

STANLEY

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED



Stanley Group Vision

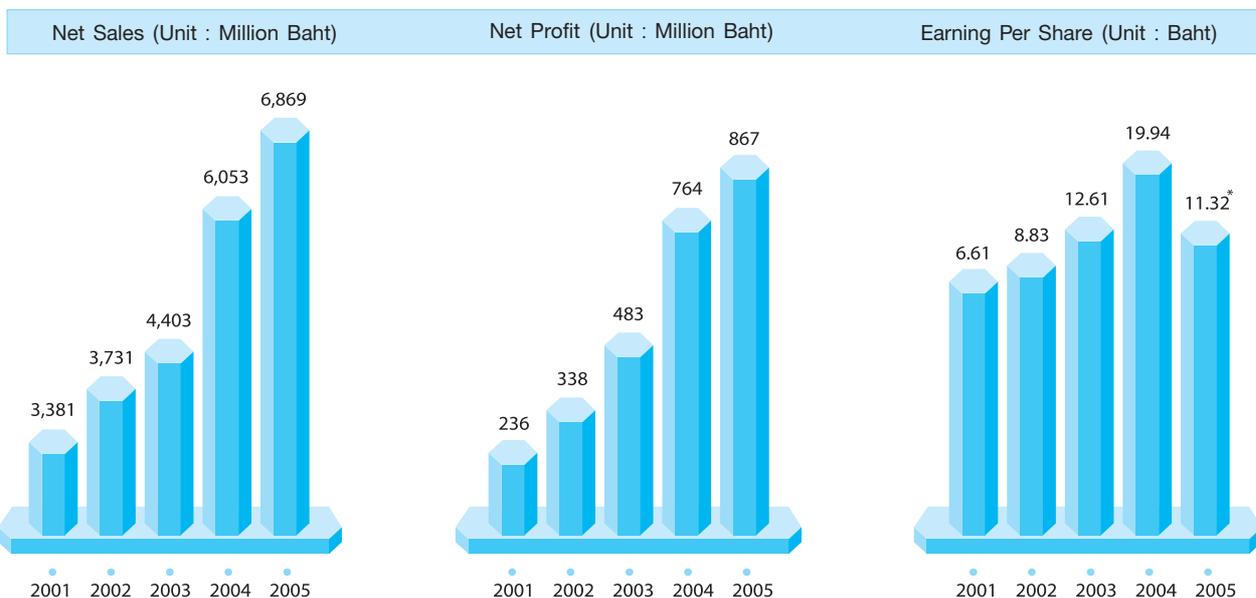


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	For the year ended 31 March 2005 (Thousand Baht)	For the year ended 31 March 2004 (Thousand Baht)	Change (%)
Operating Report			
Sales	6,869,653	1,087,412	*
Total Revenues	7,027,267	1,119,123	*
Cost of Sales	5,430,662	887,346	*
Selling and Administrative Expense	458,241	72,582	*
Net income before income tax and extraordinary item	1,138,364	159,195	*
Net Profit (Loss)	867,058	123,760	*
Financial Statement			
Current Assets	2,022,887	1,525,934	32.57
Total Assets	4,709,667	4,210,647	11.85
Current Liabilities	1,155,258	1,235,174	(6.47)
Shareholders' Equity	3,554,409	2,975,473	19.46
	Baht	Baht	
Net Profit (Loss) per Share	11.32	1.62	
Par Value	5.00	10.00	
Book Value per Share*	46.39	77.66	

* Cannot compare because of period 12 month of March 31, 2005 and period 2 month of March 31, 2004



* Split PAR from 10 Baht to 5 Baht

To Our Shareholders



Mr. Vitya Lee-issaranukul

Chairman



Mr. Hiroyuki Nakano

President

Economic Situation Overview

The growth rate of Thailand GDP for the fourth quarter of year 2004 has been reduced to 5% while the annual growth rate was at 6.1% or slowed down compared to last year GDP 6.7%. The major cause of this occurrence based on the slow down of public sector consumption, rising up of crude oil price, and increasing of interest rate. Anyhow, we can say that Thailand still capable to maintain her high level of growth rate.

Even though the trend for cost of living is possibly increasing due to the rising up of crude oil which is currently at 2.6% compared to last year, but the Low Interest Rate Policy which has been working pretty well allowed the positive consumption of the Thais and caused the Sales Amount of Automobile increasing to 17.4% compared to last year. The rising up of crude oil price also caused an effect to those of Manufacturing Production Index, and allowed the growth within this area to be limited at only 8.1%, considered to be less than last year which was at 12.3%.

The growth rate of Export Sector still be solid, especially for those related to Electronics Equipment Products such as semi-conductor, household electronics appliance, and Automobile Industrial Related Products, as well as Agricultural Related Products, etc. On the other hand, those of Import Sector was increasing at very high rate, especially for the

group of Steel Material and Machinery Related, which can be identified by the growth rate for Balance of Trade for year 2004 slowed down from 3.8% to 1.7%, while direct investment from overseas has been increasing to 49.3% compared to last year, which caused the volume of Foreign Exchange Reserves to be increased to 7.7 points compared to last year.

For this year the government has a policy to push those of Major Project related to Infrastructure and etc. Government's large investment, called "Mega Project" which expected to be the project that will play role as positive factor and help Thailand to maintain the increasing of her future growth rate.

The effect caused by the recovery of Economic Situation and Expansion of Export of Thailand allowed those Automobile Industrial Business in this country which is directly related to our company to be in positive trend, this indicated by the total Sales Amount of 626,000 ea. in Thailand (or 117% of last year), that can be considered as the recovering and has reached up the number of six hundred thousand level of automobile since the occurrence of Asia Economic Crisis while the total Sales Amount of Motorcycle in Thailand is of 2,044,000 ea. (or 116% of last year), which has been considered as the first ever of total Sales Amount of Motorcycle that reached up the number of two million level. For the Automobile side there was a wide range of investment on one ton pick up truck type, and most of them were brand

new model that finally made the expansion record to the same level as those of sedan types, while the sedan types in especially the medium size sedan types made a positive expansion rate.

On the other hand, the Motorcycle Business made a real good progress with the Sales Amount mostly for those upcountry areas which used the application of Low Interest Rate Loan method, although there still be some difference among the provincial areas but the expansion rate has been considered to be on the solid ground. From now on ,estimated that Automobile Business will rely mainly on Export Sector, while the expansion rate of Motorcycle Business will be continuously grow due to the effect from expansion of Low Interest Rate Loan to those provincial areas.

Under the above situation, the delivery amount of our company was 10% excess of the planned amount, which caused us a burden of continuous work to be done for 24 hours. For those Production Activities, we are not only based on the upgrading of Production Efficiency which is normally our fundamental standard, but we also highlighted on the upgrading of Quality in particular as well, this will be responded by every employees at all levels, which will also include our executive to unite their great effort on this matter.

Besides, we have increased more investment in order to maintain the upgrading of Efficiency which will allow us to be capable to support the future expansion of Production as well as pressing up of Capital Decreasing and Organization Reform, that will finally bring the real profit to our company, the said task is so challenging and must continuously be performed.

Future Trend

The expansion rate of Thailand Economic for the Year 2005 started to be in the slow down trend, but being one of high level growth rate country in the region has been estimated to be maintained, the rising up of crude oil price which once was expected to be in short term became not clearly be seen of its future, and under the said situation the expansion of Thailand Economic has been estimated to move forward due to the increasing of Demand caused by Low Interest Rate Loan Policy and the positive trend of Export Sector.

The total Sales Amount of Automobile for Year 2005 has been expected to be at the number of 650,000 ea. while the total Sales Amount Motorcycle will be at the number of 2,310,000 ea. (the number of 626,000 ea. and 2,044,000 ea. respectively).

From the above information we expected that our future Production Activities will be more vigorous due to the said situation, while realizing that the products from our company has already been placed on World Class Competition under the tense circumstances, and we will not possibly win this competition if we do not take any response and start strengthening up our competition power in order to cope with the said situation. Maintaining of the idea on taking up as many of Purchasing Order and Providing of the best Customer Services by mobilizing of everything we have to demonstrate the full scale capability of our organization, as well as performing of effective Production Reform Activities, and push forward the Decreasing of Raw Material Cost in order to turn our company to be the strong and powerful organization which will bring us to the real future Potential Profit Making Organization that will continuously be used as our Major Policy in the coming future as well.

The result from our effort in strengthening up of Organization Reform caused us this year to gain the satisfactory of increasing income and profit, which will respectively allow us to provide higher value of share to you. Moreover, the most pleasing event of all for our company is the honor to be selected by the Stock Exchange of Thailand and the Financial and Bank Journal to receive “ Best Performance Award ” in Industrial Branch from “ SET Award 2004 ” among the SET registered companies that has outstanding Financial Position and outstanding Business Result of year 2003. Since July 2004, which made us be award for two consecutive year.

We would like to express our sincere thanks to every shareholders for always giving us the great support and all the trustworthiness with appreciation. Anyhow, we realized that more improvement in many areas still has to be done, and that will continuously be of our best to perform the application of the said policy in order to gain more and more value of share, and sincerely hope to receive an advice if there still be any, as well as the full cooperation and support from all of you in the coming future and always.

Report of Audit Committee

Report of Audit Committee

The Audit Committee of Thai Stanley Electric Public Company Limited (“Company”) was set up by a resolution of the Board of Directors Meeting on 23th May 2003. The Audit Committee has been allocated duties and responsibilities in accordance with “The Audit Committee Charter” of the Company.

The Audit Committee comprises of 3 independent directors as follows:

- | | |
|---------------------------------|--------------------|
| 1. Mr.Kiat Shinno | Committee Chairman |
| 2. Mr.Krisada Visavateeranon | Member |
| 3. Mr.Chokechai Tanpoonsinthana | Member |

For the period April 1, 2004 to March 31, 2005 the Audit Committee convened 4 meetings. The key activities of the Audit Committee during the year are as follows:

1. Reviewing each Quarterly Financial Statements, and the Annual Financial Statements, by obtaining the clarification from management and the auditors, prior to presenting the Board of Directors meeting.
2. Reviewing and approving the Annual Internal Auditing Plan.
3. Reviewing Internal Control of Financial Systems Operation and Compliance Review, Taxation, Property Plant and Equipment and Environmental Legislation and Regulations.
4. Reviewing the progress of internal control of Working System that recommending in the past year.
5. Ensuring that the business of the Company is performed in accordance with the applicable laws and regulations.
6. Reviewing transactions between the Company and the related entitles, as well as any matters involving conflict of interest.
7. Ensuring that the Company discloses information in accordance with applicable laws and regulations.
8. Selecting Auditors and approving their remuneration.

The Audit Committee submits to the Board of Directors that, in its opinion, the Company’s activities for the period April 1, 2004 to March 31, 2005 are in accordance with the appropriate internal control of the Company. The Financial Statements contain no manifest error, the disclosure of information to those supervising agencies is also deemed to be consistent. The Audit Committee recommends that the shareholders at the annual general meeting re-appoint the PricewaterhouseCoopers ABAS Ltd. as the Company’s auditors.



(Mr.Kiat Shinno)

Chairman Audit Committee

The Board of Directors/The Executives

The Board of Directors

Chairman	Mr. Vitya Lee-issaranukul
Vice Chairman	Mr. Tomoichiro Hori
President	Mr. Hiroyuki Nakano
Executive Vice President	Mr. Apichart Lee-issaranukul
Executive Director	Mr. Masahiro Nakamura
	Mr. Akira Hosoda
	Mr. Shigeo Suzuki
	Mr. Thanong Lee-issaranukul
	Mrs. Pimjai Laochinda
	Mrs. Pornthip Sethiwan
	Mrs. Porndee Lee-issaranukul
	Mr. Toshio Uchikawa
	Mr. Hiroshi Kanazawa
	Mr. Kiat Shinno
	Mr. Krisada Visavateeranon
	Mr. Chokechai Tanpoonsinthana

The Executives



- | | | | |
|--|--|--|--|
| 1. Mr. Hiroyuki Nakano
President | 2. Mr. Apichart Lee-issaranukul
Executive Vice President | 3. Mr. Masahiro Nakamura
Executive Director | 4. Mr. Akira Hosoda
Executive Director |
| 5. Mr. Shigeo Suzuki
Director | 6. Mr. Shinichiro Kojima
Executive General Manager | 7. Mr. Yoshinori Tagashira
Executive Technical Advisor | |



New Products

Honda CR-V



Honda Jazz



New Products of Year 2004

The continuous positive improvement trend of overall Economic Situation of Thailand since Year 2004 allowed the continuous expansion of Automobile Market in the country, while the foreseeing of manufacturers for those of customers requirement caused the New Model Automobile at economic priceas well as the SUV Automobile for family use to be increasing in number.

Those new model of Automobile and Motorcycle manufactured to meet last year market requirement are as follow;

Motorcycle:

- HONDA CBR 150 R
- HONDA DREAM 125
- SUZUKI SMASH
- YAMAHA NOUVO MX
- etc.

Automobile:

- HONDA JAZZ
- HONDA CRV
- TOYOTA FORTUNER
- ISUZU MU-7
- MAZDA 3
- etc.

Mazda 3



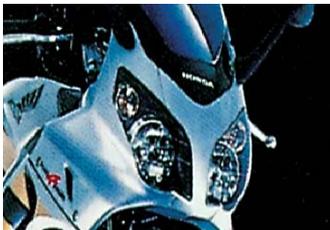
Toyota Fortuner



ISUZU Mu-7



Honda CBR 150 R



Yamaha Nouvo MX



Honda Dream



Suzuki Smash



Image of Our Success

Thai Stanley plc's success is widely recognized by both public and private sectors, several recognitions are awarded to the company in 2004.

As in safety aspect:

May 2004 Thai Stanley was awarded **“Outstanding enterprise in safety, Occupational health and environmental at work”** from The Ministry of Labor. This award was given only to company who paid utmost attention to the safety level and good environmental conditions of its employees.



As in business performance:

July 2004 Thai Stanley was awarded **“Best Performance”** in Industrial sector from SET AWARD 2004 organized by The Stock Exchange Of Thailand for its **“outstanding best performance for two consecutive year.”**

As in welfare and labor protection:

The company was awarded the certificate of **“Green Factory”** from The Department of Welfare and Labor Protection in November 2004 for passing the criterions of **“Green Factory Project”** in honorable to Her Majesty The Queen Sirikit.

AWARD

5 S Activities

The 5 S Activities of our company has been continuously performed for 2 years now, this was since the introduction of Idea Changing Project from previous application of 4 S Activities by the company at the very beginning of business into the present 5 S Activities which is now being used as Fundamental of all Activities in our company.

The performing of 5 S Activities has been carried on in Year 2004 as the continuous result from previous year, this 5 S Activities will be done 10 minutes everyday before working hours in the morning, as well as weekly 5 S Activities, then the added on of those related to 5 S Awards and Recommendations for every outstanding 5 S units of the month, this included Awards and Area Inspection of each units in every Quarter of Year, arranging of 5 S Status Sign Boards for every minor areas, and also visiting of those National Class outstanding 5 S Awards factory, etc. The full cooperation from all units in performing of every 5 S activities has been attained, though all employees were very busy with their routine working responsibilities for the whole year through, but maintaining of 5 S Activities still be well cooperated from all, which allowed us to receive a lot of compliment from large number of our visitors and customers.

In the Year 2005, preparing of newly added on Policy by our 5 S Committee has been done, in order to promote the continuous Growth and Development of 5 S Activities for our company in the coming future.



Corporate Environmental and Social Responsibility (CESR)

1. Thai Stanley Electric Public Company Limited Activities

1. Thai Stanley Electric Public Company Limited donate money for disastrous people in TSUNAMI to Pathumthani province and The Thai Red Cross Society amount 700,000 Baht.



2. THS. and ASI. donate 7 computers with equipments to Bangsai Arts and Crafts Centre.

Thai Stanley Electric Public Company Limited and Asian Stanley International Company Limited donate 7 computers with equipments to A Privy Councillor Mr.Thanin Kriwicheang for Bangsai Arts and Crafts Centre.



3. Supporting of the Stanley's Foundation Activities.

Thai Stanley Electric Public Company Limited has given out the sum of 1.5 million baht to the Stanley's Foundation to support the Social Affairs Activities

2. Stanley Thailand Foundation (STF) Activities

Education

1. 2004 Scholarship Ceremony

Scholarship Ceremony for year 2004 held on December 14,2004 at Thai Stanley Electric Public Company Limited. provided scholarship to 961 students from 25 educational institutions in Pathumthani.



2. Outshining Nakamura Fund Scholarship

Outshining Nakamura Fund Ceremony for year 2004 held on June 11,2004 at Asian Stanley International Co.,Ltd. provided to 4 students as
1. Waroon Boonkerd from Samwawittaya School, 2. Anan Thongpoo from Watchantharam School, 3. Prakasit Tipayanon from Watkeanket School, 4. Sirimol Chareonsem from Watsakae School and students from year 2001, 2002 and 2003 joined too and now student in Outshining Nakamura Fund Project are 14 students.



3. Sponsored in Stanley Science Contest No.4

On February 24, 2004 STF sponsored Kanarajbamrung Pathumthani School in organizing "Stanley Science Contest No.4" for promote science project to be an education activities in primary school and secondary school level from Pathumthani and neighboring province. STF supported in trophy and prize.





4. Sponsored in TPA Robot Contest

STF. Sponsored Technology Promotion Association (Thailand-Japan) in organize “TPA Robot Contest” in TPA robot Festival as Robot contest for production by bachelor level (TPA Robot Contest) and secondary school level (TPA Robot Gran-Prix Junior).



5. Gave books for Library activity, Sport Equipment, Science Equipment and Filter for schools in Pathumthani

In December 2004 to January 2005, STF. gave books for Library to 38 school

In November to December 2004, STF. gave Sport Equipment to Watchareonboon school, Watpungkaew school, Watratsattha school, Ruamrat school and Sangkarak school and gave Science Equipment to Watchantharam school and Bangchudanusorn school and gave Filter to Samwawittaya school.



Environment

Garbages Activity

In January 2005, STF. gave 30 garbages to Banklang and Kukwang Office of subdistrict Organization Administration for local environment.



Other public activities

1. Gave Physical model for SHARE

On August 6, 2004 STF. gave Physical Model for support operation to resist AIDS to SHARE, Ubonratchathani province.

2. Gave necessary accessories to AIDS patients Activity

On October 30, 2004 STF. gave necessary accessories such as Towel, Rice and Blanket for AIDS patient at Watprabatnampu, Lopburi province.



3. Gave The Shoulder Exercise and necessary accessories to Ruamphanya Person Lame Association, Nontaburi.

On May 25, 2004 STF. gave equipment for shoulder exercise and necessary accessories such as powdered detergent, powder, soap, dentifrice for lame children at Ruamphanya Person Lame Association, Nontaburi.

4. Teacher Development Project

In July to December 2004, STF. arranged 2nd year for Teacher Development activity in General Teaching skill using child-untred method that is provide solid foundations for students and concentrated this training on primary schools and arranged for 2 class for 145 teachers from 11 schools in Muang and Samkok district ,training by an expert from Meanprasartvittayakom School and Teacher Plus Foundation as cooperation



Stanley New Approach for Higher Productivity (SNAP)

Production Improvement Activities

Our Production Improvement Activities has been maintained and being continuously performed under the name of SNAP (Stanley New Approach for Higher Productivity) Activities, which has been considered as Fundamental Policy of the company, and will be then finally turn into the Culture of our Organization. Based on last year, we attained the achievement in “**Reduce Production Lead Time**” Activities by adjusting and eliminating the occurrence of time elapse for the Work on Process and made Work Flow to run smoothly all the way through, which caused the result for Work in Process from Injection to Surface and Assembly to be respectively run continuously run, while the Production Lead Time has been shortened, and allow us to be capable to reduce the Number of Inventory which is part of Work in Process of Production Process, as well as upgrading of Employees’ Capability and effectively eliminating of MUDA from Moving Activities during the Process.

Performing of our continuous Production Improvement Activities for the coming years will be maintained, while the establishment of SNAP Trainer School has already been planned in order to upgrade the knowledge and skills level of those Training Qualified Players and turn them into Capable Qualified Trainers, that their knowledge will finally be tangibly transferred to those of Operation Level.



Result of Improvement

THS. SNAP RESULT	2001	2002	2003	2004
Katsu-Jin (Ability to reduce employee)	266.1	323.6	369	466.5
Katsu-Space (Ability to reduce space)	4,302.4	4,513.3	7,613.8	5,057.9
Value Added (Baht/Person)	1,075.0	1,419.0	1,596.0	1,752.1
Total Player (Persons)	128	63	64	63
Total Trainer (Persons)	4	5	6	8

■ Financial Statement 2004



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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

Balance Sheets

Thai Stanley Electric Public Company Limited

For the year 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		2,022,887,315	1,525,933,507
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		2,686,779,798	2,684,713,422
Total assets		4,709,667,113	4,210,646,929

The note to the financial statements on pages 20 to 38 are an integral part of these financial statements

Balance Sheets

Thai Stanley Electric Public Company Limited

For the year 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 payable - 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		1,155,258,418	1,235,174,401
Total liabilities		1,155,258,418	1,235,174,401
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		3,554,408,695	2,975,472,528
Total liabilities and shareholders' equity		4,709,667,113	4,210,646,929

The note to the financial statements on pages 20 to 38 are an integral part of these financial statements

Statements of Income

Thai Stanley Electric Public Company Limited

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

	Notes	For the year ended 31 March 2005 Baht	For the two-month period ended 31 March 2004 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		7,027,267,373	1,119,123,032
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		5,885,830,443	959,331,599
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		867,058,292	123,760,225
			(Restated)
Basic earnings per share	15		
Net profit for the year/period		11.32	1.62

The note to the financial statements on pages 20 to 38 are an integral part of these financial statements

Statement of Changes in Shareholders' Equity

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

Statement of Changes in Shareholders' Equity

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	-	-	(800,000)	-	-	(800,000)
Net profit for the year	-	-	-	-	867,058,292	867,058,292
Dividends paid	-	-	-	-	(287,322,125)	(287,322,125)
Closing balance	383,125,000	504,250,000	3,780,000	38,312,500	2,624,941,195	3,554,408,695

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	-	-	(1,760,000)	-	-	(1,760,000)
Net profit for the period	-	-	-	-	123,760,225	123,760,225
Closing balance	383,125,000	504,250,000	4,580,000	38,312,500	2,045,205,028	2,975,472,528

The note to the financial statements on pages 20 to 38 are an integral part of these financial statements

Statement of Cash Flows

Thai Stanley Electric Public Company Limited

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

	Notes	For the year ended 31 March 2005 Baht	For the two-month period ended 31 March 2004 Baht
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
		1,386,557,085	104,574,796
Interest paid		(3,006,284)	(642,411)
Income tax		(254,764,195)	(1,306,550)
Net cash provided by operating activities		1,128,786,606	102,625,835

The note to the financial statements on pages 20 to 38 are an integral part of these financial statements

Statement of Cash Flows

Thai Stanley Electric Public Company Limited

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

	Notes	For the year ended 31 March 2005 Baht	For the two-month period ended 31 March 2004 Baht
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		(485,312,080)	(80,480,105)
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		(587,322,125)	5,000,000
Effects of exchange rate changes		82,457	(191,751)
Net increase in cash and cash equivalents		56,234,858	26,953,979
Cash and cash equivalents at beginning of the year/period		107,280,637	80,326,658
Cash and cash equivalents at end of the year/period	3	163,515,495	107,280,637
Non-cash items			
Purchase of property, plant and equipment by credit		39,739,507	21,660,539

The note to the financial statements on pages 20 to 38 are an integral part of these financial statements

Notes to The Financial Statement

Thai Stanley Electric Public Company Limited

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

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 Bangpoon-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 shareholder's 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 Baht	2004 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	-
	163,515,495	107,280,637

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- other companies		Trade accounts receivable- related companies	
	2005 Baht	2004 Baht	2005 Baht	2004 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	1,028,408,846	883,429,106	154,050,674	143,127,917

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
	1,029,097	883,429	154,627	143,128

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
	814,177	94,622
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
	5,699	2,646
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
	1,016,526	102,856

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	13,551	-
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
	154,051	143,128
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
	239,960	218,639
Other payable - related companies		
Stanley Electric Group companies	89,940	46,553

6 Inventories, net

Inventories are as follows:

	2005 Baht	2004 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
	643,836,884	365,287,355
<u>Less</u> Allowance for slow moving inventories	(8,191,227)	(8,191,227)
Inventories, net	635,645,657	357,096,128

7 Investments in associates

	2005 Baht	2004 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	118,276,645	96,542,472

Investments - equity method are made up as follows:

Name	Business activity	Paid-up share capital (million)	2005			2004		
			% of Holding	Amount Baht	Dividend Baht	% of Holding	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	-
				118,276,645	15,084,447		96,542,472	-

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 Baht	2004 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	3,960,000	4,760,000
Investments in related companies - cost method		
Opening net book amount	121,184,215	121,184,215
Closing net book amount	121,184,215	121,184,215
Investments in other companies - cost method		
Opening net book amount	24,490,640	24,490,640
Closing net book amount	24,490,640	24,490,640
	149,634,855	150,434,855

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
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)	-
				3,960,000	136,000		4,760,000	128,000

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)	2005			2004		
			% of Holding	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 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	-
				121,184,215	18,096,113		121,184,215	-

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 Hitechs 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 products	Baht 28.9	17.3	5,000,000	-	17.3	5,000,000	-
				24,490,640	1,560,000		24,490,640	-

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 Buildings 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	1,504,812,081	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)	(972,268,114)	(29,597,733)	(42,791,995)	-	(2,923,379,883)
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
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	363,546,209	72,431,055	273,163,593	782,049,920	545,779,746	25,683,861	21,871,208	316,543,852	2,401,069,444
At 31 March 2005									
Cost	363,546,209	152,903,381	494,730,184	2,610,200,223	1,623,159,066	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)	(1,077,379,320)	(36,018,556)	(49,378,833)	-	(3,292,965,929)
Net book amount	363,546,209	72,431,055	273,163,593	782,049,920	545,779,746	25,683,861	21,871,208	316,543,852	2,401,069,444

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

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

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
	108,084,922	23,042,915

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 shareholder's 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 shareholder's 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). Director's 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 Baht	2004 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 Baht	2004 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
	6,869,653,495	1,087,412,672

Financial Statistics in 5 Years

(Unit : Thousand Baht Except For Figure Per Share)

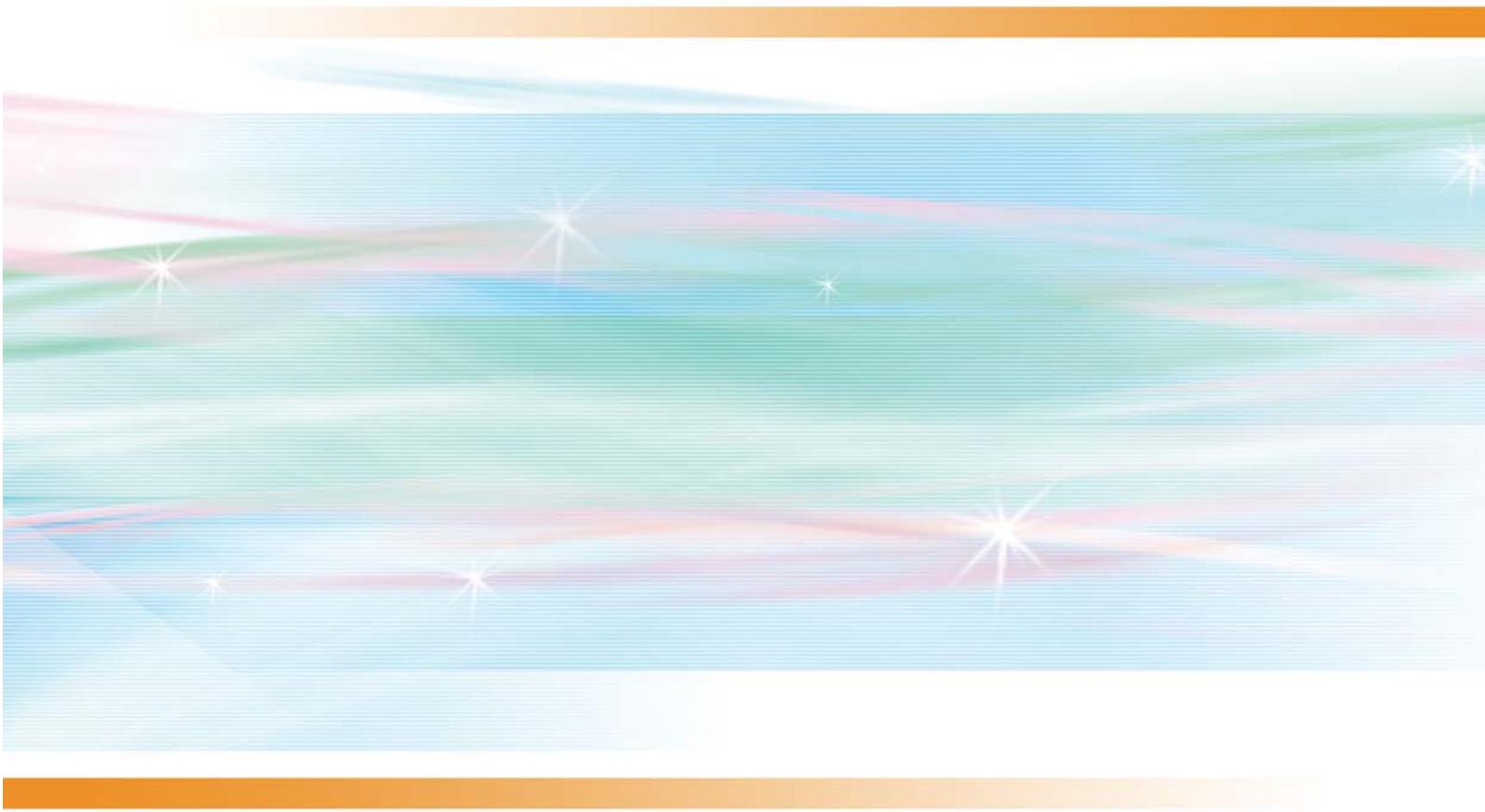
	31 Mar 05	31 Mar 04	31 Jan 04	31 Jan 03	31 Jan 02
Report on Operation					
Sales	6,869,653	1,087,413	6,053,228	4,403,516	3,731,850
Cost of Sales	5,430,662	887,346	4,792,336	3,15,112	3,116,841
Net Profit (Loss)	867,058	123,760	764,059	483,173	338,283
Net Profit (Loss) per Share (Baht)	11.32	1.62	19.94	12.61	8.83
Net Profit Margin (%)	12.34	11.06	12.31	10.65	8.74
Return on Equity (%)	26.56	4.25	29.97	23.46	19.43
Return on Total Assets (%)	19.44	3.00	20.46	15.53	12.85
Dividend per Share (Baht)	*	1.00	6.50	4.20	2.90
Dividend Ratio (%)	*	30.96	32.60	33.30	32.84
Assets & Liabilities and Shareholders' Equity					
Current Assets	2,022,887	1,525,934	1,359,845	1,292,759	988,933
Property, Plant and Equipment, Net	2,401,069	2,415,699	2,405,796	1,900,266	1,605,934
Total Assets	4,709,667	4,210,647	4,029,496	3,438,872	2,783,890
Current Liabilities	1,155,258	1,235,174	1,176,023	1,192,677	910,759
Long Term Liabilities	-	-	-	-	425
Shareholder's Equity	3,554,409	2,975,473	2,853,472	2,246,194	1,872,205
Capital Registered	383,125	383,125	383,125	383,125	383,125
Capital	383,125	383,125	383,125	383,125	383,125
Book Value Per Share (Baht)	46.39	77.66	74.48	58.63	48.87
Number of Shares**	76,625	38,312.50	38,312.50	38,312.50	38,312.50
Par Value (Baht)	5.00	10.00	10.00	10.00	10.00

* It will be Approved From The Ordinary Shareholders' Meeting.

** Calculated Using The Weighted Average Method

Milestone

May	1980	- Establishment and registration of the Company in Bangkok for the purpose of manufacturing and selling automotive bulbs with and initial capital of Bt. 10 million under investment.
August	1984	- Received investment promotion from The Board Of Investment to manufacture Lighting Equipment and completion of factory for Lighting Equipment.
October	1987	- Received investment promotion from The Board Of Investment to manufacture Die & Mold. Increased capital to Bt. 53 million.
March	1988	- Investment in a new company. (Asian Stanley International Co., Ltd.)
April	1988	- Completion of Die & Mold factory.
November	1990	- Completion of new factory for Lighting Equipment.
May	1991	- The Company was listed in The Stock Exchange of Thailand.
June	1991	- Completion of head office building.
November	1991	- Received investment promotion from The Board Of Investment for establishment Research & Development Center.
July	1993	- Registered transform to The Public Company Limited and increased capital to 274.5 million baht and changed name to Thai Stanley Electric Public Company Limited.
September	1993	- Signed technical assistance agreement with Electro Polymers (PVT.) Ltd. in Pakistan to produce automotive lighting equipment.
October	1993	- Establishment of The Stanley (Thailand) Foundation registered capital Bt. 200,000.
November	1993	- Signed joint venture agreement for establishment of Lao Stanley Co., Ltd. in Lao People's Democratic Republic.
September	1994	- Received an award for the best organization from Ministry of Labor and Social Welfare.
October	1994	- Participated of equity for Sum Hitechs Co., Ltd., Sirivit Stanley Co., Ltd. and Lumax Industries Limited.
May	1995	- Signed Joint Venture agreement of establishment of Top Hightech (Thailand) Co., Ltd.
June	1995	- Increased capital to 383.125 million baht.
September	1995	- Completion of Welfare building.
November	1995	- Completion of new factory for Lighting Equipment for Automobiles.
May	1996	- Signed Joint Venture agreement of establishment of Vietnam Stanley Electric Co., Ltd. in Hanoi, Vietnam.
October	1996	- Completion of new factory for Molding Plant.
July	1997	- Completion of expansion factory for Die & Mold.
January	1999	- To certified quality system ISO 9002 in manufacturer of Automotive bulb and Die & Mold.
July	1999	- To certified quality system ISO 9001 in manufacturer of Die & Mold.
May	2000	- Completion of expansion factory for Automotive bulb and Die & Mold.
May	2000	- Signed technical assistance agreement with Unitech Machines Limited in India to produce Automotive Lighting Equipment.
September	2000	- Received "Female and Child Labour Management Achievement" Certificate from Ministry of Labour and Social Welfare.
January	2001	- QS 9000 Quality System has been acquired for Automotive bulb and Lighting Equipment Division.
May	2001	- Joint Investment with Stanley Electric Company Limited to establish Stanley Electric Engineering India PVT. Ltd. (SEI.) in India. In order to support the potential expansion of India market.
September	2001	- Joint Investment with Stanley Electric Company Limited to establish P.T. Indonesia Stanley Electric in Indonesia. In order to support the potential expansion of Indonesia market.
September	2002	- To certified environmental management ISO 14001.
July	2003	- Received " Best Performance " Award in category of industrial on " SET AWARD 2003 " from The Stock Exchange of Thailand.
October	2003	- Completion of new factory in Navanakorn Industrial Estate for Plastic Injection Parts and Lighting Equipment for vehicle.
May	2004	- Received "The Best Performance Company of Safety, Occupational Health and Environmental at Work" Award 2004 from Ministry of Labour.
July	2004	- Received "Best Performance" Award in category of industrial on "SET AWARD 2004" from The Stock Exchange of Thailand.
November	2004	- Received "Green Factory" Certificate from Pathumthanee Province Labour and Welfare Protection Government.



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