receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

2.5 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.6 Investments in associates

Investments in associates are accounted for by the equity method of accounting in the financial statements. Under this method the company's share of the post-acquisition profits or losses of associates is recognized in the income statement. The cumulative post-acquisition movements are adjusted against the cost of the investment. The Company's interest in the associates is carried in the balance sheet at an amount that reflects its share of the net assets of the associates. Associates are entities over which the Company has significant influence, but which it does not control. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognize further losses, unless the Company has committed to obligations or payments on behalf of the associates.

A listing of the Company's principal associate undertakings is shown in Note 7.

2 Significant accounting policies (Cont'd)

2.7 Investments in other companies

Investments other than investments in associates are classified into the following two categories: available-for-sale and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Investments in non-marketable equity securities are classified as general investments.

Investments in marketable securities which are classified as available-for-sale securities, are carried at fair value. Fair value is calculated by reference to the Stock Exchange of Thailand quoted bid prices at the close of business on the balance sheet date. Increase/decreases in the carrying amount of marketable securities classified as available-for-sale securities are recognized as unrealized gains and losses of available-for-sale securities in shareholders' equity.

Investments in non-marketable equity securities which are classified as general investments are carried at cost.

A test for impairment is carried out when there is a factor indicating that such investment might be impaired. If the carrying value of the investment is more than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income.

When disposing of part of an investment in the same category of equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investments.

2.8 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost less accumulated depreciation for all property plant and equipment except land.

Depreciation is calculated on the straight-line method to write off the cost of each asset, except for land as it is deemed to have an indefinite life, over their estimated useful lives as follows:

	%
Buildings	5
Land and building improvement	10
Machinery and equipment	20
Molds and factory tools	20 - 25
Motor vehicles	20
Furniture, fixtures and office equipment	20
Computers	33

2 Significant accounting policies (Cont'd)

2.8 Property, plant and equipment (Cont'd)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its estimated recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Expenditures for additions, renewals and betterments, which result in a substantial increase in an asset's current replacement value, are capitalised. Repair and maintenance costs are recognised as an expense when incurred.

2.9 Employee benefits

The Company operates a provident fund, which is registered in accordance with the Provident Fund Act B.E. 2530, this being a defined contribution plan, and the assets of the fund are held independently by the Company's assets and managed by an independent fund manager. The provident fund is funded by contributions from employees and the Company.

The Company's contributions to the provident fund are charged to the statement of income in the year to which they relate.

2.10 Deferred income taxes

The Company does not recognise income taxes payable or receivable in future periods with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on molds and equipment, provisions for slow moving inventories and provision for doubtful accounts.

2.11 Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Baht at the exchange rates prevailing at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

2 Significant accounting policies (Cont'd)

2.12 Financial instruments

Significant financial assets carried on the balance sheet include cash and cash equivalents, investments, and trade accounts receivable. Significant financial liabilities carried on the balance sheet include trade accounts payable and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Company is also party to financial instruments that reduce exposure to fluctuations in foreign currency exchange. These instruments, which mainly comprise foreign currency forward contracts, are recognised in the financial statements on inception.

Foreign currency forward contracts protect the Company from movements in exchange rates by establishing the rate at which a foreign currency asset and liability will be settled. Foreign currency forward contract transactions are recorded as foreign currency forward contracts receivable and payable. Premiums or discounts are amortised and recognised as a component of selling and administrative expenses on the straight-line basis over the contract period.

Disclosures about financial instruments to which the Company is a party are provided in Note 20.

3 Cash and cash equivalents

	2005	2004
	Baht	Baht
Cash and cheques on hand	7,454,259	22,840,999
Cash at bank - savings accounts	27,105,076	26,749,002
Cash at bank - current accounts	79,000,012	57,690,636
Short-term investment - treasury bills	49,956,148	-
	<u>163,515,495</u>	<u>107,280,637</u>

The weighted average effective rates of deposits held at call with banks and short-term investment were 0.25% - 1.78% per annum (31 March 2004: 0.25% per annum).

4 Trade accounts receivable, net - other companies and related companies

	Trade accounts receivable-		Trade accounts receivable-	
	other companies		related companies	
	2005	2004	2005	2004
	Baht	Baht	Baht	Baht
Trade accounts receivable	1,029,096,674	883,429,106	154,627,336	143,127,917
<u>Less</u> Allowance for doubtful accounts	(687,828)	-	(576,662)	-
Trade accounts receivable, net	<u>1,028,408,846</u>	<u>883,429,106</u>	<u>154,050,674</u>	<u>143,127,917</u>

4 Trade accounts receivable, net - other companies and related companies (Cont'd)

	Trade accounts receivable- other companies		Trade accounts receivable- related companies	
	2005 Baht' 000	2004 Baht' 000	2005 Baht' 000	2004 Baht' 000
Current	1,026,401	875,413	134,255	111,073
Overdue 1 - 30 days	1,526	2,629	17,674	17,712
Overdue 31 - 60 days	137	683	907	603
Overdue 61 - 90 days	-	315	1,263	7,386
Overdue more than 90 days	1,033	4,389	528	6,354
	<u>1,029,097</u>	<u>883,429</u>	<u>154,627</u>	<u>143,128</u>

5 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company had the following significant transactions with its major shareholder, Stanley Electric Company Limited, incorporated in Japan which holds 29.95% interest in the Company's share capital. The Company also had significant transactions with a group of individual shareholders who are members of the Company's management who hold 29.08% interest in the Company's share capital.

5 Related party transactions (Cont'd)

	For the year ended 31 March 2005 Baht' 000	For the two-month period ended 31 March 2004 Baht' 000
Sales		
Stanley Electric Group companies	490,578	71,442
Companies related by way of the Company's management and directors as Shareholders, or by way of directors	232,427	14,882
Associated companies	91,172	8,298
	<u>814,177</u>	<u>94,622</u>
Technical assistance income		
Stanley Electric Group companies	856	-
Others incomes		
Stanley Electric Group companies	2,487	2,511
Companies related by way of the Company's management and directors as Shareholders, or by way of directors	3,212	135
	<u>5,699</u>	<u>2,646</u>
Purchases of goods and services		
Stanley Electric Group companies	777,557	71,442
Companies related by way of the Company's management and directors as Shareholders, or by way of directors	224,523	31,303
Associated companies	14,446	111
	<u>1,016,526</u>	<u>102,856</u>

5 Related party transactions (Cont'd)

	For the year ended 31 March 2005 Baht' 000	For the two-month period ended 31 March 2004 Baht' 000
Royalty fees		
Stanley Electric Group companies	172,277	27,160
Design and development fee		
Stanley Electric Group companies	43,100	1,321
Technical fee		
Stanley Electric Group companies	5,997	738
Training fee		
Stanley Electric Group companies	13,241	-
Commission		
Stanley Electric Group companies	2,618	-

Purchases from related companies are specific materials or materials which are manufactured on a large scale at one source for cost saving benefits. Sales to related companies mainly represent export sales, and selling price is determined based on manufacturing cost plus a certain margin. A royalty fee is charged at 3% of sales less materials cost imported from a related company in accordance with the agreement. A design and development fee and other fees are charged in the normal course of business. Outstanding balance of royalty fee, design and development fee and other fees are presented as other payable - related company.

The amounts due to/from related companies are mainly denominated in foreign currency and relate to purchases and sales transactions. The outstanding balances as at 31 March 2005 and 2004 are as follows:

	2005 Baht' 000	2004 Baht' 000
Trade accounts receivable - related companies		
Stanley Electric Group companies	90,221	78,455
Companies related by way of the Company's management and directors as Shareholders, or by way of directors	53,999	45,742
Associated companies	9,831	18,931
	<u>154,051</u>	<u>143,128</u>
Trade accounts payable - related companies		
Stanley Electric Group companies	206,028	196,976
Companies related by way of the Company's management and directors as Shareholders, or by way of directors	28,007	21,328
Associated companies	5,925	335
	<u>239,960</u>	<u>218,639</u>
Other payable - related companies		
Stanley Electric Group companies	89,940	46,553

6 Inventories, net

Inventories are as follows:

	2005	2004
	Baht	Baht
Raw materials and packaging	246,477,077	166,070,892
Work in progress	276,803,726	116,555,987
Finished goods	65,911,470	48,629,791
Goods in transit	54,644,611	34,030,685
	<u>643,836,884</u>	<u>365,287,355</u>
Less Allowance for slow moving inventories	(8,191,227)	(8,191,227)
Inventories, net	<u>635,645,657</u>	<u>357,096,128</u>

7 Investments in associates

	2005	2004
	Baht	Baht
Investments in associated companies - Equity method		
Opening net book amount	96,542,472	88,595,806
Share of net profit	36,818,620	7,946,666
Dividends received	(15,084,447)	-
Closing net book amount	<u>118,276,645</u>	<u>96,542,472</u>

Investments - equity method are made up as follows:

Name	Business activity	Paid-up share capital (million)	% of Holding	2005		2004		Dividend Baht
				Amount Baht	Dividend Baht	Amount Baht	Dividend Baht	
Associated companies								
Lao Stanley Company Limited	Manufacture automotive lighting equipment	USD 0.25	50.0	7,578,299	36,343	50.0	5,972,269	-
Vietnam Stanley Electric Company Limited	Manufacture automotive lighting equipment	USD 6.3	20.0	110,698,346	15,048,104	20.0	90,570,203	-
				<u>118,276,645</u>	<u>15,084,447</u>		<u>96,542,472</u>	<u>-</u>

The share of profits for the year ended 31 March 2005 from Lao Stanley Company Limited and Vietnam Stanley Electric Company Limited of Baht 1,642,373 and Baht 35,176,247 respectively (for the two-month period ended 31 March 2004 : Baht 103,338 and Baht 7,843,328 respectively) are based on unaudited financial statements.

8 Long-term investments

	2005	2004
	Baht	Baht
Investments in related companies -available-for-sale		
Opening net book amount	4,760,000	6,520,000
Change in fair value of investment	(800,000)	(1,760,000)
Closing net book amount	<u>3,960,000</u>	<u>4,760,000</u>
Investments in related companies - cost method		
Opening net book amount	<u>121,184,215</u>	<u>121,184,215</u>
Closing net book amount	<u>121,184,215</u>	<u>121,184,215</u>
Investments in other companies - cost method		
Opening net book amount	<u>24,490,640</u>	<u>24,490,640</u>
Closing net book amount	<u>24,490,640</u>	<u>24,490,640</u>
	<u>149,634,855</u>	<u>150,434,855</u>

8 Long-term investments (Cont'd)

Long-term investments are as follows :

Name	Business activity	Paid-up share capital (million)	% of Holding	2005		2004		Dividends Baht
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht	
Related companies - available for sale								
Inoue Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200	0.2	4,760,000	136,000	0.2	6,520,000	128,000
Change in fair value of investments				(800,000)	-		(1,760,000)	-
				<u>3,960,000</u>	<u>136,000</u>		<u>4,760,000</u>	<u>128,000</u>

Dividends received for the year ended 31 March 2005 amounting to Baht 136,000 (For the two-month period ended 31 March 2004 : Baht 128,000) have been included in other income.

8 Long-term investments (Cont'd)

Long-term investments are as follows:

Name	Business activity	Paid-up share capital (million)	% of Holding	2005		2004		
				Amount Baht	Dividends Baht	% of Holding	Amount Baht	Dividends Baht
Related companies, at cost								
Asian Stanley International Company Limited	Manufacture of small bulbs, LED and electronic components	Baht 400	15.0	60,000,000	15,000,000	15.0	60,000,000	-
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting	Baht 21	15.0	3,000,000	1,050,000	15.0	3,000,000	-
Lumax Industries Limited	Manufacture of automotive Lighting equipment and auto parts	RS 73.475	2.5	8,793,715	319,772	2.5	8,793,715	-
PT. Indonesia Stanley Electric	Manufacture of molds automotive lighting	USD 7.5	10.0	33,127,500	1,726,341	10.0	33,127,500	-
Stanley Electric Engineering India PVT.	Design molds Manufacture of lamps and molds	RS 161	10.0	16,263,000	-	10.0	16,263,000	-
				<u>121,184,215</u>	<u>18,096,113</u>		<u>121,184,215</u>	<u>-</u>

Dividends received from related companies for the year ended 31 March 2005 : Baht 18,096,113 (For the two-month period ended 31 March 2004 : Non) have been included in other income.

8 Long-term investments (Cont'd)

Long-term investments are as follows:

Name	Business activity	Paid-up share capital (million)	2005			2004		
			% of Holding	Amount Baht	Dividends Baht	% of Holding	Amount Baht	Dividends Baht
Other companies, at cost								
Sum Hitech Company Limited	Chrome plating on plastic products	Baht 104	15.0	19,490,640	1,560,000	15.0	19,490,640	-
Top Hitech (Thailand) Company Limited	Manufacture of plastic plastic products	Baht 28.9	17.3	5,000,000	-	17.3	5,000,000	-
				<u>24,490,640</u>	<u>1,560,000</u>		<u>24,490,640</u>	<u>-</u>

Dividends received for the year ended 31 March 2005 : Baht 1,560,000 (For the two-month period ended 31 March 2004 : None) have been included in other income.

9 Property, plant and equipment, net

	Land	Land and building improvement	Buildings	Machinery and equipment	Molds and factory tools	Motor vehicles	Furniture, fixtures and office equipment	Machinery under installation and construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 31 March 2004									
Cost	363,546,209	140,399,380	494,730,184	2,455,195,350		56,239,316	66,037,820	258,118,128	5,339,078,468
Less: Accumulated depreciation	-	(68,179,262)	(197,441,326)	(1,613,101,453)	1,504,812,081 (972,268,114)	(29,597,733)	(42,791,995)	-	(2,923,379,883)
Net book amount	<u>363,546,209</u>	<u>72,220,118</u>	<u>297,288,858</u>	<u>842,093,897</u>	<u>532,543,967</u>	<u>26,641,583</u>	<u>23,245,825</u>	<u>258,118,128</u>	<u>2,415,698,585</u>
Year ended 31 March 2005									
Opening net book amount	363,546,209	72,220,118	297,288,858	842,093,897	532,543,967	26,641,583	23,245,825	258,118,128	2,415,698,585
Additions	-	12,504,000	-	126,479,577	71,170,389	9,406,500	7,343,451	355,928,989	582,832,906
Disposals, net/written off	-	-	-	(489,662)	(22,431,915)	(129,907)	(99,806)	-	(23,151,290)
Assets transfer	-	-	-	87,588,023	208,607,902	-	1,307,340	(297,503,265)	-
Depreciation charge	-	(12,293,063)	(24,125,265)	(273,621,915)	(244,110,597)	(10,234,315)	(9,925,602)	-	(574,310,757)
Closing net book amount	<u>363,546,209</u>	<u>72,431,055</u>	<u>273,163,593</u>	<u>782,049,920</u>	<u>545,779,746</u>	<u>25,683,861</u>	<u>21,871,208</u>	<u>316,543,852</u>	<u>2,401,069,444</u>
At 31 March 2005									
Cost	363,546,209	152,903,381	494,730,184	2,610,200,223		61,702,417	71,250,041	316,543,852	5,694,035,373
Less: Accumulated depreciation	-	(80,472,326)	(221,566,591)	(1,828,150,303)	1,623,159,066 (1,077,379,320)	(36,018,556)	(49,378,833)	-	(3,292,965,929)
Net book amount	<u>363,546,209</u>	<u>72,431,055</u>	<u>273,163,593</u>	<u>782,049,920</u>	<u>545,779,746</u>	<u>25,683,861</u>	<u>21,871,208</u>	<u>316,543,852</u>	<u>2,401,069,444</u>

As at 31 March 2005, the Company has capital commitment of Baht 19 million (31 March 2004: Baht 15.2 million).

10 Other assets, net

Other assets are as follows :

	2005	2004
	Baht	Baht
Deposits	13,716,894	14,553,594
Software costs and others, net	4,081,960	7,483,916
	<u>17,798,854</u>	<u>22,037,510</u>

Amortisation of software costs and others for the year ended 31 March 2005 amounting to Baht 7,967,448 (for the two-month period ended 31 March 2004 : Baht 1,142,703) has been charged to the statements of income.

11 Short-term loans from banks

As at 31 March 2004, loans from banks are promissory notes in Baht unsecured with weighted average effective interest rate of 1.20% per annum. All loans were fully repaid during March 2005.

12 Share capital and premium on share capital

	Number of	Ordinary	Premium on	Total
	shares	shares	share capital	Baht
	Baht	Baht	Baht	Baht
Year ended 31 March 2004	<u>38,312,500</u>	<u>383,125,000</u>	<u>504,250,000</u>	<u>887,375,000</u>
Year ended 31 March 2005	<u>76,625,000</u>	<u>383,125,000</u>	<u>504,250,000</u>	<u>887,375,000</u>

The annual shareholders' meeting held on 21 May 2004 approved resolutions to change the par value of shares from Baht 10 each to Baht 5 each. This resulted in the increase of the number of registered, issued and paid up ordinary shares from 38,312,500 shares to 76,625,000 shares. The Company registered the change of par value of shares with the Ministry of Commerce on 4 June 2004.

13 Legal reserve

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside a statutory reserve of at least 5 percent of its net profit after the accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The reserve is non-distributable.

14 Other income

Other income is as follows:

	For the year ended 31 March 2005 Baht	For the two-month period ended 31 March 2004 Baht
Service income	20,644,776	11,311,165
Tax rebate income	13,374,605	3,228,368
Scrap sales	42,091,701	6,885,609
Dividend income	19,792,113	128,000
Others	12,181,727	1,489,773
	<u>108,084,922</u>	<u>23,042,915</u>

15 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year/period.

	For the year ended 31 March 2005	(Restated) For the two-month period ended 31 March 2004
Net profit attributable to shareholders (Baht)	867,058,292	123,760,224
Weighted average number of ordinary share in issue during the year/period (Shares)	76,625,000	76,625,000
Basic earnings per share (Baht)	11.32	1.62

There are no dilutive ordinary shares in issue for the year ended 31 March 2005 and for the two-month period ended 31 March 2004.

The annual shareholders' meeting held on 21 May 2004 approved resolutions to change the par value of shares from Baht 10 each to Baht 5 each. Therefore basic earnings per share for the two-month period ended 31 March 2004 has been adjusted as though the share split had already occurred.

16 Dividends paid

The annual shareholders' meeting held on 21 May 2004 approved the payment of dividends from the operating results for the year ended 31 January 2004 and for the two-month period ended 31 March 2004 of Baht 6.5 per share and Baht 1.0 per share respectively for a total 38,312,500 shares. Total dividends was Baht 287.3 million and was paid on 18 June 2004.

17 Employee benefits

The Company established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530. The registered provident fund plan was approved by the Ministry of Finance on 23 December 1992.

Under the plan, the employees must contribute 3% of their basic salary and the Company must contribute 3% - 7% according to the number of years it has been in the plan, from 1-12 years, respectively.

The Company's contribution for the year ended 31 March 2005 amounted to Baht 9.5 million (for the two-month period ended 31 March 2004 : Baht 1.5 million).

18 Directors' remuneration

During the year ended 31 March 2005, the remuneration of the directors was Baht 1.92 million (for the two-month period ended 31 March 2004 : Baht 0.32 million). Directors' remuneration represents meeting fees and gratuities as approved by the shareholders of the Company in their Annual General Meeting.

19 Operating profit

The following expenditures, classified by nature, have been charged in arriving at operating profit:

	For the year ended 31 March 2005 Baht	For the two-month period ended 31 March 2004 Baht
Staff costs	603,155,225	79,300,561
Depreciation on property, plant and equipment (Note 9)	574,310,757	92,379,559
Amortisation of other assets (Note 10)	7,967,448	1,142,703
Profit on exchange rate	12,710,336	720,779

20 Financial instruments

The principal financial risks faced by the Company are foreign currency exchange rate risk, interest rate risk and credit risk. Foreign currency exposure relates to importing of raw materials in foreign currencies and certain export sales in foreign currencies. The business transactions are generally on a short-term period, 1 to 3 month terms, and foreign currencies in respect of imported materials are generally net exposure with trade export. The currency exchange risk of the Company occurs mostly in Japanese Yen and US dollars. Credit risk arises when derivative instruments are used or sales are made on deferred credit terms.

The objectives of using financial instruments are to reduce the uncertainty over future cash flows arising from movements in exchange rates, and to manage the liquidity of the cash resources. Foreign currency forward contracts are taken out to manage the currency risks in sales and purchase. Decisions on the level of risk undertaken are confined to the Management Committee which has established limits by transaction type and by counterparty. The current policy established by the Management Committee is unchanged from that of the prior year which is to enter into foreign currency forward contracts for approximately 50% of net foreign currency liabilities.

20 Financial instruments (Cont'd)

Trading for speculative purposes is prohibited. Foreign currency forward contracts are confined to the Company's principal lending bank.

i) Objectives and significant terms and conditions

The Company enters into the following derivative financial instruments to manage the risks arising from fluctuations in foreign currency exchange rates.

Foreign currency forward contracts

Foreign currency forward contracts are entered into to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

At 31 March 2005 and 2004, the settlement dates on open foreign currency forward contracts ranged between 1 - 4 months. The equivalent Thai Baht to be received at the contractual exchange rates of the outstanding contracts were:

	2005	2004
	Baht	Baht
Yen 240 million (at rates averaging Baht 37.43 = Yen 100)	89,823,000	
Yen 240 million (at rates averaging Baht 36.50 = Yen 100)		87,612,000

At 31 March 2005, trade accounts receivable and payable included aggregate net payable of Japanese Yen 604 million and net receivables of US Dollars 2 million in respect of purchase and sales proceeds due in foreign currencies. There are foreign currency forward contracts to cover the amount of Japanese Yen 240 million (at 31 March 2004 : aggregate net payable of Japanese Yen 443 million and net receivable of US Dollars 2.08 million in respect of purchase and sale proceeds due in foreign currencies and there were forward exchange contracts to cover the amount of Japanese Yen 240 million).

Net fair values

The net fair values of the derivative financial instruments at the balance sheet date were:

	2005	2004
	Baht	Baht
Favourable foreign currency forward contracts (liabilities)	1,433,676	
Favourable foreign currency forward contracts (assets)		2,927,164

The fair values of forward foreign exchange contracts have been calculated using rates quoted by the Company's bankers as if the contracts are terminated the contracts at the balance sheet date.

ii) Credit risk

The Company has no significant concentrations of credit risk. Derivative instruments are entered into with, and cash is placed with, high quality financial institutions.

20 Financial instruments (Cont'd)

iii) Fair values

The carrying amounts of the following financial assets and financial liabilities approximate to their fair values: cash and cash equivalents, investments, trade accounts receivable and payable, and short-term borrowings. Information on the fair values of foreign currency forward contracts is included in Section (i) of this Note.

21 Commitments and contingent liabilities

As of 31 March 2005 and 2004, the Company has obtained guarantees for electricity supply and telephones from bankers of Baht 11.85 million.

22 Business segment information

The Company currently manufactures and markets auto bulbs, automotive lighting equipment and molds & dies. The business segment information for molds & dies, which is different from auto bulbs and automotive lighting, has not been separately reported as the sales of this segment represent only 2.42 % of total sales (for the two-month period ended 31 March 2004: 0.67% of total sales).

23 Promotional privileges

As at 31 March 2005, six outstanding promotional privileges exempting the Company from corporate income tax are on 8 November 1995, 5 January 2000 and 30 August 2002 for the production of manufacturing molds, on 15 January 1998 and 7 October 2003 for the production of lighting equipment for automobiles and on 2 May 2002 for the electronic prototype design. Under these privileges, the Company will be exempted from corporate income tax for a period of 8 years from the date of commencement of earning revenue. As a promoted industry, the Company is required to comply with the terms and conditions as specified in the promotion certificates.

Sales are as follows:

	For the year ended 31 March 2005 Baht	For the two-month period ended 31 March 2004 Baht
BOI - Within privilege	1,330,029,449	239,451,899
- Exceed privilege	158,269,547	-
Non-BOI	5,381,354,499	847,960,773
	<u>6,869,653,495</u>	<u>1,087,412,672</u>

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

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