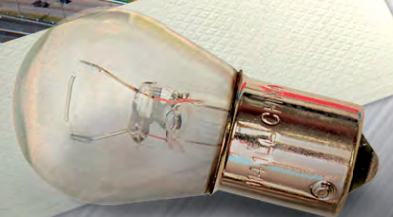


# STANLEY

Thai Stanley Electric Public Company Limited  
บริษัท ไทยสแตนเลย์การไฟฟ้า จำกัด (มหาชน)



รายงานประจำปี 2553  
**ANNUAL REPORT**  
2 0 1 0



# STANLEY GROUP VISION



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# HIGHLIGHT

	For the year ended 31 March 2011 (Thousand)	For the year ended 31 March 2010 (Thousand)	Change (%)
<b>Operating Report</b>			
Sales	8,939,609	7,286,367	22.69
Total Revenues	9,165,380	7,470,568	22.69
Cost of Sales	6,581,400	5,715,725	15.15
Selling and Administrative Expense	656,132	538,983	21.74
Profit before financial costs and income tax	2,011,920	1,308,611	53.74
Net Profit (Loss)	1,427,712	957,441	49.12
<b>Financial Statement</b>			
Current Assets	5,746,468	4,597,894	24.98
Total Assets	9,865,314	8,441,498	16.87
Current Liabilities	1,532,641	1,132,906	35.28
Total Liabilities	1,624,932	1,179,659	37.75
Shareholders'Equity	8,240,382	7,261,839	13.48
<b>Financial Ratio</b>			
	<b>Baht</b>	<b>Baht</b>	
Net Profit Margin (%)	15.58	12.82	
Return on Equity (%)	18.42	13.66	
Return on Total Asset (%)	15.60	12.01	
Debt to Equity (times)	0.20	0.16	
Net Profit (Loss) per Share	18.63	12.50	
Par Value	5.00	5.00	
Book Value per Share	107.54	94.77	

HIGHLIGHT

TO OUR  
SHAREHOLDER

THE BOARD OF  
DIRECTORS &  
THE EXECUTIVES

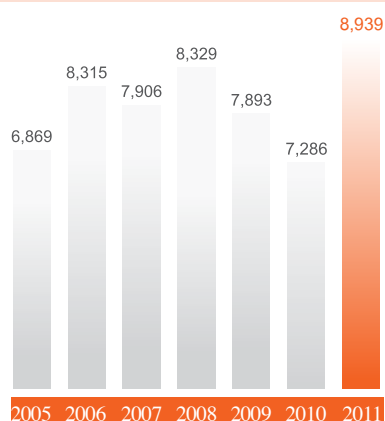
THAI STANLEY'S  
PRODUCTS

NEW PRODUCTS

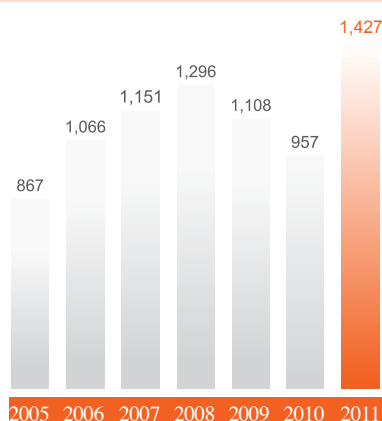
CSR REPORT

MILESTONE

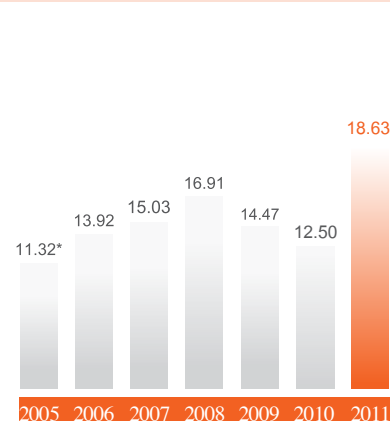
Net Sales (Unit : Million Baht)



Net Profit (Unit : Million Baht)



Net Profit (Loss) per Share (Unit : Baht)



\* Split PAR from 10 Baht to 5 Baht

# TO OUR SHAREHOLDER

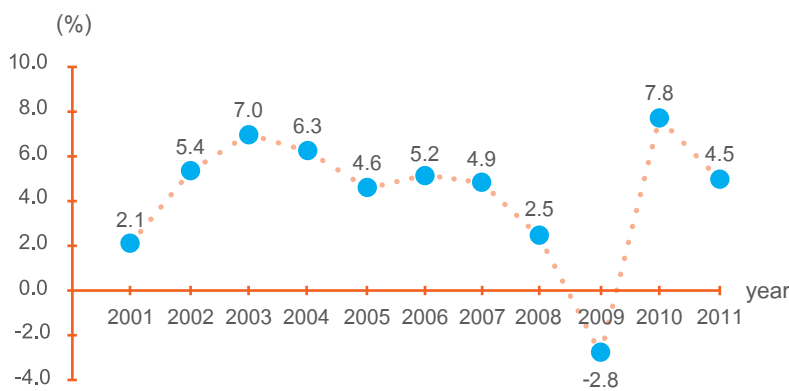
## 1. Economic Situation in general

Thailand economic in the year 2010 has recovered from the Lehmann Brothers financial crisis. It results in a better economic growth rate of Thailand, 7.8%, compares to the previous year. The rates are 12.0% in the first

quarter, 9.1 % in the second quarter, 6.6% in the third quarter and 3.8 % in the fourth quarter.

Ministry of Finance predicts that Thailand economics in the year 2011 will be expanding at 3.5 to 4.5 %. However, since automotive

manufacturers have been affected from the big earthquake in Japan so they must decrease their production capacities. The affect will go on until the end of this year and the further situation is not able to be predicted.



GDP growth rate  
(2001–2011)  
(source Ministry of Finance )

## 2. Trend of Automotive Industry

Automotive Industry, which is an industry relates to our company, has recovered from Lehmann Brothers financial crisis. Domestic car sales volume in the year 2010 is 800,357 units which is a historically high. (increasing 45.8 % compares to the previous year)

Manufacturing volume is also a historically high. The volume is 1,644,416 units, (increasing 64.5 % compares to the previous year). The increasing volumes are for both domestic sales and export.

Analysis for each quarter, car manufacturing volumes were 382,944 units in the first quarter, 386,050 units in the second quarter, 428,236 units in the third

quarter and 447,186 units in the fourth quarter. The manufacturing volume highly increased in the second half of the year.

Domestic car sales in the year 2011 are predicted to be 860,000 units (increasing 7.5 % compares to the previous year) and the manufacturing volume is 1,800,000 units (increasing 9.4 % compares to the previous year). However, on 11 March 2011, Japan faced a big earthquake disaster; this affects delivery of parts for manufacturing so the manufacturing volume will highly decrease.

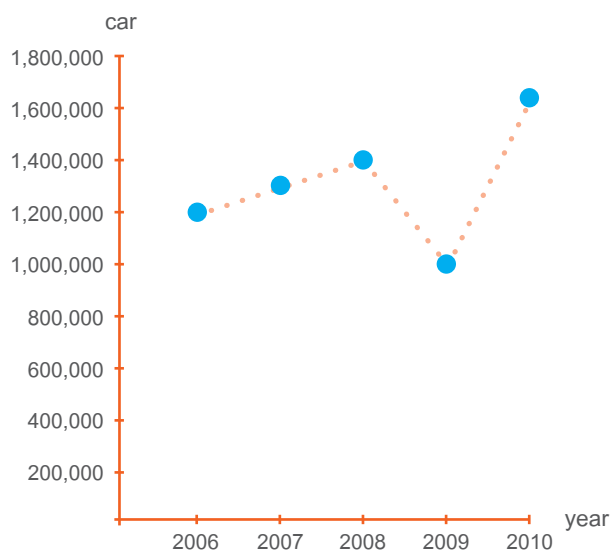
For motorcycle market, domestic sales volume was

1,845,997 units (increasing 20.2% compares to the previous year). Motorcycle manufacturing volume was 2,024,599 units (increasing 23.82 % compares to the previous year). Considering highly increase in manufacturing.

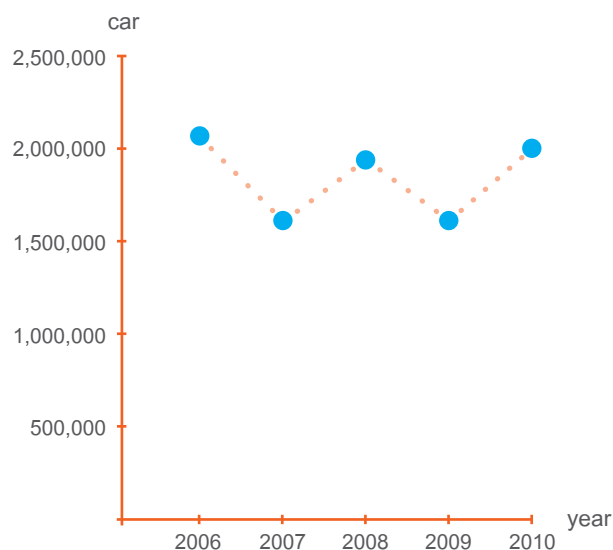
Motorcycle market situation in the year 2011 is still bright. The forecast motorcycle sales volume is 2,000,000 units (increasing 8.3 % compares to the previous year) and the manufacturing volume is 2,300,000 units (increasing 13.5% compares to the previous year).

Since the motorcycle market has limited affects from the disaster in Japan, sales volume is predicted to increase.

## TO OUR SHAREHOLDER



Car sale volume (2006 – 2010) (Domestic + Export)  
(Source Automotive Institute)



Car sale volume (2006 – 2010)  
(Source Automotive Institute)

### 3. Company operation

Under these economic situation and automotive industry circumstance, sales volumes of the company in the year 2010 increased 22.7 % compared to the previous year. Profit from operation also increased 58.6 % compared to the previous year. This is a result from production system improvement by SNAP activities. (Stanley New Approach for higher

Productivity - activities for production reform). This makes the company to be able to achieve a historically high profit.

By continuously doing quality improvement activities which aim at zero defect including waste erasing activities in each operation area resulted in a better company performance and also gain more trust from customers.

Furthermore, the company has performed “visual control” activities in each operation area by implement a system that identifies a problem promptly and solving problems in time. The company also supports and persuades stock reducing and utilizes property at the most.

#### <Sales structure>

Main businesses of the company can be divided into three categories. They are “lamp bulb business”, “lamp business” and “Die & Mold business”.

Sales ratio of lamp business is 91.6 % and the rest 8.4 % is for bulb business and mold/design business.

For bulb business, manufacturing is not only for sale but also as parts for lamp assembly.

For mold business, mold equipments are not only for lamp assembly injection but also selling to companies in Stanley group and business partners.

For design business, designs are not only for manufacturing of lamp but also design and sell to companies in Stanley group and business partners.

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# TO OUR SHAREHOLDER

Sales amount and structure of each business in the year 2010 are as follow.

unit : thousand baht

	year 2010 (Apr. 2010 – Mar. 2011)		year 2009 ( Apr.2009 – Mar. 2010)		Change
	amount	ratio	amount	ratio	
Bulb	558,810	6.2%	583,676	8.0%	(4.7%)
Lamp	8,185,429	91.6%	6,300,577	86.5%	29.9%
Die & Mold and R&D	195,370	2.2%	402,114	5.5%	(51.4%)
total	8,939,609	100.0%	7,286,367	100.0%	22.7%

\* In company transferring amount. Is not include in Bulb, Die&Mold .

## <Investment>

Investment in the year 2010, a piece of land was purchased for building a new factory. Investment details are as follow.

unit : million baht

	year 2010 (.Apr. 2010 – Mar. 2011)	year 2009 (.Apr. 2009 – Mar. 2010)	Change (%)
	amount	amount	
Land	227.88	111.76	103.9%
Building	1.69	2.38	(28.9%)
Equipment, machine and tool	473.10	195.06	142.5%
Mold and Jig	215.05	122.35	75.8%
others	12.37	1.56	692.9%
total	930.09	433.11	114.8%

## <Employment>

Since production and sales increase, employment increase by approximately 15 %. Numbers of employee at the end of 2010 are as follow.

unit : person

	Numbers of employee at the end of 2010	Numbers of employee at the end of 2009	Change
domestic employee (male)	1,562	1,377	185
domestic employee (female)	1,333	1,141	192
Japanese employee	32	30	2
total	2,927	2,548	379

## TO OUR SHAREHOLDER



**Mr. Hiroyuki Nakano**  
President



**Mr. Apichart Lee-issaranukul**  
Executive Vice President

#### 4. Future trend

Thailand economic is in a growing trend likes all the countries in Asean region, especially in a role as an automotive export base concentrating on manufacturing of ECO Car.

On the other hand, the BRIC's countries such as People's Republic of China, India are also competing heavily with countries in Asean. This is a worldwide competition and it is necessary to win the price.

Under this business circumstance, the company aims for future, must reform its production system by concentrate on SNAP (Stanley New

Approach for higher Productivity-production reform activity). It also promotes technology development and product development in order to expand its operation for continual growth.

The company will fuse brains and abilities of all employees in Thai Stanley and group companies in order to get customer trust in quality, cost and delivery. It will also expand its business and strengthen our working system.

Furthermore, the company will manage its business in order

to grow with all the stage holders (share holders, business partners, employee and local communities) to share profits and happiness.

From now on, the company will operate following the above means and will try to distribute its profit to get satisfaction from all share holders. Thus, the company would like to ask for cooperation both in advices and supports from all share holders.

**Thai Stanley Electric Public  
Company Limited**

**Mr. Hiroyuki Nakano**  
President

**Mr. Apichart Lee-issaranukul**  
Executive Vice President

# THE BOARD OF DIRECTORS AND THE EXECUTIVES



## THE EXECUTIVES

1. Mr. Hiroyuki Nakano  
President
2. Mr. Apichart Lee-issaranukul  
Executive Vice President
3. Mr. Koichi Nagano  
Director
4. Mr. Shigehiro Kobayashi  
Executive General Manager
5. Mr. Yasuhiro Amano  
Executive General Manager
6. Mr. Nobuhiro Takahashi  
Executive General Manager
7. Mr. Tomokazu Wakayama  
Deputy Executive General Manager

## THE BOARD OF DIRECTORS

- |                                   |                 |                      |
|-----------------------------------|-----------------|----------------------|
| 1. Mr. Hiroyuki Nakano            | Nakano          | Director             |
| 2. Mr. Apichart Lee-issaranukul   | Lee-issaranukul | Director             |
| 3. Mr. Koichi Nagano              | Nagano          | Director             |
| 4. Mr. Thanong Lee-issaranukul    | Lee-issaranukul | Director             |
| 5. Mrs. Pimjai Laochinda          | Laochinda       | Director             |
| 6. Mrs. Pornthip Sethiwan         | Sethiwan        | Director             |
| 7. Mr. Katsutoshi Iino            | Iino            | Director             |
| 8. Mr. Katsumi Kondo              | Kondo           | Director             |
| 9. Mr. Krisada Visavateeranon     | Visavateeranon  | Independent Director |
| 10. Mr. Choekchai Tanpoonsinthana | Tanpoonsinthana | Independent Director |
| 11. Mr. Suchart Phisitvanich      | Phisitvanich    | Independent Director |
| 12. Mr. Picharn Sukparangsee      | Sukparangsee    | Independent Director |



## THAI STANLEY'S PRODUCTS



Thai Stanley Electric Public Company Limited is entire lighting for motor vehicles manufacturer, consisting of three main products are bulbs, lamp and molds. The company has been establishing for 30 years with the evolution of the design and manufacturing to achieve quality products, nice-looking modern design and presently compatible usage.

The process of the products, begins from the products design,

research and development responds to the customer's needs that considering the modern innovation. Then it goes to the process of manufacturing with advanced technology machines and equipments. Begins from the producing of the molds which for the lamp types, send the molds to the assembly factory to inject the various of lamp parts and assembly the bulbs with the lamp parts to be the lamp sets as finish goods. These products have been

inspected for quality such as heat, vibration, dust, water, etc. to ensure that the products will be delivered to customers with quality and follow the standard that were certified as quality standards such as ISO 9001, ISO/TS 16949 and ISO 14001.

The company is still committing to develop the capability of products to step into the international recognition all over the world.



**RAYBRIG** is accessory of bulbs and lamps which imported from Japan, features enhanced bright-ness light and safety of automobile drivers mainly.

**RAYBRIG** focus on create a product which have a quality to

global standard for users have a confidence in product. We produce bulbs brightness is suitable for visually of drivers and able to use on weather conditions. Furthermore, **RAYBRIG** has developed the type of bulbs and lamps to more various.

Taking the features of usability and technology has advanced to use for beauty and safety of driver's vehicles. (For more information, please visit our website at <http://www.raybrig.gr.jp>)



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# NEW PRODUCTS

## New Product 2010

In 2010, the automotive industries have expanded growth rate consecutively although there are not many the new models of automobile and motorcycle. The

concept of commitment in the development will focus to the small cars, which save energy and environment – friendly, (ECO CAR) The motorcycles will focus on the

modern design and the specified target groups .

New Product of automotives and motorcycles as following :

## Motorcycle

YAMAHA : FIORE , FINO



• FIORE



• FINO

## Automobile

HONDA CARS : JAZZ, BRIO



• BRIO



• JAZZ

The company conducts the business under the philosophy “Never-ending exploring the values of light, developing and improving the management system as a manufacturer, and retaining our aspiration supporters” and Stanley Group has adhered to this philosophy for more than 10 years. In the viewpoint of the Automotive Lighting Equipment Manufacturer, Light is like a creator that brings about unlimited benefits to the humankind. Therefore, exploration, research, and study are needed in order to get a new approach that can turn the potential of light into technology and Stanley products. The manufacturing process has also been developed and improved; especially, **SNAP (Stanley New Approach for higher Productivity)** system has been implemented resulting in the sustainable productivity.

To achieve the company objectives and preserve its reputation of integrity and trust for its investors and stakeholders, the company has developed a range of policies such as Compliance Policy, Quality Management Policy, and other policies so as to be a practice guideline for the business operation. Management is responsible for assessing, monitoring, updating, and improving such policies.

The activities in Year 2010 included:

## Production Efficiency Improvement through SNAP (Stanley New Approach for higher Productivity) activity

As the economic rapidly recovered last year, the production efficiency improvement therefore played an important role. Many areas needed improvement in order to serve the increasing demand which was much higher than planned. Also, the resources, manpower, and equipment were utilized as much as possible.

The agenda in the weekly meeting of Performance Improvement Strategy Office has been adjusted to correspond to the increasing orders.

In addition, SNAP Promotion team from Stanley Electric Co., Ltd. in Japan has visited to conduct an audit of the production efficiency improvement by focusing on Visual Check, Quality Control, Delivery Control, People



• SNAP (Stanley New Approach for higher Productivity) patrol

Control, New Product Control, and Production Line Control in order to ensure that the implementation can achieve the desired results. The audit result was highly satisfactory as discussed in the

meeting of Performance Improvement Strategy Office. The implementation will be extended to other factories this year.





Other activities that were held last year included:

- **SNAP Mieruka (Visualize) Patrol:** The management went visiting the production areas to oversee and give advices to the field staff about work improvement that helps

to prevent the wastes. This activity is held every week and moved to different production areas. Next year, the linear method will be used in order to fully utilize the benefits from the improvement.



- **SNAP Player:** It is the ongoing activity in order to increase Kaizen Man for work improvement.
- **SNAP Leader Conference:** The meeting to review last month performance and plan for next month activities.
- **SNAP Report:** The activity was held every month. Top management will inspect and monitor the progress of work improvement of each unit.

This year, the indirect units will be the target of improvement which is apparent that the company pays a lot of attention to the production improvement activity as a main tool to serve the economic change; especially the impact from natural disaster in Japan.





## Safety, Environmental, and Energy Preservation Activities

The company continues paying attention to Safety, Environment, and Energy Preservation activities by emphasizing on monitoring, assessing, and providing knowledge and understanding for the company employees as well as the relevant parties.

### Safety Activity

The company Safety activities are run by the Occupational Safety, Health and Environment Committee which comprises the management representatives and the employee representatives who were elected on July 16, 2010 with 2 - year term. The duty of employee representatives is to propose policy and operation plan while Safety and Environment Department working under Management function will execute the policies and the operation plan set by the Occupational Safety, Health and Environment Committee. Safety activities included:

### Safety inspection by Management (EBM Patrol)

Safety is considered very important so the management has inspected the safety condition which includes heat, light, sound, and chemical quantity in the air throughout the company every month in order to ensure the continuing and all-round improvement.



• Fire Fighting Training of Top Gun Team

### Top Gun Team

Emergency Response Team called Top Gun Team has been established to respond to the emergency incidents and fire-fighting. This team is trained with the specific courses to be able to deal with different incidents both in the company and in the community. The company sent the Top Gun Team to participate the Emergency Response Team Contest in Safety Week 24 event which was held on July 8, 2010 at Bangkok International Trade & Exhibition Center (BITEC), Bangna. The team won 2nd Consolation Prize from the total of 23 teams.



• Won 2nd Consolation Prize, participated the Emergency Response Team Contest

### Safety Awareness Activity

Promoting safety awareness for every employee is the key policy of Occupational Safety, Health, and Environment Committee. Every year, the training courses, average 25 courses, are conducted for all level of employees such as first aid, safety driving and traffic discipline, basic firefighting, risk assessment, basis

accident preventive etc. The company shall conduct one-day orientation for every new employee before starting work. Safety Manual is also provided as a work guideline.

- *Safety Driving and traffic discipline Training*



Safety News is consistently communicated through the company media such as Safety Board, News Letter, Voice Broadcasting, and Monday Meeting.



- *Training & Audit Supplier*

Besides the internal activities, safety measure has been extended to the concerned parties such as Suppliers. With the cooperation of Purchasing Department, Training & Audit Supplier Plan was therefore set up and Purchasing Department selected the suppliers that will be provided knowledge and understanding and will be monitored safety and environment condition with the target of 15 companies at the initial stage. The company also allowed the academic institutions to visit the company to learn about the company safety activities.

The company safety activities are well accepted by the customers and the company's subsidiaries. Moreover, the company has won the Outstanding Enterprise Award on Safety, Occupational Health and Environment since 2004 until present.



- *The Outstanding Enterprise Award on Safety, Occupational Health and Environment*

The company continues developing safety activity by setting Zero Accident target for 5 million hours and 10 million hours respectively and aiming to be certified for the Occupational Health and Safety Management System (TIS/OHSAS18001).

## Environmental Activities

The company sets up the Environmental Committee to execute plan under the company's Environmental Policy emphasizing on the following issues:

- Promote the activities regarding environment preservation, pollution prevention, environmental impacts mini-mizing, and consistent improvement of the processes starting from designing, developing, manufacturing, until destroying. The company abides by laws and regulations concerning environmental issues and asks for cooperation from relevant parties.
- Conduct training course and communicate about the basic philosophy, environmental policy, and environmental activities to all employees and relevant parties to enhance their knowledge and build environmental awareness.
- Disclose and promote the basic philosophy, policies, and environmental activities to public.

Turn environmental policies into action which included:

- Green area increasing

## Environmental-Friendly Product Design and Waste Treatment

The product design is considered as a first priority as this will lead to the non-selection of hazardous materials like mercury substance or lead, the right process of production by being aware of environment and safety, and the right method of waste treatment by not causing pollution. Currently, the company screens the hazardous wastes such as scratches from spray-paint process and assigns the legally authorized company to treat and eliminate the wastes. For other types of wastes, they will be treated by grinding and passed to the legally authorized and experienced company to further proceed. All of this information is disclosed to the customers; they can inspect the materials used and the company production process.

## Environmental Consciousness raising

The environmental topic is added into the list for new employee orientation, also educate employees about the environment via the communication board and Monday Meeting. Last year, the company promoted plastic bags usage reduction.



- Promoted plastic bags usage reduction



## Green area increasing

Management and employees together planted the trees in the company on the day before New Year holidays.

## Environmental monitoring

The management and the Environmental Committee inspect the areas throughout once every 3 months in order to make continual improvement.



- Environmental monitoring



## Energy conservation Activities

Energy Preservation Com-mittee was established in 2010 to ensure the concrete operation with the objectives to preserve and fully utilize the energy used in the production process and other activities. This is regarded as a part of the business operation and the responsibility of management and all levels of employees that need to give cooperation to comply with the energy preservation measures, monitoring, and reporting to the Energy Preservation Committee in order to ensure the efficiency improvement of the energy usage.

The activities relating to energy preservation, starting with electric energy, included:

- Switch to LED light bulbs for the company street lighting and T5 for the lamp factory.
- Install the energy saving system to control the electricity usage of air-condition (B-One System), Mold factory.
- Turn on the light only the working area in the office.
- Using electrical equipment with high efficiency in order to save the energy; for example, changing to be new model for high capacity air conditions.

## Energy Preservation Monitoring

The management and the Energy Preservation Committee inspect the areas throughout once every 3 months in order to make continual improvement.

In addition, the company media is used as a tool to build the conscious awareness for the employees such as PR news to promote Turning off the lights for an hour which was done on March 27, 2010 during 20:30 – 21:30 hrs.

The Energy Preservation Committee aims to achieve Energy Management System Standard Certification within 2011 and also pave the fundamental knowledge and understanding about electric energy full utilization, aiming to complete 100% of attendees.



• Safety, Environment, and Energy Preservation

To ensure the Safety, Environment, and Energy Preservation awareness by employees, every year, 3 committees jointly organize an event called SEE Week (SEE: Safety Environment

and Energy). Last year, the slogan was Work safely, no any accident, sort out trash before send, then control energy usage. This event was well accepted by relevant parties and employees.



## 5S Activities

Under 5S concept; Sort, Shine, Stabilize, Standardize and Sustain, as the company working basis, the company continues doing 5S activities. In 2010, 5S committee aimed to standardize 5S scoring criteria so that the 5S inspection will be conducted in the same way for every unit. It is expected that the score that each unit should earn would not be less than 80 points.

In addition, there is 5S Map to show the person in charge at each area throughout the whole organization. Month of 5S event is held every year. 5S singing contest was initiated to stimulate creativity and urge employee participation.



• 5S Activities

## Employee Management

Number of employees tends to grow corresponding to the company growth. The company is always aware of the value of employees which is one of the Factor of 4 by Stanley; therefore, the employee management is always improved and updated for the benefits of both employees and the company. The company is certified for Thai Labor Standard, Complete level (TLS8001) and received Outstanding Workplace award in the category Labour Relations and Welfare for 5 consecutive years (2006-2010). Activities in respect of Employee Management included:

### • Employment

The company is aware of fairness in employment; no discrimination or sexual orientation between male and female - only the purpose to match a suitable job for each gender, no less favorable treatment because of disability or sickness but still can work. Also, no child labor is employed; none of the company employees is under 18. The company also pays attention to wage payment and monetary welfare such as diligent premium, overtime fee, meal allowance, transportation allowance, and medical welfare with appropriateness, fairness, and punctuality.

### • Human Rights

The company is aware of privacy right, working right and social protection; proven records



• Convenience store



• Offered food to monks



• Songkran Festival

include, personal data of employees is confidentially kept, safe and hygiene work environment is provided - employees have an outdoor leisure place and facilities such

as outdoor pavilion, library, internet, convenience store, standard first aid room with a doctor on duty every day is available, employees can take leaves as necessary, the company also recognizes religious and customs activities.

Other than those provided by the company, the company is also open for comments and complaints. The employees can choose their representatives to participate in the Welfare Committee or the Safety Committee. Also, the employees are allowed to set up activity club. Management will send the representatives to join the meeting every month to listen to suggestions or complaints and will provide feedback to the employees later.



• Choose the representatives of Welfare Committee and Safety Committee

#### • People Development

The Company is committed to ensuring the ongoing training to all level of employees; the training courses are about work performing, emotion and mental condition, life planning with the purpose to enhance their knowledge and skills. The courses are reviewed every year. In 2010, the courses



• People Development

added included Life Balance, Strategic Thinking, and Train to be an Assessor. For the Orientation course, the content about the company business was also added so that the new employees can understand about the company overview prior to work. In addition, the employees are allowed to take outside training courses; especially, overseas training, in order to widen their experience and perspectives.

To be the next level of organization by having the concrete plan of Human Resources Management, since year 2009, the company has studied and implemented the Human Resources Management System called **STARS PLAN** Version 1 which includes 6 systems; Hierarchy system, Position system, Job Rotation system, Evaluation system, Wage system, and Skill Development system. Such system was created on the basis of 3 values including Fairness, Appropriateness, and Acceptance based on competency value. Last year, this system was communicated and notified to all employees.



## Social Activity by Stanley Thailand Foundation

The company also continuously maintained our social activities. Especially local communities, which is supported Thai Stanley Electric Public Company Limited and has established Stanley Thailand Foundation to carry out the social activities. In the past year have the following activities.

### Educational activities

1. The annual scholarship, providing for primary - secondary school total 1,519 students from 25 schools in Pathumthani Province and 8 schools in Nakhonratchasima Province total amount 1,130,000 Baht.

2. The continuing long-term individual - Outshining Fund, that

selected students in the third year of secondary school who lack and intended to continue studying, STF is supporter the all of education expenditure, in currently STF has 28 students in this project and 2 students were graduated bachelor's degree.



• The annual scholarship, providing for primary - secondary school.



• The annual scholarship, providing for Outshining Fund

3. Education Equipment Donation Activity

- The Annually library books donation, provide to every school that receive our scholarships, total 84 schools.



• Donation Education Equipment

- Sport Equipment Donation, to school in Ladlumkaew and Lamlukka, Pathumthani and donated sport equipment and stationary set to school in Vientiane, Lao.P.D.R.



• Donation Education Equipment

#### 4. Sponsoring in Education Activity

- Supported prizes and expenditure of Stanley Science Project Contest, which has students in primary and secondary school from Pathumthani and the central area about 80 schools, which in 2553 is 11th years of supported this event.



- Supported to Technology Promotion Association (Thailand-Japan) in organize "TPA Robot Contest"

#### Environment Activity



• Plant Conservative activity at Rama 9 Pool

1. Plant Conservative activity at Rama 9 Pool, Klongluang, Pathumthani

2. Gabages Activity, provided to Banklang, Kukwang and Suanprikthai Office of subdistrict that are the local community around the company



• Donation gabages to local community around the company

#### Public charity organization supported

1. Donated necessary accessories activity, to AIDS



• Donated necessary accessarics to lame children



• Donated book and toys for children

Ruamphanya Person Lame Association, Nontaburi and orphans at Rangsit Baby Home, Pathumthani .

2. Donated books and toys for children at Watnopparat Child Center, Banboathong Child Center and Suanprikthai Child Center, Pathumthani.



## Other Activity

1. Drawing competition entitled "Pathum Thani city to live" for students in primary school in Pathumthani, to provide for the youth is proud to live in Pathumthani and presentation in the painting. The painting that got the award was published in a New Year's greeting card of Stanley group company.



• Drawing competition entitled "Pathum Thani city to live" for students in primary school in Pathumthani



• Donated for flood victims

2. Donated necessary accessories for flood victims at Pathumthani Province and Nakhon ratchasima Province.



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MILESTONE



### 1980

May

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.



### 1981

April

Completion of Auto Bulb factory and increased capital to Bt. 18 million.

### 1984

July



Increased capital to Bt. 36 million.

August

Received investment promotion from The Board of Investment to manufacture Lighting Equipment and completion of factory for Lighting Equipment.



### 1987

April

Increased capital to Bt. 44.5 million.

October

Received investment promotion from The Board of Investment to manufacture Die & Mold plant, Increased capital to Bt. 53 million.

### 1988

March

Investment in a new company. (Asian Stanley International Co.,Ltd.)



April

Completion of Die & Mold factory.



### 1989

November

Increased capital to Bt. 153 million.

### 1990

February

Received investment promotion from The Board of Investment to expanding Die & Mold factory.

July

Received investment promotion from The Board of Investment to expanding Auto Bulb factory.

November

Completion of new factory for Lighting Equipment.





## 1991

**April**

Increased capital to Bt. 175 million.

**May**

The Company was listed in The Stock Exchange of Thailand.



**June**

Completion of head office building.



**November**

Received investment promotion from The Board of Investment for establishment Research & Development Center.

## 1993

**July**

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**

Signed technical assistance agreement with Electro Polymers (PVT.) Ltd. in Pakistan to produce automotive lighting equipment.



**October**

Establishment of The Stanley (Thailand) Foundation registered capital Bt. 200,000.



**November**

Signed Joint Venture agreement for establishment of Lao Stanley Co.,Ltd. in Lao People's Democratic Republic.

**December**

Completion of expanding Lighting Equipment factory.

## 1994

**September**

Received an award for the best organization from Ministry of Labour and Social Welfare.

**October**

Participated of equity for Sum Hitechs Co.,Ltd., Sirivit Stanley Co.,Ltd. and Lumax Industries Limited.



## 1995

**May**

Signed Joint Venture agreement of establishment of Top Hightech (Thailand) Co.,Ltd.

**June**

Increased capital to 383.125 million baht



HIGHLIGHT

TO OUR SHAREHOLDER

THE BOARD OF DIRECTORS & THE EXECUTIVES

THAI STANLEY'S PRODUCTS

NEW PRODUCTS

CSR REPORT

MILESTONE

## MILESTONE

Received investment promotion from The Board of Investment to expanding Die & Mold factory

### September

Completion of Welfare building.



### November

Completion of new factory (Lamp 2) for Lighting Equipment for Automobiles.



## 1996

### May

Signed Joint Venture agreement of establishment of Vietnam Stanley Electric Co.,Ltd. in Hanoi, Vietnam.



### October

Completion of new factory Lamp 3.



## 1999

### January

To certified quality system ISO 9002 in manufacturer of automotive bulb and Die & Mold



### July

To certified quality system ISO 9001 in manufacturer of Die & Mold.



## 2000

### May

- Completion of expansion factory for automotive bulb and Die & Mold

- Signed technical assistance agreement with Unitech Machines Limited in India to produce Automotive Lighting Equipment

## 2001

### September

QS 9000 Quality System has been acquired for Automotive bulb and Lighting Equipment Division

## 2002

### September

To certified environmental management ISO 14001



## 2003

### July

Received The Best Performance Award in Industrial category on "SET AWARD 2003" from The Stock Exchange of Thailand





## October

Completion of new factory in Navanakorn Industrial Estate for Plastic Injection Parts and Lighting Equipment for vehicle



## 2004

### May

Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2004" from Ministry of Labour

### July

Received The Best Performance Award in Industrial category on "SET AWARD 2004" from The Stock Exchange of Thailand

## 2005

### April

Received "Best Corporate in Social Security Cooperation Award" from Office of Social Security, Pathumthanee Province



## 2006

### March

To certified quality system ISO/TS 16949

### May

Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2006" from Ministry of Labour for the third year in a row

### July

Received The Best Performance Award in Industrial category on "SET AWARD 2006" from The Stock Exchange of Thailand



### August

Received the Copper Trophy for achievement in The National Zero Accident 1,000,000 office hours



without accident Campaign from Ministry of Labour for the first year

### September

Received "An Outstanding Establishment in the year 2006 for achievement on Labour Relations

and Welfare Relations Award" from Ministry of Labour



## 2007

### March

Completion of New Production 5 Factory for Lighting Equipment Manufacturer for automobile

### May

- Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2007" from Ministry of Labour for the forth year in a row

### September

- Received the Copper Trophy for achievement in The National Zero Accident 1,000,000 office hours without accident Campaign from Ministry of Labour for the second year in a row
- Received "An Outstanding Establishment in the year 2007 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the second year in a row

## MILESTONE

### 2008

#### May

- Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2008" from Ministry of Labour for the fifth year in a row
- Received Best Employer of Pathumthani and Best Employer of Safety in Working Place

#### June

Received The Thai Labour Standard Certificate Completion Level (TLS.8001-2003) from The Department of Labour Protection and Welfare, Ministry of Labour



#### August

Received the Copper Trophy for achievement in The National Zero Accident 1,000,000 office hours without accident Campaign from Ministry of Labour for the third year in a row



#### September

Received "An Outstanding

Establishment in the year 2008 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the third year in a row



### 2009

#### May

- Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2009" from Ministry of Labour for the sixth year in a row
- Received Best Employer of Pathumthani and Best Employer of Safety in Working Place

#### August

Received the Copper Trophy for achievement in The National Zero Accident 1,000,000 office hours without accident Campaign from Ministry of Labour for the forth year in a row

#### September

Received "An Outstanding Establishment in the year 2009 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the forth year in a row

### 2010

#### May

Received Best Employer of Pathumthani and Best Employer of Safety in Working Place

#### July

Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2010" from Ministry of Labour for the seventh year in a row



#### September

Received "An Outstanding Establishment in the year 2010 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the fifty year in a row

### 2011

#### June

Foundation Stone Ceremony for New Lamp Plant



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# REPORT OF DIRECTORS RESPONSIBILITIES FOR FINANCIAL STATEMENTS

## To Shareholders

The Board of Directors of Thai Stanley Electric Public Company Limited is responsible for the Financial Statements of the Company which have been prepared in accordance with generally accepted accounting standards in Thailand under the Accounting Act B.E.2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E.2535. The accounting policies adopted are deemed appropriate and applied consistently with completely and adequate disclosure of significant information in the notes to the financial statements and information data that appears in the 2010 annual report and this was to ensure transparency and benefits to the shareholders and investors.

The Board of Directors has appointed an Audit Committee consists of independent directors to review of financial statements and the internal control system to ensure that accounting records are accurate, complete and timely. The views of the Audit Committee are report in the Audit Committee's report in the Company's annual report.

The company's financial statements were audited by PricewaterhouseCoopers ABAS Co.,Ltd., the company's auditor. During the audit, the Board of Directors supported the auditor with various information and documents so that the auditor could audit and express its opinions according to the accounting standards. The auditor's opinions appear in the report of auditor in this annual report.

The Board of Directors is confident of the company's internal control system that the financial statements of Thai Stanley Electric Public Company Limited presents the financial position, the results of operation and cash flows accurately in all material respects with generally accepted accounting principles and compliance with related laws and regulations.



Mr.Hiroyuki Nakano  
President



Mr.Apichart Leeissaranukul  
Executive Vice President

# REPORT OF AUDIT COMMITTEE

## Report of the Audit Committee

The Audit Committee of the Thai Stanley Electric Public Company Limited was appointed following a resolution at the Board of Directors Meeting on 2 July 2010. The Audit Committee's scope of responsibility was assigned in the "Audit Committee Charter", which was revised on 24 October 2008, according to the regulations of the Stock Exchange of Thailand.

The Audit Committee consists of three independent members who are fully qualified according to the Capital Market Committee's notification. They are Mr. Krisada Visavateeranon as Chairman of the Audit Committee, with Mr. Chokechai Tanpoonsinthana and Mr. Suchart Phisitvanich as the Audit Committee members, Mrs. Sudjai Srifeungfung is the secretary.

In fiscal 2010, running from 1st April 2010 – 31st March 2011, the Audit Committee performed its duty according to the responsibility as delegated by the company's Board of Directors which corresponding to the regulations of the Stock Exchange of Thailand. There were 10 Audit Committee meetings, of which 4 meetings was a non-management meeting with an auditor and the other 6 meetings were performed with executives, auditors, and internal auditors attending as necessary. The Audit Committee members attended the meetings as follows : Mr. Krisada Visavateeranon and Mr. Suchart Phisitvanich attended every meeting, Mr. Chokechai Tanpoonsinthana attended seven meetings. Major activities were as follows.

1. A review of the quarterly and annual financial statements after listening to the executives' and auditors' explanation before proposing to the Board of Directors meeting. The Audit Committee shared the same opinion as the auditors that such financial statements were accurate according to the Generally Accepted Accounting Principles.
2. A review of the internal audit system by considering the scope of the responsibilities and independence of the Internal Audit and approving the annual internal audit plan, in which the Audit Committee inspects that the Company conducts sufficient and appropriate internal audit control.
3. A review of the Company's operating information and internal control by considering the annual internal audit report according to the approved plan, which covers the Company's major operating areas. It was found that there were no significant faults and there was appropriate attention and maintenance of the activities and accurate, complete, and reliable information disclosed. Auditor was no serious concerns about the internal control. The Audit Committee's opinion that the Company has sufficient and appropriate operational audit control.
4. A review of Company operations are in compliance with the law on securities and exchange, the Stock Exchange regulations, and laws relevant to the Company's business. The Audit Committee 's opinion that no evidence to show any violation of the relevant laws and regulations.

# REPORT OF AUDIT COMMITTEE

5. A review of the Connected Transactions or the transactions that may lead to conflicts of interests as well as the disclosure of such transactions. Whereas in the past year there were the Connected Transactions or the transactions that may lead to conflicts of interests with related companies, which were normal business transactions. The auditor has the opinion that the business transactions with related companies disclosed sufficient information that was presented in the financial statements and notes to the financial statements. The Audit Committee's opinion that such transactions were reasonable and a benefit to the Company business operation and that there was complete and accurate disclosure.
6. Considering the selection, nomination, and remuneration proposed for the auditor in 2011 fiscal year in order to propose to the Board of Directors for approval at the annual ordinary shareholders meeting in 2011. The Audit Committee considered the performance, independence, and remuneration appropriateness and opinion that it appropriate to appoint Miss Nangnoi Charoentaveesap, Certified Public Accountant no. 3044 and/or Miss Varaporn Vorathitikul, Certified Public Accountant no. 4474 and/or Mr. Prasit Yuengsrikul, Certified Public Accountant no. 4174 in the name of the PricewaterhouseCoopers ABAS Co., Ltd. as the Company's auditors for 2011 with the following reasons;
  - They demonstrate a good work standard and expertise in auditing and have performed their duty efficiently.
  - The aforesaid audit company and auditors have no relationship or stakes with the Company/ executives/ major shareholders or persons related to those mentioned. Therefore there will be auditing independence and opinion in the Company's financial statement.
  - The remuneration is deemed appropriate.

The Audit Committee has fully performed the duty assigned by the Audit Committee Charter approved by the Company's Board of Directors and reports that the Company's operation in the fiscal year from 1st April 2010 – 31st March 2011 has been according to the appropriate internal control system and internal audit system. The financial report is accurate, complete, and reliable. Operations are concordant with adequate, transparent, and reliable Corporate Governance standards, and there is continuous improvement for better quality of the business operating system.



(Mr. Krisada Visavateeranon)  
Chairman of the Audit Committee



# AUDITOR'S REPORT

## To the Shareholders of Thai Stanley Electric Public Company Limited

I have audited the accompanying balance sheets in which the equity method is applied and the company only as at 31 March 2011 and 2010 and the related statements of income, changes in shareholders' equity and cash flows in which the equity method is applied and the company only for the years then ended 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 2011 and 2010 and the results of its operations and its cash flows for the years then ended of Thai Stanley Electric Public Company Limited in accordance with generally accepted accounting principles.



Nangnoi Charoenthaveesub

Certified Public Accountant (Thailand) No. 3044

PricewaterhouseCoopers ABAS Limited

Bangkok

20 May 2011

# Balance Sheets

## Thai Stanley Electric Public Company Limited

### Balance Sheets

As at 31 March 2011 and 2010

	Notes	Financial statements in which the equity method is applied		The company only	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	3,133,889,742	1,858,789,839	3,133,889,742	1,858,789,839
Short-term investments held to maturity	7	560,985,995	975,579,011	560,985,995	975,579,011
Trade accounts receivable - other companies	8	1,319,060,943	1,190,976,426	1,319,060,943	1,190,976,426
- related parties	8, 25	79,530,332	90,584,726	79,530,332	90,584,726
Inventories, net		584,334,488	419,593,486	584,334,488	419,593,486
Other current assets		68,666,983	62,370,792	68,666,983	62,370,792
<b>Total current assets</b>		<b>5,746,468,483</b>	<b>4,597,894,280</b>	<b>5,746,468,483</b>	<b>4,597,894,280</b>
<b>Non-current assets</b>					
Investments in associates	10	291,218,231	298,878,138	57,176,689	57,176,689
Long-term investments, net	11	151,667,138	144,219,255	151,667,138	144,219,255
Property, plant and equipment, net	12	3,268,205,285	3,031,174,297	3,268,205,285	3,031,174,297
Intangible assets, net	13	389,393,430	345,681,414	389,393,430	345,681,414
Other non-current assets, net		18,361,471	23,650,869	18,361,471	23,650,869
<b>Total non-current assets</b>		<b>4,118,845,555</b>	<b>3,843,603,973</b>	<b>3,884,804,013</b>	<b>3,601,902,524</b>
<b>Total assets</b>		<b>9,865,314,038</b>	<b>8,441,498,253</b>	<b>9,631,272,496</b>	<b>8,199,796,804</b>

The notes to the financial statements are an integral part of these financial statements.

# Balance Sheets

## Thai Stanley Electric Public Company Limited

### Balance Sheets

As at 31 March 2011 and 2010

		Financial statements in which the equity method is applied		The company only	
	Notes	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable	- other companies	518,227,310	435,330,914	518,227,310	435,330,914
	- related parties	25	242,011,426	141,633,374	242,011,426
Other accounts payable	- other companies	188,823,394	114,054,926	188,823,394	114,054,926
	- related parties	25	120,892,213	109,726,795	120,892,213
Foreign currency forward contract payables, net		303,030	68,022	303,030	68,022
Accrued income tax		269,432,571	227,204,365	269,432,571	227,204,365
Advances received from customers		85,710,323	15,650,068	85,710,323	15,650,068
Other current liabilities	14	107,240,866	89,237,312	107,240,866	89,237,312
Total current liabilities		1,532,641,133	1,132,905,776	1,532,641,133	1,132,905,776
Non-current liabilities					
Retirement benefits obligation	15	92,290,415	46,753,113	92,290,415	46,753,113
Total non-current liabilities		92,290,415	46,753,113	92,290,415	46,753,113
Total liabilities		1,624,931,548	1,179,658,889	1,624,931,548	1,179,658,889
Shareholders' equity					
Share capital					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each	16	383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital					
76,625,000 ordinary shares, par value of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital	16	504,250,000	504,250,000	504,250,000	504,250,000
Unrealised gain on revaluation of available-for-sale securities		4,620,000	4,860,000	4,620,000	4,860,000
Retained earnings					
Appropriated	- Legal reserve	18	38,312,500	38,312,500	38,312,500
Unappropriated		7,449,618,260	6,405,016,663	7,076,033,448	6,089,590,415
Translation adjustment	10	(139,543,270)	(73,724,799)	-	-
Total shareholders' equity		8,240,382,490	7,261,839,364	8,006,340,948	7,020,137,915
Total liabilities and shareholders' equity		9,865,314,038	8,441,498,253	9,631,272,496	8,199,796,804

The notes to the financial statements are an integral part of these financial statements.



# STATEMENTS OF INCOME

## Thai Stanley Electric Public Company Limited

### Statements of Income

As at 31 March 2011 and 2010

	Notes	Financial statements in which the equity method is applied		The company only	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
<b>Sales</b>	23, 25	8,939,609,350	7,286,366,678	8,939,609,350	7,286,366,678
Cost of sales		(6,581,400,088)	(5,715,725,346)	(6,581,400,088)	(5,715,725,346)
<b>Gross profit</b>		2,358,209,262	1,570,641,332	2,358,209,262	1,570,641,332
Other income					
- Dividend income	10, 11	52,603,444	48,064,248	78,516,663	78,213,425
- Gain on exchange rates, net		2,120,492	7,573,500	2,120,492	7,573,500
- Others	19, 25	171,047,520	128,563,259	171,047,520	128,563,259
<b>Profit before expenses</b>		2,583,980,718	1,754,842,339	2,609,893,937	1,784,991,516
Selling expenses		(415,162,992)	(318,714,682)	(415,162,992)	(318,714,682)
Administrative expenses		(214,264,034)	(195,266,012)	(214,264,034)	(195,266,012)
Directors' and managements' remuneration	22	(26,705,302)	(25,002,073)	(26,705,302)	(25,002,073)
<b>Total expenses</b>		(656,132,328)	(538,982,767)	(656,132,328)	(538,982,767)
Operating profit	20	1,927,848,390	1,215,859,572	1,953,761,609	1,246,008,749
Share of profit from investments in associates	10	84,071,783	92,750,960	-	-
<b>Profit before finance costs and income tax</b>		2,011,920,173	1,308,610,532	1,953,761,609	1,246,008,749
Finance costs - interest expenses		-	(5,178)	-	(5,178)
<b>Profit before income tax</b>		2,011,920,173	1,308,605,354	1,953,761,609	1,246,003,571
Income tax		(584,208,576)	(351,164,234)	(584,208,576)	(351,164,234)
<b>Net profit for the year</b>		1,427,711,597	957,441,120	1,369,553,033	894,839,337
<b>Basic earnings per share</b>	21				
Net profit for the year		18.63	12.50	17.87	11.68

The notes to the financial statements are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited  
Statements of Changes in Shareholders' Equity  
As at 31 March 2011 and 2010

Financial statements in which the equity method is applied

Notes	Issued and paid-up share capital	Premium on share capital	Unrealised gain on revaluation of available-for- -sale securities	Legal reserve	Unappropriated retained earnings	Translation adjustments	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 April 2010	383,125,000	504,250,000	4,860,000	38,312,500	6,405,016,663	(73,724,799)	7,261,839,364
Change in fair value of investment	-	-	(240,000)	-	-	-	(240,000)
Net profit for the year	-	-	-	-	1,427,711,597	-	1,427,711,597
Dividends paid	-	-	-	-	(383,110,000)	-	(383,110,000)
Translation adjustment	-	-	-	-	-	(65,818,471)	(65,818,471)
Closing balance as at 31 March 2011	383,125,000	504,250,000	4,620,000	38,312,500	7,449,618,260	(139,543,270)	8,240,382,490
Opening balance as at 1 April 2009	383,125,000	504,250,000	2,280,000	38,312,500	5,830,685,543	-	6,758,653,043
Change in fair value of investment	-	-	2,580,000	-	-	-	2,580,000
Net profit for the year	-	-	-	-	957,441,120	-	957,441,120
Dividends paid	-	-	-	-	(383,110,000)	-	(383,110,000)
Translation adjustment	-	-	-	-	-	(73,724,799)	(73,724,799)
Closing balance as at 31 March 2010	383,125,000	504,250,000	4,860,000	38,312,500	6,405,016,663	(73,724,799)	7,261,839,364

The notes to the financial statements are an integral part of these financial statements.

## STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

# STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

## Thai Stanley Electric Public Company Limited Statements of Changes in Shareholders' Equity

As at 31 March 2011 and 2010

The company only

	Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Unrealised gain on revaluation of available -for -sale securities Baht	Legal reserve Baht	Unappropriated retained earnings Baht	Total Baht
Opening balance as at 1 April 2010		383,125,000	504,250,000	4,860,000	38,312,500	6,089,590,415	7,020,137,915
Change in fair value of investment	11	-	-	(240,000)	-	-	(240,000)
Net profit for the year		-	-	-	-	1,369,553,033	1,369,553,033
Dividends paid	17	-	-	-	-	(383,110,000)	(383,110,000)
Closing balance as at 31 March 2011		383,125,000	504,250,000	4,620,000	38,312,500	7,076,033,448	8,006,340,948
Opening balance as at 1 April 2009		383,125,000	504,250,000	2,280,000	38,312,500	5,577,861,078	6,505,828,578
Change in fair value of investment	11	-	-	2,580,000	-	-	2,580,000
Net profit for the year		-	-	-	-	894,839,337	894,839,337
Dividends paid	17	-	-	-	-	(383,110,000)	(383,110,000)
Closing balance as at 31 March 2010		383,125,000	504,250,000	4,860,000	38,312,500	6,089,590,415	7,020,137,915

The notes to the financial statements are an integral part of these financial statements.



# STATEMENTS OF CASH FLOWS

## Thai Stanley Electric Public Company Limited

### Statements of Cash Flows

As at 31 March 2011 and 2010

Notes	Financial statements in which the equity method is applied		The company only	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
<b>Cash flows from operating activities:</b>				
Profit before income tax for the year	2,011,920,173	1,308,605,354	1,953,761,609	1,246,003,571
Adjustments to reconcile profit before income tax to net cash provided by operations:				
- Depreciation	12 692,551,030	761,425,375	692,551,030	761,425,375
- Amortisation	13 93,131,697	75,896,295	93,131,697	75,896,295
- Interest expenses	-	5,178	-	5,178
- Interest income	19 (51,324,828)	(23,718,260)	(51,324,828)	(23,718,260)
- Share of profit from investments in associates	10 (84,071,783)	(92,750,960)	-	-
- Dividend income				
- Investments in associates	10 -	-	(25,913,219)	(30,149,177)
- Long-term investments	11 (52,603,444)	(48,064,248)	(52,603,444)	(48,064,248)
- Net gains on disposal of equipment	(5,886,332)	(1,528,347)	(5,886,332)	(1,528,347)
- Losses on write off intangible assets	13 -	8,038,374	-	8,038,374
- Allowance for slow moving inventories and net realisable value lower than cost of inventories	(5,335,106)	361,236	(5,335,106)	361,236
- Retirement benefits obligation	15 45,980,272	28,475,891	45,980,272	28,475,891
- Unrealised (gains) losses on exchange rates	(469,347)	107,871	(469,347)	107,871
Cash flows before changes in operating assets and liabilities	2,643,892,332	2,016,853,759	2,643,892,332	2,016,853,759
Changes in operating assets and liabilities				
- Trade accounts receivable - other companies	(128,084,517)	(533,508,103)	(128,084,517)	(533,508,103)
- Trade accounts receivable - related parties	11,054,394	(12,522,314)	11,054,394	(12,522,314)
- Inventories	(159,405,896)	92,697,000	(159,405,896)	92,697,000
- Other current assets	(3,471,918)	504,410	(3,471,918)	504,410
- Other non-current assets	5,289,398	(5,249,068)	5,289,398	(5,249,068)
- Trade accounts payable - other companies	82,896,396	196,412,809	82,896,396	196,412,809
- Trade accounts payable - related parties	100,378,052	62,398,153	100,378,052	62,398,153
- Other accounts payable - other companies	33,225,673	24,478,779	33,225,673	24,478,779
- Other accounts payable - related parties	11,165,418	22,202,140	11,165,418	22,202,140
- Advances received from customers	70,060,255	(39,023,974)	70,060,255	(39,023,974)
- Other current liabilities	18,149,032	13,312,909	18,149,032	13,312,909
- Payments for retirement benefits obligation	15 (442,970)	(66,072)	(442,970)	(66,072)
Cash generated from operations	2,684,705,649	1,838,490,428	2,684,705,649	1,838,490,428

The notes to the financial statements are an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

## Thai Stanley Electric Public Company Limited

### Statements of Cash Flows (Cont'd)

For the years ended 31 March 2011 and 2010

	Notes	Financial statements in which the equity method is applied		The company only	
		2011 Baht	2010 Baht	2011 Baht	2010 Baht
<b>Cash flows from operating activities: (Cont'd)</b>					
Cash generated from operations		2,684,705,649	1,838,490,428	2,684,705,649	1,838,490,428
- Interest paid		-	(5,178)	-	(5,178)
- Interest received		37,998,953	18,964,648	37,998,953	18,964,648
- Income tax paid		(541,980,370)	(214,871,193)	(541,980,370)	(214,871,193)
Net cash received from operating activities		2,180,724,232	1,642,578,705	2,180,724,232	1,642,578,705
<b>Cash flows from investing activities:</b>					
Purchases of property, plant and equipment		(888,547,498)	(435,790,283)	(888,547,498)	(435,790,283)
Proceeds from disposals of equipment		6,394,607	9,564,556	6,394,607	9,564,556
Interest received		10,501,602	2,955,392	10,501,602	2,955,392
Dividends received					
- Investments in associates	10	25,913,219	30,149,177	25,913,219	30,149,177
- Long-term investments	11	52,603,444	48,064,248	52,603,444	48,064,248
Purchases of intangible assets	13	(136,843,713)	(108,630,882)	(136,843,713)	(108,630,882)
Purchase of long-term investments - other company	11	(7,687,883)	-	(7,687,883)	-
Cash receipts from short term investments held to maturity	7	2,289,498,398	498,745,505	2,289,498,398	498,745,505
Cash payment on short term investments held to maturity	7	(1,874,905,382)	(975,579,011)	(1,874,905,382)	(975,579,011)
Net cash used in investing activities		(523,073,206)	(930,521,298)	(523,073,206)	(930,521,298)
<b>Cash flows from financing activities:</b>					
Dividends paid	17	(383,110,000)	(383,110,000)	(383,110,000)	(383,110,000)
Net cash used in financing activities		(383,110,000)	(383,110,000)	(383,110,000)	(383,110,000)
<b>Net increase in cash and cash equivalents</b>		1,274,541,026	328,947,407	1,274,541,026	328,947,407
Cash and cash equivalents at beginning of the year		1,858,789,839	1,529,911,350	1,858,789,839	1,529,911,350
Effects of exchange rate changes		558,877	(68,918)	558,877	(68,918)
Cash and cash equivalents at end of the year		3,133,889,742	1,858,789,839	3,133,889,742	1,858,789,839
<b>Non-cash transactions:</b>					
Purchase of plant and equipment by credit		53,496,126	11,953,331	53,496,126	11,953,331

The notes to the financial statements are an integral part of these financial statements.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 1 General information

Thai Stanley Electric Public Company Limited (“the Company”) is a public limited company, incorporated in Thailand. The address of its registered office is 29/3 Moo 1 Bangpoon-Rungsit Road, Banklang, Amphur Muang, Pathumthanee, Thailand 12000. The Company is listed on the Stock Exchange of Thailand.

The principal business operation of the Company is the manufacture and sales of automotive bulbs, lighting equipment and molds and dies.

These financial statements have been approved by the Company’s Board of directors on 20 May 2011.

## 2 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 Professions 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 financial statements have been prepared under the historical cost convention except the measurement of available-for-sale investment as explained in the relevant accounting policies.

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. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the financial statements has 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.



# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 2 Accounting policies (Cont'd)

### 2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework

#### a) Accounting framework

The amendment of accounting framework is effective on 26 May 2010.

#### b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards

The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Company has not early adopted them:

Effective for the periods beginning on or after 1 January 2011

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 2 Accounting policies (Cont'd)

### 2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (Cont'd)

- b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

Effective for the periods beginning on or after 1 January 2011 (Cont'd)

TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
TSIC 31	Revenue - Barter Transactions Involving Advertising Services

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 2 Accounting policies (Cont'd)

### 2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (Cont'd)

- b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management has determined that the new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards will not significantly impact the financial statements being presented, except for TAS 12 Income Taxes and TAS 16 Property, Plant and Equipment. The management is currently assessing the impact of applying these standards.

TAS 12 deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Company will apply this standard from 1 April 2013. The management is currently assessing the impact of applying this standard.



# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 2 Accounting policies (Cont'd)

### 2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (Cont'd)

- b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of property, plant and equipment, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has obligation to do. An entity requires that an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised standard also requires an entity to review useful life, residual value and depreciation method at least at each financial year-end. The Company will apply this standard from 1 April 2011. The management is currently assessing the impact of applying this standard.

### 2.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

### 2.4 Trade accounts receivable

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are recognised in the statement of income as part of administrative expenses.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 2 Accounting policies (Cont'd)

### 2.5 Inventories

Inventories are stated at the lower of cost or net realisable 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 and rebates. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads which are allocated following ordinary course of business. Net realisable 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

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are initially recognised at cost and accounted for using the equity method in the financial statements in which the equity method is applied.

The Company's shares of its associates' post-acquisition profits or losses are recognised in the statement of income and its shares of post-acquisition movements in reserves are recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed, where necessary, to ensure consistency with the policies adopted by the Company.

In the company financial statements, investments in associates are accounted for using the cost method.

A list of the Company's principal associates is disclosed in Note 10.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 2 Accounting policies (Cont'd)

### 2.7 Investments

Investments other than investments in associates are classified into the following three categories which are held-to-maturity, 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 with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the balance sheet date which are classified as current assets.
- 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.

Purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the investments. Cost of investment includes transaction costs.

Held-to-maturity investments are carried at amortised cost using the effective yield method.

Available-for-sale investments are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity. The fair value of investments is based on the quoted bid price by reference to the Stock Exchange of Thailand. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of income as gains and losses from investment.

General investments are carried at cost less impairment.



# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 2 Accounting policies (Cont'd)

### 2.7 Investments (Cont'd)

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher 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 the Company's holding of a particular investment in equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

### 2.8 Property, plant and equipment

Property, plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight-line method to write off the cost of each asset, except for land which is considered to have indefinite life, to its residual value over the estimated useful lives as follows:

	Years
Buildings	20
Land and building improvements	10
Machinery, equipment and factory tools	5 - 10
Molds	4
Motor vehicles	5
Furniture, fixtures and office equipment	3 - 5

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its estimated recoverable amount.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 2 Accounting policies (Cont'd)

### 2.8 Property, plant and equipment (Cont'd)

Repairs and maintenance expenses are charged to the statement of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in statement of income.

### 2.9 Intangible assets

#### Computer software

Acquired computer software licences are capitalised on the basis of the direct costs incurred to acquire and bring to use the specific software. These costs are amortised on the straight-line method over their estimated useful lives of which between 5 and 10 years. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

#### Product design costs

Costs incurred on development projects relating to the design of new products are recognised as intangible assets when it is probable that the project will be successful considering its commercial and technological feasibility, and only if the cost can be measured reliably. Product design costs previously recognised as an expense are not recognised as an asset in a subsequent period. Product design costs are amortised from the commencement of the commercial production of the product based on the straight-line method over the period of its expected benefit which is 4 years.

# NOTE TO THE FINANCIAL STATEMENTS

## Thai Stanley Electric Public Company Limited

### Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 2 Accounting policies (Cont'd)

### 2.10 Impairment of assets

Asset and intangible assets with a definite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.11 Employee benefits

The Company operates a provident fund that is a defined contribution plan. The assets are held in a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act B.E. 2530. The provident fund is funded by contributions from employees and the Company. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

The Company provides for post-employment benefits, payable to employees under the

Thai Labour Law. The amounts payable in the future depend on the salary and years of service of the respective employees. The liability arising as a result of such regulation is recorded as the present value of estimated future cash outflows using interest rates which have terms to maturities approximating the terms of the related liabilities.

### 2.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

### 2.13 Revenue recognition

Revenue from sales comprises the invoice value for the sales of goods net of output tax, rebates and discounts. Revenue from sales is recognised when significant risks and rewards of ownership of the goods are transferred to the buyers.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 2 Accounting policies (Cont'd)

Revenue from rendering services is recognised when services are rendered.

Interest income is recognised on an accrual basis unless collectability is in doubt.

Dividend income is recognised when right to receive payment is established.

### 2.14 Foreign currency translation

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of income.

Statements of income and cash flows of foreign entities are translated into the Company's reporting currency which is Baht at the weighted average exchange rates for the year. The balance sheet items are translated at the exchange rate ruling on the balance sheet date. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated currency translation differences are recognised in the statement of income as part of the gain or loss on sale.

### 2.15 Corporate income tax

The Company calculates corporate income tax in accordance with the Revenue Code and records income tax on an accrual basis. The Company does not recognise corporate income tax payable or receivable in future periods in respect of temporary differences arising between the tax bases and their carrying amounts. The corporate income tax as shown in the statement of income reflects the exemption of corporate income tax of the promotional privileges from the Board of Investment (BOI).

### 2.16 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders and the Board of Directors.



# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 2 Accounting policies (Cont'd)

### 2.17 Financial instruments

Financial assets carried in the balance sheets include cash and cash equivalents, short-term investments held to maturity, trade accounts receivable and investments. Financial liabilities carried in the balance sheets are trade accounts payable and other accounts payable. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Company parties to financial instruments that reduce exposure to fluctuations in exchange rates by using foreign currency forward contracts to protect its exposure from movements in exchange rates. Foreign currency forward contracts established a predetermined exchange rate ("forward rate") at which the Company will receive/ pay foreign currency amounts on a predetermined future date. At the balance sheet date, the foreign currency amounts receivable under these contracts are translated into Baht at the rates ruling at that date. Unrealised gains or losses that result from the translation are recognised in the statement of income. The foreign currency amounts payable under these contracts are translated into Baht at the forward rates. Any premiums or discounts equal to the difference between the exchange rates and the forward rates at the inception of the contracts are amortised over the lives of the contracts. The foreign currency amounts receivable and payable have been presented net in the balance sheet.

Disclosures about financial instruments to which the Company is a party are provided in Note 24.

## 3 Critical accounting estimates, assumptions and judgments

Accounting estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During 2011, the significant accounting estimates of the Company are as follows:

### Plant and equipment and intangible assets

Management has determined the estimated useful lives and residual value of plant and equipment and intangible assets of which are principally based on technical information. The management will also review to write down technically obsolete or non-used assets by sales or abandon.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 3 Critical accounting estimates, assumptions and judgments (Cont'd)

### Retirement benefits obligation

The Company provides for post-employment benefits, payable to employees under the Thai Labour Law. The present value of retirement benefits obligation is determined based on various assumptions which include the discount rate, the rate of salary inflation, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for provision for retirement benefits.

## 4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

## 5 Business segment information

The Company currently manufactures and sells auto bulbs, automotive lighting equipment and molds & dies. The business segment information for molds and dies, which is different from auto bulbs and automotive lighting, has not been separately reported as the sales of this segment represent only 1.03% of total sales (2010 : 4.08% of total sales).

## 6 Cash and cash equivalents

	2011 Baht	2010 Baht
Cash and cheques on hand	1,038,163	2,279,108
Current accounts with banks	48,723,322	39,425,444
Savings accounts with banks	35,453,567	29,654,172
Short-term investments in treasury bills and bills of exchange	3,048,674,690	1,787,431,115
	<u>3,133,889,742</u>	<u>1,858,789,839</u>

Savings accounts with banks and short-term investments bear interest at the average rate at 0.01% - 2.37% per annum (2010 : 0.01% - 1.19% per annum).

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 7 Short-term investments held to maturity

As at 31 March 2011 and 2010, short-term investments held to maturity represent bills of exchange, treasury bills and fixed deposits which have an original maturity between 3 and 12 months.

Movement in short-term investments held to maturity are as follows:

	2011 Baht	2010 Baht
Opening net book amount	975,579,011	498,745,505
Additions during the year	1,874,905,382	975,579,011
Redemptions during the year	(2,289,498,398)	(498,745,505)
Closing net book amount	<u>560,985,995</u>	<u>975,579,011</u>

Short-term investments held to maturity bear interest at the average rate at 1.10% - 2.28% per annum (2010 : 1.19% - 1.34% per annum).

## 8 Trade accounts receivable

Trade accounts receivable as at 31 March 2011 and 2010 can be analysed as follows:

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Current	1,304,993,755	1,185,001,934	79,241,795	89,638,988
Overdue:				
less than 3 months	7,817,929	4,311,489	56,004	916,829
3 - 6 months	2,318,952	1,663,003	88,557	-
6 - 12 months	3,930,307	-	143,976	28,909
	<u>1,319,060,943</u>	<u>1,190,976,426</u>	<u>79,530,332</u>	<u>90,584,726</u>

As at 31 March 2011 and 2010, the Company has no allowance for doubtful accounts.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 9 Inventories, net

	2011 Baht	2010 Baht
Raw materials and packaging	142,034,304	142,364,494
Work in process	350,017,727	207,394,740
Finished goods	50,327,082	39,129,147
Goods in transit	50,137,137	44,221,973
	592,516,250	433,110,354
<u>Less</u> Allowance for net realisable value lower than cost and slow moving inventories		
- Raw material and packaging	(6,538,433)	(5,872,281)
- Work in process	(1,000,000)	(6,840,000)
- Finished goods	(643,329)	(804,587)
Inventories, net	584,334,488	419,593,486

## 10 Investments in associates

The details of investments in associates as at 31 March 2011 and 2010 are as follows:

Name	Business activity	Equity method					
		Paid-up share capital	% of holding	2011		2010	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Associates							
Lao Stanley Company Limited	Manufacture automotive	USD 0.25					
	lighting equipment	million	50	12,376,223	973,842	13,630,274	1,174,258
Vietnam Stanley Electric Company Limited	Manufacture automotive	USD 8.30					
	lighting equipment	million	20	278,842,008	24,939,377	285,247,864	28,974,919
				291,218,231	25,913,219	298,878,138	30,149,177



# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 10 Investments in associates (Cont'd)

Name	Business activity	Cost method					
		Paid-up share capital	% of holding	2011		2010	
				Amount	Dividends	Amount	Dividends
				Baht	Baht	Baht	Baht
Associates							
Lao Stanley Company Limited	Manufacture						
	automotive	USD 0.25					
	lighting equipment	million	50	3,132,500	973,842	3,132,500	1,174,258
Vietnam Stanley Electric	Manufacture						
Company Limited	automotive	USD 8.30					
	lighting equipment	million	20	54,044,189	24,939,377	54,044,189	28,974,919
				57,176,689	25,913,219	57,176,689	30,149,177

Movements in investments in associates are as follows:

For the years ended 31 March	Equity method		Cost method	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Opening net book amount	298,878,138	310,001,154	57,176,689	57,176,689
Share of profit	84,071,783	92,750,960	-	-
Dividends received	(25,913,219)	(30,149,177)	-	-
Translation adjustments	(65,818,471)	(73,724,799)	-	-
Closing net book amount	<u>291,218,231</u>	<u>298,878,138</u>	<u>57,176,689</u>	<u>57,176,689</u>

# NOTE TO THE FINANCIAL STATEMENTS

## Thai Stanley Electric Public Company Limited

### Note to the Financial Statements

For the years ended 31 March 2011 and 2010

#### 10 Investments in associates (Cont'd)

The assets, liabilities, revenues and net profit of its associates according to the percentage of holding are as follows:

	Total assets Baht	Total liabilities Baht	Revenues Baht	Net profit Baht	% Ownership interest
<b>For the year ended 31 March 2011</b>					
Lao Stanley Company Limited	16,596,452	4,220,229	55,410,817	4,178,129	50
Vietnam Stanley Electric Company Limited	361,854,589	83,012,582	483,281,375	79,893,654	20
	<u>378,451,041</u>	<u>87,232,811</u>	<u>538,692,192</u>	<u>84,071,783</u>	
<b>For the year ended 31 March 2010</b>					
Lao Stanley Company Limited	14,621,179	5,042,418	36,753,009	2,981,120	50
Vietnam Stanley Electric Company Limited	359,345,920	74,098,055	468,287,183	89,769,840	20
	<u>373,967,099</u>	<u>79,140,473</u>	<u>505,040,192</u>	<u>92,750,960</u>	

#### 11 Long-term investments, net

Long-term investments, net as at 31 March 2011 and 2010 are as follows:

As at 31 March 2011	Available-for-sale investments Baht	General investments Baht	Total Baht
<b>Equity securities</b>			
- Related parties	4,800,000	114,688,615	119,488,615
- Other companies	-	32,178,523	32,178,523
Long-term investments, net	<u>4,800,000</u>	<u>146,867,138</u>	<u>151,667,138</u>
As at 31 March 2010	Available-for-sale investments Baht	General investments Baht	Total Baht
<b>Equity securities</b>			
- Related parties	5,040,000	114,688,615	119,728,615
- Other companies	-	24,490,640	24,490,640
Long-term investments, net	<u>5,040,000</u>	<u>139,179,255</u>	<u>144,219,255</u>

# NOTE TO THE FINANCIAL STATEMENTS

## Thai Stanley Electric Public Company Limited

### Note to the Financial Statements

For the years ended 31 March 2011 and 2010

#### 11 Long-term investments, net (Cont'd)

The details of long-term investments, net as at 31 March 2011 and 2010 are as follows:

Name	Business activity	Paid-up share capital	% of holding	2011		2010	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
<b>Related parties</b>							
- available-for-sale							
Inoue Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200 million	0.2	5,040,000	200,000	2,460,000	168,000
Change in fair value of investments				(240,000)	-	2,580,000	-
				<u>4,800,000</u>	<u>200,000</u>	<u>5,040,000</u>	<u>168,000</u>
<b>Related parties</b>							
- general investments (at cost)							
Asian Stanley International Company Limited	Manufacture of small bulbs, LED and electronic components	Baht 400 million	15.0	60,000,000	12,320,692	60,000,000	22,484,852
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting	Baht 21 million	15.0	3,000,000	622,775	3,000,000	1,093,324
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.73	8,793,715	330,996	8,793,715	110,631
PT. Indonesia Stanley Electric	Manufacture of molds and automotive lighting	USD 7.5 million	10.0	33,127,500	37,428,581	33,127,500	22,647,441
Stanley Electric Engineering India PVT.	Design molds and manufacture of lamps and molds	RS 161 million	10.0	16,263,000	-	16,263,000	-
<u>Less Impairment of investments</u>				<u>(6,495,600)</u>	<u>-</u>	<u>(6,495,600)</u>	<u>-</u>
				<u>114,688,615</u>	<u>50,703,044</u>	<u>114,688,615</u>	<u>46,336,248</u>
<b>Other companies</b>							
- general investments (at cost)							
Sum Hitechs Company Limited	Chrome plating on plastic products	Baht 104 million	16.35	27,178,523	1,700,400	19,490,640	1,560,000
Top Hitech (Thailand) Company Limited	Manufacture of plastic products and molds	Baht 35.9 million	13.9	5,000,000	-	5,000,000	-
				<u>32,178,523</u>	<u>1,700,400</u>	<u>24,490,640</u>	<u>1,560,000</u>
<b>Total long-term investments, net</b>				<u>151,667,138</u>	<u>52,603,444</u>	<u>144,219,255</u>	<u>48,064,248</u>

Thai Stanley Electric Public Company Limited  
Note to the Financial Statements  
For the years ended 31 March 2011 and 2010

12 Property, plant and equipment, net

	Land Baht	Land and building improvements Baht	Buildings Baht	Machinery, equipment and factory tools Baht	Molds Baht	Motor vehicles Baht	Furniture, fixtures and office equipment Baht	Machinery under installation and construction in progress Baht	Total Baht
<b>As at 31 March 2009</b>									
Cost	493,372,231	234,879,324	691,863,645	4,752,852,393	2,543,016,937	76,591,552	124,181,575	213,757,868	9,130,515,525
<u>Less</u> Accumulated depreciation	-	(139,390,176)	(331,495,420)	(3,159,264,728)	(1,998,392,499)	(45,836,735)	(88,612,944)	-	(5,762,992,502)
Net book amount	493,372,231	95,489,148	360,368,225	1,593,587,665	544,624,438	30,754,817	35,568,631	213,757,868	3,367,523,023
<b>For the year ended 31 March 2010</b>									
Opening net book amount	493,372,231	95,489,148	360,368,225	1,593,587,665	544,624,438	30,754,817	35,568,631	213,757,868	3,367,523,023
Additions	111,755,861	1,903,000	475,000	38,507,700	490,941	1,563,000	884,750	277,532,605	433,112,857
Disposals / write-offs, net	-	(10)	(6)	(1,149,908)	(6,787,473)	(69,886)	(28,925)	-	(8,036,208)
Transfers	-	4,800,000	-	160,281,544	137,189,092	-	18,063	(302,288,699)	-
Depreciation charge (Note 20)	-	(16,934,202)	(32,379,947)	(444,600,297)	(243,856,402)	(10,839,714)	(12,814,813)	-	(761,425,375)
Closing net book amount	605,128,092	85,257,936	328,463,272	1,346,626,704	431,660,596	21,408,217	23,627,706	189,001,774	3,031,174,297
<b>As at 31 March 2010</b>									
Cost	605,128,092	235,078,824	692,050,045	4,586,861,013	2,669,086,018	67,760,368	119,054,114	189,001,774	9,164,020,248
<u>Less</u> Accumulated depreciation	-	(149,820,888)	(363,586,773)	(3,240,234,309)	(2,237,425,422)	(46,352,151)	(95,426,408)	-	(6,132,845,951)
Net book amount	605,128,092	85,257,936	328,463,272	1,346,626,704	431,660,596	21,408,217	23,627,706	189,001,774	3,031,174,297



# NOTE TO THE FINANCIAL STATEMENTS

## Thai Stanley Electric Public Company Limited Note to the Financial Statements For the years ended 31 March 2011 and 2010

### 12 Property, plant and equipment, net (Cont'd)

	Land Baht	Land and building improvements Baht	Buildings Baht	Machinery, equipment and factory tools Baht	Molds Baht	Motor vehicles Baht	Furniture, fixtures and office equipment Baht	Machinery under installation and construction in progress Baht	Total Baht
<b>For the year ended 31 March 2011</b>									
Opening net book amount	605,128,092	85,257,936	328,463,272	1,346,626,704	431,660,596	21,408,217	23,627,706	189,001,774	3,031,174,297
Additions	227,876,230	1,275,000	414,676	99,567,870	604,368	12,376,575	2,385,883	585,589,691	930,090,293
Disposals / write-offs, net	-	-	-	(90,646)	-	(12)	(417,617)	-	(508,275)
Transfers	-	7,060,000	44,000,000	132,761,052	156,483,030	-	3,002,479	(343,306,561)	-
Depreciation charge (Note 20)	-	(16,465,335)	(32,030,509)	(412,137,826)	(209,634,523)	(10,285,010)	(11,997,827)	-	(692,551,030)
Closing net book amount	833,004,322	77,127,601	340,847,439	1,166,727,154	379,113,471	23,499,770	16,600,624	431,284,904	3,268,205,285
<b>As at 31 March 2011</b>									
Cost	833,004,322	243,413,824	736,464,721	4,768,851,377	2,826,173,416	68,862,763	120,340,703	431,284,904	10,028,396,030
Less Accumulated depreciation	-	(166,286,223)	(395,617,282)	(3,602,124,223)	(2,447,059,945)	(45,362,993)	(103,740,079)	-	(6,760,190,745)
Net book amount	833,004,322	77,127,601	340,847,439	1,166,727,154	379,113,471	23,499,770	16,600,624	431,284,904	3,268,205,285

As at 31 March 2011, the gross carrying amount of fully depreciated fixed assets amounting to Baht 4,786 million (2010 : Baht 4,045 million). The fully depreciated fixed assets mostly comprise molds reserved for production and machinery and equipment that is still in use.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 13 Intangible assets, net

	Computer software Baht	Product design cost Baht	Total Baht
<b>As at 31 March 2009</b>			
Cost	121,357,062	309,872,387	431,229,449
<b>Less</b> Accumulated amortisation	(57,871,862)	(52,372,386)	(110,244,248)
Net book amount	63,485,200	257,500,001	320,985,201
<b>For the year ended 31 March 2010</b>			
Opening net book amount	63,485,200	257,500,001	320,985,201
Additions	16,202,239	92,428,643	108,630,882
Disposals /write-offs, net	-	(8,038,374)	(8,038,374)
Amortisation charge (Note 20)	(15,957,888)	(59,938,407)	(75,896,295)
Closing net book amount	63,729,551	281,951,863	345,681,414
<b>As at 31 March 2010</b>			
Cost	137,559,301	394,262,656	531,821,957
<b>Less</b> Accumulated amortisation	(73,829,750)	(112,310,793)	(186,140,543)
Net book amount	63,729,551	281,951,863	345,681,414
<b>For the year ended 31 March 2011</b>			
Opening net book amount	63,729,551	281,951,863	345,681,414
Additions	36,313,172	100,530,541	136,843,713
Amortisation charge (Note 20)	(17,179,189)	(75,952,508)	(93,131,697)
Closing net book amount	82,863,534	306,529,896	389,393,430
<b>As at 31 March 2011</b>			
Cost	173,872,473	494,793,197	668,665,670
<b>Less</b> Accumulated amortisation	(91,008,939)	(188,263,301)	(279,272,240)
Net book amount	82,863,534	306,529,896	389,393,430

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 14 Other current liabilities

Accrued salaries

Accrued electricity

Others

2011 Baht	2011 Baht
57,764,941	48,433,394
22,521,129	22,343,707
26,954,796	18,460,211
<u>107,240,866</u>	<u>89,237,312</u>

## 15 Retirement benefits obligation

Movements in retirement benefits obligation are as follows:

Opening balance

Additions

Benefits paid

Closing balance

2011 Baht	2010 Baht
46,753,113	18,343,294
45,980,272	28,475,891
(442,970)	(66,072)
<u>92,290,415</u>	<u>46,753,113</u>

From the third quarter for the year ended 31 March 2011, the Company has changed the estimation method for retirement benefits obligation from discounting the present value of estimated future cash outflows using interest rates which have terms to maturities approximating the terms of the related liabilities to projected unit credit method. The Company records the different amount as expense in the statement of income for the year ended 31 March 2011.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 16 Share capital and premium on share capital

	Number of shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
As at 31 March 2011 and 2010	76,625,000	383,125,000	504,250,000	887,375,000

The total authorised number of ordinary shares is 76,625,000 shares with a par value of Baht 5 per share (2010 : 76,625,000 shares with a par value of Baht 5 per share). All shares are issued and fully paid up.

## 17 Dividends

At the Annual General Shareholders' meeting held on 2 July 2010, the shareholders were unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2010 for 76,625,000 shares of Baht 5 per share, totalling Baht 383,125,000. There are 3,000 shares that were not entitled to receive the dividends, totalling of Baht 15,000 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 383,110,000 in the financial statements. The dividends were fully paid to the shareholders on 30 July 2010.

At the Annual General Shareholders' meeting held on 3 July 2009, the shareholders were unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2009 for 76,625,000 shares of Baht 5 per share totalling Baht 383,125,000. There are 3,000 shares that were not entitled to receive the dividends, totalling of Baht 15,000 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 383,110,000 in the financial statements. The dividends were fully paid to the shareholders on 30 July 2009.

## 18 Legal reserve

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% 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.



# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 19 Other income

	2011 Baht	2010 Baht
Scrap sales	72,741,248	60,299,383
Interest income	51,324,828	23,718,260
Tax rebate income	17,215,343	21,421,171
Royalty income	12,839,939	10,741,939
Others	16,926,162	12,382,506
	<u>171,047,520</u>	<u>128,563,259</u>

## 20 Expense by nature

The following expenditure items have been charged in arriving at operating profit :

	2011			
	Cost of sales Baht	Selling expenses Baht	Administrative expenses Baht	Total Baht
Changes in finished goods and work in process	(159,822,180)	-	-	(159,822,180)
Raw materials and consumables used	3,874,541,218	-	-	3,874,541,218
Staff costs	856,323,374	44,636,048	60,512,062	961,471,484
Depreciation (Note 12)	667,247,124	1,345,447	23,958,459	692,551,030
Amortisation (Note 13)	93,131,697	-	-	93,131,697
Utility expenses	261,679,522	-	3,072,513	264,752,035
Repairs and maintenance expenditure	148,909,273	460,939	21,084,834	170,455,046
Royalty fees (Note 25)	-	243,180,357	-	243,180,357
Directors' and managements' remuneration (Note 22)	20,655,851	-	-	20,655,851
Others	818,734,209	125,540,201	105,636,166	1,049,910,576
<b>Total</b>	<u>6,581,400,088</u>	<u>415,162,992</u>	<u>214,264,034</u>	<u>7,210,827,114</u>

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 20 Expense by nature (Cont'd)

	2010		
	Cost of sales Baht	Selling expenses Baht	Administrative expenses Baht
Changes in finished goods and work in process	94,249,331	-	-
Raw materials and consumables used	3,000,233,887	-	-
Staff costs	694,924,339	34,716,931	61,319,257
Depreciation (Note 12)	735,638,713	1,438,816	24,347,846
Amortisation (Note 13)	75,896,295	-	-
Utility expenses	232,545,776	-	3,573,469
Repairs and maintenance expenditure	145,347,708	230,236	20,835,693
Royalty fees (Note 25)	-	187,952,769	-
Directors' and managements' remuneration (Note 22)	19,737,943	-	-
Others	717,151,354	94,375,930	85,189,747
<b>Total</b>	<b>5,715,725,346</b>	<b>318,714,682</b>	<b>195,266,012</b>

## 21 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares issued and paid up during the year.

	Financial statements in which the equity method is applied		The Company only	
	2011	2010	2011	2010
Net profit attributable to shareholders (Baht)	1,427,711,597	957,441,120	1,369,553,033	894,839,337
Weighted average number of ordinary share in issue (Shares)	76,625,000	76,625,000	76,625,000	76,625,000
Basic earnings per share (Baht)	18.63	12.50	17.87	11.68

There are no dilutive potential ordinary shares in issue during the period presented, so no diluted earnings per share is presented.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 22 Directors' and managements' remuneration

Directors' remuneration comprises meeting fee and gratuities which were approved from the Annual Shareholders' meeting. Managements' remuneration comprises money incentives and benefits included salaries, bonus and welfare.

Directors and managements' remuneration in the statements of income for the year ended 31 March 2011, totalling Baht 47.36 million of which have been presented in cost of sales amounting Baht 20.66 million and separately presented in statements of income amounting to Baht 26.70 million (2010: Baht 44.74 million of which have been presented in cost of sales amounting Baht 19.74 million and separately presented in statements of income amounting to Baht 25 million).

## 23 Promotional privileges

The Company has received promotional privileges from the Office of the Board of Investment for the production of molds and 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 entity, the Company is required to comply with the terms and conditions as specified in the promotional certificates.

	2011 Baht	2010 Baht
<b>Sales of products</b>		
BOI	92,382,037	297,026,626
Non-BOI	8,847,227,313	6,989,340,052
	<u>8,939,609,350</u>	<u>7,286,366,678</u>
<b>Service income from mold repairment</b>		
BOI	1,684,000	1,739,700

## 24 Financial instruments

The principal financial risks faced by the Company are foreign currency exchange rate risk and credit risk. Foreign currency exposure relates to raw materials imported in foreign currencies and certain export sales in foreign currencies. The business transactions are generally on a short-term period which are between 1 and 3 month terms. The foreign currency exchange rate risk of the Company occurs mostly in Japanese Yen and US dollars. Credit risk arises when sales are made on credit terms.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 24 Financial instruments (Cont'd)

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 entered into to manage the currency risks. Decisions on the level of risk undertaken are confined to the management which has established limits by transaction type and by counterparty. The current policy established by the management is unchanged from that of the prior year of which the Company enters into foreign currency forward contracts for approximately 50% of net foreign currency liabilities.

Trading for speculative purposes is not allowed. Derivative transactions are subject to approval by the Company's Board of directors.

### a) Financial assets and liabilities

As at 31 March 2011 and 2010, the Company has outstanding foreign currency assets and liabilities as details below.

	2011		2010	
	Currency Million	Thousand Baht	Currency Million	Thousand Baht
<b>Assets</b>				
Japanese Yen	30.42	11,019	37.09	12,725
US Dollars	2.59	78,203	3.56	114,333
		<u>89,222</u>		<u>127,058</u>
<b>Liabilities</b>				
Japanese Yen	639.98	238,146	398.51	139,712
US Dollars	0.86	26,034	0.71	23,191
Euro	-	-	0.04	1,804
		<u>264,180</u>		<u>164,707</u>



# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 24 Financial instruments (Cont'd)

### a) Financial assets and liabilities (Cont'd)

#### Objectives and significant terms and conditions

The Company enters into financial instruments which are foreign currency forward contracts 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 2011 and 2010, the settlement dates on foreign currency forward contracts were within 1 month. The equivalent Thai Baht to be received at the contractual exchange rates of the outstanding contracts were:

	2011 Baht	2010 Baht
Yen 70 million at average rate Baht 36.65 = Yen 100		
(2010 : Yen 9 million at average rate Baht 35.06 = Yen 100)	25,655,000	3,155,670

#### Fair values

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

	2011 Baht	2010 Baht
Foreign currency forward contracts liabilities	47,450	8,316

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 at the balance sheet date.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 24 Financial instruments (Cont'd)

### b) Credit risk

The Company has no significant concentrations of credit risk. The Company has policy in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institution.

### c) Fair values

The carrying amounts of the following financial assets and financial liabilities approximate their fair values: cash and cash equivalents, short-term investments held to maturity, trade accounts receivable, trade accounts payable and other accounts payable due to short maturities of these investments.

## 25 Related party transactions

Individuals or enterprises 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 Company, 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 significant transactions with its major shareholder, Stanley Electric Company Limited Group, 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. Stanley Electric Group comprises Stanley Electric Company Limited and related companies.

Purchases from related parties are specific materials or materials which are manufactured on a large scale at one source for cost saving benefits. Sales to related parties 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 party in accordance with the agreement. A design and development fee and other fees are charged in the normal course of business and are presented as other accounts payable - related parties.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 25 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

For the years ended 31 March

### Sales

Stanley Electric Group companies

Companies related by way of the Company's management and  
directors as shareholders, or by way of common directors

Associates

### Technical assistance income (other income)

Stanley Electric Group companies

Associates

### Royalty income (other income)

Associates

### Dividend income

Stanley Electric Group companies

Companies related by way of the Company's management and  
directors as shareholders, or by way of common directors

Associates

### Other income

Stanley Electric Group companies

Associates

	2011 Baht	2010 Baht
<b>Sales</b>		
Stanley Electric Group companies	419,208,314	441,834,428
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	136,289,127	199,073,817
Associates	138,485,800	128,667,403
	<u>693,983,241</u>	<u>769,575,648</u>
<b>Technical assistance income (other income)</b>		
Stanley Electric Group companies	-	180,500
Associates	-	76,864
	<u>-</u>	<u>257,364</u>
<b>Royalty income (other income)</b>		
Associates	<u>284,282</u>	<u>172,651</u>
<b>Dividend income</b>		
Stanley Electric Group companies	50,080,269	45,242,924
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	822,775	1,261,324
Associates	25,913,219	30,149,177
	<u>76,816,263</u>	<u>76,653,425</u>
<b>Other income</b>		
Stanley Electric Group companies	1,437,909	1,437,656
Associates	43,349	42,069
	<u>1,481,258</u>	<u>1,479,725</u>

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 25 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

For the years ended 31 March	2011 Baht	2010 Baht
<b>Purchases of goods and services</b>		
Stanley Electric Group companies	805,440,313	525,105,389
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	275,192,665	228,010,840
Associates	21,341,453	13,366,692
	<u>1,101,974,431</u>	<u>766,482,921</u>
<b>Royalty fees</b>		
Stanley Electric Group companies	<u>243,180,357</u>	<u>187,952,769</u>
<b>Design and development fee</b>		
Stanley Electric Group companies	<u>49,853,307</u>	<u>46,228,513</u>
<b>Technical fee</b>		
Stanley Electric Group companies	<u>8,006,538</u>	<u>4,230,606</u>
<b>Training fee</b>		
Stanley Electric Group companies	<u>24,436,247</u>	<u>19,694,820</u>
<b>Commission</b>		
Stanley Electric Group companies	<u>528,559</u>	<u>2,163,960</u>



# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 25 Related party transactions (Cont'd)

The amounts due to and from related parties are mainly denominated in foreign currencies and relate to purchases and sales transactions. The outstanding balances as at 31 March 2011 and 2010 are as follows:

	2011 Baht	2010 Baht
<b>Trade accounts receivable - related parties</b>		
Stanley Electric Group companies	29,501,236	42,019,809
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	35,105,287	29,143,954
Associates	14,923,809	19,420,963
	<u>79,530,332</u>	<u>90,584,726</u>
<b>Trade accounts payable - related parties</b>		
Stanley Electric Group companies	209,267,468	123,320,896
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	27,813,373	15,333,640
Associates	4,930,585	2,978,838
	<u>242,011,426</u>	<u>141,633,374</u>
<b>Other accounts payable - related parties</b>		
Stanley Electric Group companies	<u>120,892,213</u>	<u>109,726,795</u>

## 26 Significant commitments

### a) Bank guarantees

As at 31 March 2011, the Company has bank guarantees with respect to electricity supply from bankers of Baht 40 million (2010 : Baht 20 million).

### b) Capital commitments

As at 31 March 2011, the Company has capital commitments of Baht 281 million (2010 : Baht 65 million) for plant construction and purchase of machinery.

# NOTE TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited

Note to the Financial Statements

For the years ended 31 March 2011 and 2010

## 27 Post balance sheet event

At the Board of Directors' meeting held on 20 May 2011, the Board of Directors approved to propose the dividends payment in respect of the operating results for the year ended 31 March 2011 for a total 76,625,000 shares of Baht 6.5 per share totaling Baht 498.06 million to the Annual General Shareholders' meeting held on 8 July 2011.

# FINANCIAL STATISTICS IN 5 YEARS

(Unit : Thousand Baht Except For Figure Per Share)

	31 Mar 11	31 Mar 10	31 Mar 09	31 Mar 08	31 Mar 07
<b>Report on Operation</b>					
Sales	8,939,609	7,286,367	7,893,738	8,329,879	7,906,951
Cost of Sales	6,581,400	5,715,725	6,249,512	6,367,303	6,273,877
Net Profit (Loss)	1,427,712	957,441	1,108,632	1,296,030	1,151,618
Net Profit (Loss) per Share (Baht)	18.63	12.50	14.47	16.91	15.03
Net Profit Margin (%)	15.58	12.82	13.04	15.10	13.95
Return on Equity (%)	18.42	13.66	17.39	23.16	24.33
Return on Total Assests (%)	15.60	12.01	14.71	18.45	19.08
Dividend per Share (Baht)	*	5.00	5.00	5.30	4.85
Dividend Ratio (%)	*	42.81	35.69	33.04	32.27
<b>Assets &amp; Liabilities and Shareholders' Equity</b>					
Current Assets	5,746,468	4,597,894	3,337,916	3,427,251	2,797,178
Property, Plant and Equipment, Net	3,268,205	3,031,174	3,367,523	3,402,292	3,209,041
Total Assets	9,865,314	8,441,498	7,496,467	7,530,329	6,514,992
Current Liabilities	1,532,641	1,132,906	719,470	1,452,707	1,375,276
Non- Current Liabilities	92,290	46,753	18,343	19,025	7,332
Shareholders'Equity	8,240,382	7,261,839	6,758,653	6,058,598	5,132,384
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)	107.54	94.77	88.20	79.07	66.98
Number of Shares**	76,625	76,625	76,625	76,625	76,625
Per Value (Baht)	5.00	5.00	5.00	5.00	5.00

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

\*\* Calculated Using The Weighted Average Method

# GENERAL CORPORATE INFORMATION

## 1. Company Information

- 1.1 Thai Stanley Electric Public Company Limited Public Registered No. 0107536000765  
 Address : 29/3 M.1 Bangpooon-Rungsit Road, Banklang, Muang Pathumthanee  
 Homepage: www.thaistanley.com  
 Type of Business : Manufacturer of automotive lighting equipment and mold  
 Paid up capital : 383,125,000 Baht (Three hundred eighty-three million and one hundred twenty-five thousand baht) Common share 76,625,000 share par value 5 Baht.

## 1.2 Details of Investment in other companies exceed of 10%

No	Name/Address/Type Of Business	Capital Registered (Million Baht)	Amount Of Number Of Share Hold	Investment Ratio (%)
1	Lao Stanley Co.,Ltd. KM.7 Luangprabang Road, Vientiane, Laos - Manufacturer of automotive lighting equipment Telephone : 85621 222171-3 Facsimile : 85621 222174	USD 500,000	USD 250,000	50
2	Vietnam Stanley Electric Co.,Ltd. Hanoi , Vietnam - Manufacturer of automotive Lighting equipment Telephone : (844) – 8 534546 Facsimile : (844) – 8 531337	USD 8,300,000	USD 1,660,000	20
3	Top Hightech (Thailand) Co.Ltd Saha Ratana Nakorn Industrial Park , Ayuttaya - Manufacturer,sell,assemble plastic goods and assemble light resolution molds Telephone : (035) 364-051 Facsimile : (035) 364-052	35.9	5 million baht common stock 5,000 shares	13.9
4	Asian Stanley International Co.,Ltd 48/1 M.1 Kukwang Ladlumkaew , Pathumthani - Manufacturer of lighting emitting diodes (LED) and camera flashes. Telephone : 0-2599-1260 Facsimile : 0-2599-1263	400	60 million baht common stock 600,000 shares	15
5	Sum Hitechs Co.,Ltd Navanakorn Industrial Estate (Zone 2) 60/63 Klongnung Klongluang,Pathumthanee - Manufacturing of Auto Parts, Motorbike parts, Light Electric Appliance part, and Plating parts Telephone : 0-2529-0928 Facsimile : 0-2529-0931	104	19.49 million baht common stock 170,040 shares	16.35

## GENERAL CORPORATE INFORMATION

No	Name/Address/Type Of Business	Capital Registered (Million Baht)	Amount Of Number Of Share Hold	Investment Ratio (%)
6	Sirivit Stanley Co.,Ltd 182 M.6 Tambol Cokegluad Muang, Nakhonrachasima - Manufacturer of automotive lighting equipment and electronic components Telephone : (044) 291-411-3 Facsimile : (044) 291-414	40	6.00 million baht (paid – up 3.00 million baht) common stock 600,000 shares	15
7	Stanley Electric Engineering India PVT Ltd. No.82 Poorvi Marg, Vasant Vihar, New Delhi, India 110057 - Design Lamp, Mold including production mold for motorcycle, motorcar and other parts. Telephone : +91-124-2290854/55/71 Facsimile : +91-124-2290870	INR 161,000,000	INR 16,100,000	10
8	P.T. Indonesia Stanley Electric Jakarta, Indonesia. - Production and Sales of Automotive lamps for motorcycle and motorcar, Die & Molds) Telephone : (021) 59404510 Facsimile : (021) 59404506	USD 7,500,000	USD 750,000	10

### 1.3 Reference

#### Registrar

Thailand Securities Depository Co.,Ltd.  
Capital Market Academy Building, The Stock Exchange of  
Thailand Building, 2/7 Moo 4, (North Park Project) Vibhavadi -  
Rangsit Road, Km.27, Tung Song Hong, Laksi, Bangkok 10210  
Telephone : 0-2229-2800 Facsimile : 0-2359-1259

#### Auditor

Ms.Nangnoi Charoenthaveesub  
Certified Public Accountant (Thailand) No.3044  
PricewaterhouseCoopers ABAS Limited.  
15th Bangkok City Tower , 179 South Sathorn Road, Bangkok 10120  
Telephone : 0-2286-9999 Facsimile : 0-2286-5050

#### Law Consultant

ALLEN & OVERY  
22nd Floor, Sindhorn Building III  
130 - 132 Wireless Road, Bangkok 10330  
Telephone : 0-2263-7600 Facimile : 0-2263-7699



# GENERAL CORPORATE INFORMATION

## 2. Financial Statistics Summary

Financial statistics as at 31 March 2009, 2010 , 2011

	(The equity method)		(Unit : Thousand baht)
	31 March 2011	31 March 2010	31 March 2009
Sale	8,939,609	7,286,367	7,893,738
Total Revenues	9,165,380	7,470,568	8,200,449
Cost of sale	6,581,400	5,715,725	6,249,512
Gross Profit	2,358,209	1,570,641	1,644,226
Selling and Administrative Expense	656,132	538,983	608,121
Net Profit (Loss)	1,427,712	957,441	1,108,632
Net Profit (Loss) per share (baht)	18.63	12.50	14.47
Current Asset	5,746,468	4,597,894	3,337,916
Property, Plant and Equipment, Net	3,268,205	3,031,174	3,367,523
Total Asset	9,865,314	8,441,498	7,496,467
Current Liabilities	1,532,641	1,132,906	719,470
Non-current Liabilities	92,290	46,753	18,343
Shareholders'Equity	8,240,382	7,261,839	6,758,653
Capital Registered	383,125	383,125	383,125
Paid up Capital	383,125	383,125	383,125
Number of shares	76,625,000	76,625,000	76,625,000
Par Value (Baht)	5	5	5
Book Value Per Share (Baht)	107.54	94.77	88.20
Financial Ratio			
Net Profit Margin (%)	15.58	12.82	13.41
Return on Equity (%)	18.42	13.66	17.30
Return on Total Asset (%)	15.60	12.01	14.71
Debt to Equity (times)	0.20	0.16	0.17
Current Ratio (times)	3.75	4.06	4.48
Dividend Per Share (Baht) **	*	5.00	5.00
Dividend Ratio (%) *	*	42.81	35.69

\* Dividend Per Share , It will be approved from The Annual General Shareholders Meeting of No.1/2011

\*\* Dividend Ratio calculated from net profit in Income Statement in Company Only

# GENERAL CORPORATE INFORMATION

## 3. Business Characteristics

### 3.1 Relevant details of business

The company and associated company responsible mostly for production and sales within the same business group of Automotive Lighting Equipment for motorcar, motorcycle and other vehicles. The company's products are automotive light bulb, automotive lamp and, die and mold for injection molding. The company's customer are those who manufactures and sales motorcycle and motorcar of many kinds (personal vehicle and commercial vehicle), for both domestic and overseas. Apart from this the company also have Sittipol 1919 Company as the sales agency for the spare parts product.

#### - Business Dividing Policy of the company groups

Because those company groups are located overseas, therefore the production and sales business of the company groups has been divided and assigned to those who manufactures and sales of automotive and spare parts in that country. The Thai Stanley Electric Public Company Limited will take responsible for the sales business with the other countries, or may be sometimes considered giving the authorization to the company group to carry out this responsibility instead.

### 3.2 Income Structure

The company currently manufactures and market auto bulb, automotive lighting equipment and mold & dies. The business segment information for mold & dies, which is different from auto bulb, automotive lighting, has not been separately reported as the sales of this segment represent only 1.03% of total sales.

	31 March 2011		31 March 2010		31 March 2009	
	Million	%	Million	%	Million	%
Revenues						
Local Sale Revenues	7,386.92	79.86	6,030.87	79.74	6,555.50	79.33
Export Sale Revenues	1,552.69	16.79	1,255.50	16.60	1,338.24	16.19
Total Sale Revenues	8,939.61	96.65	7,286.37	96.34	7,893.74	95.52
Dividend Income	52.60	0.57	48.06	0.64	115.16	1.39
Gain on Exchange Rate	2.12	0.02	7.57	0.10	6.63	0.08
Other Income	171.05	1.85	128.56	1.70	184.96	2.24
Share of profit from investment						
in associate	84.07	0.91	92.75	1.22	63.63	0.77
Total revenues	9,249.45	100.00	7,563.31	100.00	8,264.13	100.00

### 3.3 Relevant changing of business for the previous year

In year 2010 the economic and the automotive industry growth. The company's year 2010 sales increased 22.7 % compared with last year. Operation Profit increase of 58.56 % as a result of improved production systems activities by SNAP (Stanley New Approach for higher Productivity - Production Activities reform), the company can achieve a record profit.

The improve quality activities continuously, with the goal of zero defect and eliminating wasteful activities in each work area. A result, the performance of the company better and to get the trust of more customers.

# GENERAL CORPORATE INFORMATION

In addition, the Company continued to perform activities. “Make visible” in each work area. The preparation of a system that will pinpoint the problem quickly. And then fix the problem promptly. And to support and promote the reduction of inventories. And use of assets for maximum benefit.

## Competitive Conditions

Due to competitive conditions in the lighting equipment automotive industry that relatively low competition. Therefore, the competitive strategy of the company is attempted to provide all kinds of products are high quality with reasonable price. Pricing will be charged the standard cost of production plus profit. It also has a policy to expand the product line that related of the automotive increase to meet the demand of the market.

### 4. Risk factors

Risk management policy has been developed follows:

“The company focuses on controlling risks in all aspects which cover business-related risk, financial risk, manufacturing risk, and other operational risks, ensuring the security in lives and bodies of employees and company properties, giving good cooperation to society and government agencies.”

The company has established Managerial Risk Management Committee in which executive chairman acts as chairman of the committee. The role of the committee is to develop risk management plan in order to ensure that company risk management is adequate and appropriate, staying acceptable level, and continually being implemented so that the organization will be able to achieve the objectives and goals. Management and employees in each business unit are assigned to anticipate risks around them so as to set up strategy to prevent loss causing from such risk. In case that such risk eventually happens, responsive measure needs to be developed to ensure that loss is minimized. Monitoring system is also required to watch out new risks that possibly occur and then report to the executive committee.

#### The role of Risk Management Committee:

1. To develop Risk Control Manual to give advice to responsible unit on how to make decision to ensure the continuity of risk controlling.
2. To develop measures when risks occur
3. To utilize social activities
4. To develop measures to avoid case repetition

In addition to Risk Management Committee, Crisis Control Committee has been established with the role to develop requirements and measures in case of crisis such as fire, develop training plan, create scenario, evaluate, record, and inspect security at workplace. TOP GUN team is another support team that takes special training to help in the case of fire.

Last year, the company has inspected risk assessment and requirements identification or manual of risk management or risk minimization for the whole company and report to the management. The review shall be done and reported every year.

## GENERAL CORPORATE INFORMATION

According to the risk assessment, no significant risk to investors has been found. There is only normal business risk which is in Average level; namely, such risks can be reduced. Budget for reducing risks has to be spent carefully and the measures must be developed within time frame. Examples of the risks include:

### 1. Risk caused from economics and political instability in the country

Performance Improvement Strategy Office has been established in order to study about cost reduction as well as study business environment to find measures of maintaining profit margin. Management meeting is held and update information is posted on announcement board every week.

### 2. Risk caused from foreign exchange rate and loan

- This risk arises because of raw materials importing and exporting. Such business transaction is usually in short term, approximately 1-3 months with currency of Yen and U.S. dollar. Measure of preventing this risk is to use Forward Contract.

Executive committee is the person who considers acceptable risk level for each transaction and each partner. Forward contract policy remains unchanged which can prevent risk by 50% of total net debt in foreign currency. The contract will be made only with the main bank that the company is using service. The company will not do speculating business transaction.

- Risk caused from loan: the company has no significant risk from loan clustering. The company made a contract of derivatives and deposited cash with the reliable financial institutions.

### 3. Risk caused from increasing in materials cost and being short of suppliers

The policy on this matter is not dealing solely with any particular manufacturer or supplier. As the supply is more than demand for this material, the company can choose the supplier who is strong, capable, and stable in financial status. All factors can be a purchasing power of the company to negotiate with the suppliers.

### 4. Risk caused from infrastructure

As this business needs to be operated by using huge machinery and it is developing to be Clean Factory, the manufacturing process therefore needs to maintain keep temperature and humidity in appropriate level in order to minimize impacts toward products and delivery. If electricity problem occurs, it will highly effect to the production process, the company therefore asks for the cooperation from Provincial Electricity Authority (PEA) to supply electricity from 3 PEA substations. In addition, the company has constructed 2 of 115 KV substations within the company in order to balance load; the purpose is to increase efficiency and make sure the stability of power supply to the company factory.

# GENERAL CORPORATE INFORMATION

## 5. Structure of holding and management

### 5.1 Shareholders

(A) Top ten shareholders as at July 13, 2010.

	Number of Share (Million share)	% of holding
1. STANLEY ELECTRIC CO.,LTD	22.95	29.95%
2. LEEISSARANUKUL FAMILY GROUP	22.29	29.08%
3. SOMERS (U.K) LIMITED	1.96	2.56%
4. MR.KENNETH RUDY KAMON	1.74	2.27%
5. AMERICAN INTERNATIONAL ASSURANCE COMPANY,LIMITED-APEX	1.33	1.73%
6. THAI NVDR CO.,LTD.	1.32	1.72%
7. BNP PARIBAS SECURITIES SERVICE LUXEMBOURG	1.30	1.70%
8. AMERICAN INTERNATIONAL ASSURANCE COMPANY,LIMITED-TIGER	1.09	1.42%
9. STATE STREET BANK AND TRUST COMPANY	1.03	1.35%
10. MR.WICHAJ MITRSANTISOOK	0.81	1.06%

The currently shareholders list, the investor can visit in company website ([www.thaistanley.com](http://www.thaistanley.com)) before the Annual General Meeting.

(B) Major Shareholders to participate in its operations by sending people to be a committee

	Number of Share (Million share)	% of holding
1. STANLEY ELECTRIC CO.,LTD.	22.95	29.95%
2. LEEISSARANUKUL FAMILY GROUP	22.29	29.08%

### 5.2 Management

#### (1) Management

(1.1) Management Structure, The company has had director 3 groups as follows

#### The Board of Directors

##### Authority of the Board of Directors

From the company's regulations, the authority of the Board of Directors are to take responsible for the company's business management, making decision and to supervise the business within the scope and law, as well as the company's objective and regulations, except the following topics that have to get approval from shareholders' meeting.

1. Anything that has been stated by law has to get the shareholders' conclusion.
2. Conduction of any related items that meet the criteria of getting permission from shareholders' meeting.



# GENERAL CORPORATE INFORMATION

## The Executive Board of Directors

### Authority of the Executive board

To specify the company's business management policy and direction, as well as to audit the company's business result.

## Audit Committee

### Authorities of audit committee are as follow

1. To review the Company's financial reports for their accuracy and completeness.
2. To review that the Company has effective and suitable internal controls and internal audit systems, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review that the Company will perform in compliance with the law governing Securities and the regulations of the Stock Exchange of Thailand and any relevant laws concerning the Company's business.
4. To Consider, select, nominate and independent person to be the Company's auditor and propose such person's remuneration, as well as to attend a non-management meeting with an auditor as least once a year.
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare report and disclosure in the annual report of the company. Such a report shall be signed by the chairman of the Audit Committee and consist of at least the following information :
  - Opinions concerning the accuracy, completeness and reliability of the company's financial reports.
  - Opinions on the sufficiency of the company's internal control systems.
  - Opinions concerning the company's performance in compliance with the law governing Securities and the regulations of the Stock Exchange of Thailand and any relevant laws concerning the company's business.
  - Opinion on the suitability of an auditor.
  - Opinion on the transactions that may lead to conflicts of interests.
  - The number of audit committee meeting, and the attendance of such meetings by each committee member.
  - Any other reports that the shareholders and general investors should know within the scope of the duties and responsibilities assigned by the Board of Directors.

# GENERAL CORPORATE INFORMATION

7. To perform any other functions as assigned by the Board of Directors with the consent of The Audit Committee.

## 1.2 The Board of Director name list 12 persons as follows

- |     |                               |  |
|-----|-------------------------------|--|
| 1.  | Mr. Hiroyuki Nakano *         | Director   |
| 2.  | Mr. Apichart Leeissaranukul * | Director   |
| 3.  | Mr. Koichi Nagano *           | Director   |
| 4.  | Mr. Thanong Leeissaranukul *  | Director   |
| 5.  | Mrs. Pimjai Laochinda         | Director   |
| 6.  | Mrs. Pornthip Sethiwan        | Director   |
| 7.  | Mr. Katsumi Kondo             | Director   |
| 8.  | Mr. Katsutoshi Iino           | Director   |
| 9.  | Mr. Krisada Visavareeranon    | Independent Director and Chairman Audit Committee  |
| 10. | Mr. Chokechai Tanpoonsinthana | Independent Director and Audit Committee and adequate expertise and experience to audit creditability of the financial reports |
| 11. | Mr. Suchart Phisitvanich      | Independent Director and Audit Committee   |
| 12. | Mr. Picharn Sukparangsee      | Independent Director   |

Remark \* Authorized directors

## 1.3 Criteria in the selection of independent directors

The Company's setting definition of Independent Directors to be on a level of the Capital Market Supervisory Board's definitions No. TorChor. 14/2552 No.16 details as follows

1. Hold not more than 1% of the voting shares in the company, its subsidiaries, associates, or related companies, major shareholder or person with controlling power over the company, whilst the number of shares held by any related person of such an independent director must also be counted.
2. Have not been or are not involved in the management, employees, wage earners, advisors on the payroll of the company, its subsidiaries, associates, or equivalent companies, major shareholder or person with controlling power over the company except when such qualifications have ended for more than two years, provided that such restriction or prohibition shall not apply to an independent director who has been a government authority, which is the major shareholder of the company or the person having controlling power over the company.
3. Are not related by blood or registration as parents, spouses, siblings, or children, spouses of any of the children to members of the management, major shareholders, those exercising control, or those about to be nominated as members of the management or those exercising control over the company or subsidiaries.
4. Do not have and have not any business relationship with the company, subsidiaries, associated companies, major shareholders or those exercising control over the company in the manner in which independent discretion might be affected, and not be and have not been a substantial shareholder of or a person having power to control the person that has business relationship with the company subsidiaries, associated companies, major shareholders or those exercising control

# GENERAL CORPORATE INFORMATION

over the company unless such an independent director has not been a person referred to above for at least two years.

Bussiness referred to in the first paragraph above shall meant to include any ordinary course of business or trade for business engagement purpose, any lease taking or lease out of any property, any transaction relating to asset or service, any financial support or acceptance of financial support by way of either borrowing, lending, guaranteeing or collateral providing or any other manner similar thereto that could result to an obligation required to be performed by the applicant or the party thereto in an amount of three percent or more of the net tangible asset value of the applicant or twenty million baht or more, whichever is lesser. In light of this, the method for calculating the value of connected transaction pursuant to the Capital Market Supervising Committee's Notification, Re: Regulations in respect of an Entering into a Connected Transaction shall be applied mutatis mutandis for the purpose of calculation of such amount of dept of the applicant, provided that the amount of the dept incurred during the past one year prior to the date on which such a business relationship with such a business relationships with such person exists;

5. Is not and has not been an auditor of the company, subsidiary, associated company, major shareholder or those with controlling power over the company and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any auditing firm or office in which the auditor of the auditor of the company, subsidiary, associated company, major shareholder or those with controlling power over the company unless such an independent director has not been a person referred to above for at least two years.
6. Is not and has not been a professional advisor, including legal or financial advisor who obtains fee more than 2 million baht a year from the company, subsidiary, associated company, major shareholder or those with controlling power over the company and is not and have not been a substantial shareholder of, a person having controlling power over, or a partner of any of such professional service provider firm or office, unless such an independent director has not been a person referred to above for at least two years.
7. Is not a director appointed as a representative of a director of the company, a representative of a major share holder of the company, or a representative of a shareholder of the company which is a related person of the major shareholder of the company.
8. Does not engage in any business with similar nature as that of the company and is competitive with the business of the company, subsidiary or is not a substantial partner in a partnership, a director participating in any management role, an employee or officer, an advisor obtaining regular salary from, or a shareholder holding more than one percent of the voting shares of accompany engaging in any business with similar nature to the company or subsidiary.
9. Does not have any characteristics which will inept the ability to provide independent comment or opinion on the operation of the company.

## Process of recruiting independent directors

The appointment independent director not yet approve by nomination committee because of not yet setting but the board of director considered the qualification due to their knowledge and capability will benefit to the company.

# GENERAL CORPORATE INFORMATION

## 1.4 The Board of Director's meeting data

1. Board of Director 12 persons No of Meeting 8 Times

Name	Quantity	Name	Quantity
1. Mr. Hiroyuki Nakano	7	7. Mr. Katsumi Kondo **	6 (TV Conference)
2. Mr. Apichart Leeissaranukul	8	8. Mr. Katsutoshi Iino **	5 (TV Conference)
3. Mr. Koichi Nagano	8	9. Mr. Krisada Visavateeranon	8
4. Mr. Thanong Leeissaranukul	7	10. Mr. Chokechai Tanpoonsinthana	6
5. Mrs. Pimjai Laochinda	7	11. Mr. Suchart Phisitvanich *	6
6. Mrs. Pornthip Sethiwan	8	12. Mr. Picharn Sukparangsee *	6

Remark \* New appointment director during the year

\*\* Director worked at Japan.

2. Audit Committee 3 persons No of Meeting 10 Times

Name	Quantity
1. Mr. Krisada Visavateeranon	10
2. Mr. Chokechai Tanpoonsinthana	7
3. Mr. Suchart Phisitvanich	7

3. The Executive Board 7 persons No of Meeting 51 Times

## 1.5 The Executive Board name list 7 persons as follows

1. Mr. Hiroyuki Nakano President
2. Mr. Apichart Leeissaranukul Executive Vice President
3. Mr. Koichi Nagano Director and Executive General Manager - Lighting Equipment Division
4. Mr. Yasuhiro Amano Executive General Manager - Marketing Division
5. Mr. Nobuhiro Takahashi Executive General Manager - Die & Mold Division
6. Mr. Shigehiro Kobayashi \* Executive General Manager - R&D Center
7. Mr. Tomokazu Wakayama Deputy Executive General Manager

Remark \* New executive

Secretary: Mrs. Sudjai Srifuengfung

## 1.6 Business relationship of independent directors - None

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## List of Directors, Managers, and experience

Name - Surname	Age	Education Degree	% of Holding	Relations	Working Experience		
					Period	Position	Company Name
1. Mr. Hiroyuki Nakano President	61	Bachelor the Faculty of Economics Meiji University, Japan	0.00	-	2003 - Present	President	Thai Stanley Electric PCL.
					2003 - Present	Director	Top Hitech (Thailand) Co.,Ltd.
					2004 - Present	Director	PT Indonesia Stanley Electirc
					2004 - Present	Director	Sum Hitechs Co.,Ltd.
					2004 - Present	Director	Sirivit Stanley Co.,Ltd.
					2004 - Present	Director	Lao Stanley Co.,Ltd.
					1969 - 2003	Manager Sale Dpet.3	Stanley Electric Co.,Ltd.
2. Mr. Apichart Leeissaranukul Executive Vice President and Executive General Manager Administration Division.	48	Master of Business Administration Oklahoma City University, USA. Bachelor of Administration The University of the Thai chamber of commerce. - Certificate Directors Certification program from Thai Institute of Director (IOD)	5.87	Son Mr.Vitya Leeissaranukul Mrs.Pomdee Leeissaranukul Brother Mr.Thanong Leeissaranukul, Mrs. Pimjai Laochinda Mrs. Pornthip Sethiwan	1987 - Present	Director	Rocket Steel Industries Co.,Ltd.
					1991 - Present	Director	Inoue Rubber (Thailand) Public Co.,Ltd.
					1992 - Present	Executive Vice President	Thai Stanley Electric PCL
					1992 - Present	Director	Sopa-Kanok International Co.,Ltd
					1993 - Present	Director	Pacific Industries Co.Ltd.
					1995 - Present	Director	Sungold Holding Limited
					1996 - Present	Executive Vice President	Asian Stanley International Co.,Ltd
					1997 - Present	Director	Sirivit Stanley Co.,Ltd.
					1997 - Present	Director	Daido Sittipol Co.Ltd.
					1999 - Present	Chairman	Lao Stanley Co.,Ltd.
					2000 - Present	Director	Vietnam Stanley Electric Co.,Ltd.
					2002 - Present	Director	Investor Club Association
					2004 - Present	Executive Director	Investor Club Association
					2005 - Present	Director	Listed Companies Association
					2006 - Present	Director	PT Indonesia Stanley Electric
					2006 - Present	Director	Total Oil (Thailand) Co.,Ltd.
3. Mr. Koichi Nagano Director and Executive General Manager Lighting Equipment Division	51	Bachelor of The Faculty of Engineering Hosei University , Japan	-	-	2000 - 2004	Team Manager Design Department Motorcycle Division	Stanley Electric Co.,Ltd.
					2004 - 2009	Departmen Manager Design Department Motorcycle Division	Stanley Electric Co.,Ltd
					2009 - Present	Director	Thai Stanley Electric PCL.
4. Mr. Thanong Leeissaranukul Director	51	Bachelor of Business Administration – Commercial Nanzan University, Japan.	4.19	Son Mr.Vitya Leeissaranukul Mrs.Pomdee Leeissaranukul Brother	1983 - Present	Director	Thai Stanley Electric PCL.
					1986 - Present	Managing Director	The Sittipol 1919 Co.,Ltd.
					1986 - Present	Director	Inoue Rubber (Thailand) PCL.
					1993 - Present	Director	Sopa - Kanok International Co.,Ltd.
					1995 - Present	Executive Director	Total Oil (Thailand) Co.,Ltd.



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Name - Surname	Age	Education Degree	% of Holding	Relations	Working Experience		
					Period	Position	Company Name
4. Mr. Thanong Leeissaranukul Director (Cont'd)	51		4.19	Mr.Apichart Leeissaranukul, Mrs. Pimjai Laochinda and Mrs. Pomthip Sethiwan	1995 - Present	Director	Sungold Holding Co.,Ltd.
					1995 - Present	Executive Director	Toei Inoac Co.,Ltd.
					1995 - Present	Director	IRC (Asia) Research Co.,Ltd.
					1996 - Present	Vice Chairman	Daido Sittipol Co.,o.,Ltd.
					1996 - Present	Executive Director	Seng Ngun Hong Co.,Ltd.
					1996 - Present	President	Bike Clinic Co.,Ltd.
					1998 - Present	Director	The Studio Promotions Co.,Ltd.
					2001 - Present	President	Smart Sport Promotion Co.,Ltd.
					2003 - Present	Director	SK Rubber Co.,Ltd.
					2007 - Present	President	Kanok-Sopa Foundation
5. Mrs. Pimjai Laochinda Director	50	Master of Business Administration operation Management, Drexel University,USA. Bachelor of Engineering Chulalongkom University - Certificate Directors Certification program Thai Institute of Director (IOD) Capital Market Academy Leadership Capital Market (CMA)	2.82	Daughter Mr.Vitya Leeissaranukul Mrs.Pomdee Leeissaranukul Sister Mr.Apichart Leeissaranukul, Mr. Thanong Leeissaranukul Mrs. Pomthip Sethiwan	1980 - Present	Director	Thai Stanley Electric PCL.
					2007 - Present	President	Inoue Rubber (Thailand) PCL
					1986 - 2007	Executive Vice President and	Inoue Rubber (Thailand) PCL
					1986 - Present	Managing Director	Sopa - Kanok international Co.,Ltd.
					1995 - Present	President	Toei - Inoac Co.,Ltd.
					1995 - Present	Executive Director	IRC Asia Reseach Co.,Ltd.
					1995 - Present	Executive Director	Sungold Holding Co.,Ltd.
					2001 - Present	Executive Director	Kinno Hoshi Engineering Co.,Ltd.
					2003 - Present	Director	S.K. Rubber Co.,Ltd.
					2006 - Present	Director	Dido Sittipol Co.,Ltd.
					2010 - Present	Global Advisory Board Member	Babson College, Ma, U.S.A
					2010 - Present	Executive Board as external advisory expert	Faculty of Engineering Chulalongkom University
6. Mrs. Pomthip Sethiwan Director	44	Bachelor of Commerce and Accountancy, Commerce major Chulalongkom University. - Certificate Director Accreditation Program Thai Institute of Director (IOD)	2.82	Daughter Mr. Vitya Leeissaranukul Mrs. Pomdee Leeissaranukul Sister Mr. Apichart Leeissaranukul, Mr. Thanong Leeissaranukul Mrs. Pimjai Laochinda	1980 - Present	Director	Thai Stanley Electric PCL.
					1985 - Present	Director	Seng Ngun Hong Co.,Ltd.
					1990 - Present	Executive Director	The Sittipol 1919 Co.,Ltd.
					1990 - Present	Managing Director	Pacific Industries (Thailand) Co.,Ltd.
					1991 - Present	Director	Inoue Rubber (Thailand) PCL.
					1993 - Present	Director	Sopa-Kanok International Co.,Ltd.
					1996 - Present	Director	Daido Sittipol Co.,Ltd.
					1993 - Present	Director	Bike Clinic Co.,Ltd.
					2003 - Present	Director	SK Rubber Co.,Ltd.
					2006 - Present	Director	IRC Asia Reseach Co.,Ltd.

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Name - Surname	Age	Education Degree	% of Holding	Relations	Working Experience		
					Period	Position	Company Name
7. Mr. Katsumi Kondo Director	59	Bachelor Faculty of Laws, Komazawa University Japan	-	-	2006 - Present	Director	Thai Stanley Electric PCL.
					2006 - Present	Director	Stanley Niigata Works Co., Ltd.
					2006 - Present	Director	II Stanley Co., Inc.
					2006 - Present	Auditor	Stanley Electric Hungary KFT
					2006 - Present	Director	Tianjin Stanley Electric Co., Ltd.
					2006 - Present	Director	Stanley Electric GMBH
					2006 - Present	Director	Stanley Electric Co.,Ltd.
					2003 - 2006	Executive Director	Stanley Electric Co.,Ltd.
8. Mr. Katsutoshi Iino Director	50	Bachelor Faculty of Economy, Industrial Management Nihon University, Japan	-	-	2008 - Present	Director	Asian Stanley International Co.,Ltd.
					1985 -1992	Accounting Department	Stanley Electric Co.,Ltd.
					1992 - 2000	Secretary / Treasurer	Stanley Electric Co.,Ltd.
					2000 - 2004	Secretary / Treasurer	II Stanley Electric Co.,Ltd.
					2004 - 2005	Section Manager Business Control Section	Stanley Electric Co.,Ltd.
					2005 - Present	Accounting Department Manager	Stanley Electric Co.,Ltd.
					2007 - Present	Director	Thai Stanley Electric PCL.
9. Mr. Krisada Visavateeranon Independent Director and Chairman Audit Committee	61	Master of Engineering Kyoto University, Japan. Bachelor of Engineering Kyoto University, Japan - Certificate Directors Certification program Audit Committee Program Thai Institute of Director. (IOD)	-	-	2007 - Present	Chancellor	Thai-Nichi Institute of Technology
					1999 - Present	Director	Thai Stanley Electric PCL.
					1998 - 2003	Director	Vast Technical Engineering
					1997 - Present	Executive Director	Consultal Co.,Ltd.
					1975 - 2007	Associate Professor	Technology Promotion Association (Thailand-Japan)
							Chulalongkorn University
					2009 - Present	Audit Committee	Textile Prestige PCL.
10. Mr.Chokechai Tanpoonsinthana Independent Director and Audit Committee	63	Master of Business Administration (Quantitative Analysis & Finance) University of Wisconsin (Madison Campus) Master of Civil Engineering University of	-	-	2000 - Present	Director and Audit Committee	Thai Stanley Electric PCL.
					2003 - Present	Independent Director and Audit Committee Chairman	Advance Information Technology PCL.
					2004 - Apr 2011	Independent Director and Audit Committee Chairman	United Securities PCL.

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Name - Surname	Age	Education Degree	% of Holding	Relations	Working Experience		
					Period	Position	Company Name
12. Mr.Picharn Sukparangsee Independent Director	50	- Master of Faculty of Law University of Warwick - Master of Faculty of Law University of London , ENGLAND - Bachelor of Faculty of Law Thammasart University - Certificate Director Certification Program Thai Institute of Director. (IOD)	-	-	1987 - 2005	Associate / Partner	International Legal Counsellors Thailand
					2005 - Present Jun 2010 - Present	Partner Independent Director	Siam City Law Offices Limited Thai Stanley Electric PCL.
13. Mr. Yasuhiro Amano Executive General Manager Marketing Division	49	Bachelor of Economic Tokyo Keizai University, Tokyo, Japan	-	-	1986 - 2003	-	Stanley Electric Co.,Ltd.
					2003 - 2005	Manager Utsunomiya Sale Section 3	Stanley Electric Co.,Ltd.
					2005 - 2007	Manager Utsunomiya Sale Section 2	Stanley Electric Co.,Ltd.
					2007 - 2009	Department Manager Hiroshima Sale 1	Stanley Electric Co.,Ltd.
14. Mr.Nobuhiro Takahashi Executive General Manager Die&Mold Division	52	Shonan Institute of Technology, Japan	-	-	1983 - 2009	Manager, Die& Mold Factory	Stanley Electric Co.,Ltd.
					2009 - Present	Executive General Manager Die& Mold Division	Thai Stanley Electric PCL.
15. Mr.Shigehiro Kobayashi Executive General Manager R&D Center	58	Bachelor of Science and Engineering Precision Machanical Engineering Chuo University , Japan	-	-	1992 - 2008	Team Manager Design Department	Stanley Electric Co.,Ltd.
					2008 - 2010	Department Manager Design Department 3	Stanley Electric Co.,Ltd.
					2010 - Present	Executive General Manager R&D Center	Thai Stanley Electric PCL

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## (2) The selection of Director and management

The factors of appointing the company's director is to let the shareholders' meeting elect the director from the shareholder or other person who is no shareholder, by the rule of 1 shareholder equal to 1 share per 1 vote, and the shareholder can not divide or share neither more or less of his/her vote for director's election to anyone.

The selection not approve by Nomination Committee because of not yet setting but the Board of Director considered the qualification due to their knowledge, experience and expertise material to the Company's business, be a visionary leader able to express opinions independently of management or any group of stakeholders, work morally and ethically with an unblemished work record and be able to dedicate enough time to working as the Company's director and not be a director or executive of any entity that has a conflict of interest with the company that belong to The Board's Charter in item Selection and Appointment.

## (3) Remuneration for the company's management

### 1. Remuneration in cash

A. Remuneration for 18 persons of director at the total of 4.00 million baht. Payable for monthly allowance and meeting allowance (only those present at the meeting), details as follows :

Name	Remuneration Director	Name	Remuneration Director
1. Mr. Hiroyuki Nakano	210,000 Baht	10. Mr. Chockchai Tanpoonsinthana	205,000 Baht
2. Mr. Apichart Leeissaranukul	215,000 Baht	11. Mr.Suchart Phisitvanich **	175,000 Baht
3. Mr. Koichi Nagano	215,000 Baht	12. Mr. Picharn Sukparangsee **	180,000 Baht
4. Mr. Thanong Leeissaranukul	215,000 Baht	13. Mr.Toru Tanabe *	65,000 Baht
5. Mrs. Pimjai Laochinda	210,000 Baht	14. Mr. Fumio Morinaga *	50,000 Baht
6. Mrs. Pornthip Sethiwan	215,000 Baht	15. Mr. Mitsuhiro Yoneya *	50,000 Baht
7. Mr. Katsumi Kondo	205,000 Baht	16. Mr. Kiat Shinno *	480,000 Baht
8. Mr. Katsutoshi Iino	200,000 Baht	17. Mrs. Porndee Leeissaranukul *	305,000 Baht
9. Mr. Krisada Visavateeranon	215,000 Baht	18. Mr. Masahiro Nakamura *	590,000 Baht

Remark \* Resign Director during the year director fee include Retired Allowance

\*\* New appointment director during the year

B. Remuneration for 8 persons of executive board and the management board and the management at the total of 42.75 million baht, and has been identified as monthly salary and bonus. (During year 2010 management resigned 1 person, now current management as 7 persons)

C. Remuneration for 3 persons of audit committee member and chairman at the total of 0.615 million baht.



# GENERAL CORPORATE INFORMATION

Name	Type of Remuneration	Amount
1. Mr. Krisada Visavateeranon	Chairman Audit Committee	260,000 Baht
2. Mr. Chockchai Tanpoonsinthana	Audit Committee Member	155,000 Baht
3. Mr. Suchart Phisitvanich **	Audit Committee Member	125,000 Baht
4. Mr. Kiat Shinno *	Chairman Audit Committee	75,000 Baht

Remark \* Resign Director during the year \*\* New appointment director during the year

## 2. Other Remuneration

- none -

## (4) The Corporate Governance

The Board of Directors aims to efficiently operate the business in order to attain goals with transparency and build reliability for shareholders, investors, and all relevant parties. The board has developed the corporate governance policy with details as follows:

1. Develop Business Ethics or Ethics and Code of Conduct for the board and employees to comply with, ensure the compliance, together with review and update it.
2. Define structure, role and responsibility of the board and the executive clearly and appropriately
3. Require the board conduct performance self-evaluation
4. Create, maintain, and review the control system in respect with finance and operation, ensure the operational effectiveness and compliance with law and ethics, and manage risks by paying attention to red flag warning and unusual transaction.
5. Ensure that disclosure information is accurate, complete, in time, and in equitable manner for shareholders and stakeholders.
6. Develop reliable financial reporting procedure and inspection process, and assess the sufficiency of internal control, risk management, and effective monitoring system
7. Assure that the rights of shareholders and stakeholders are protected and treated in an manner.
8. Resolve the conflict of interest with discretion and transparency
9. Develop environmental and social care system

The board has developed the company vision and code of conduct for the board members and employees as a best practice in order to maintain the dignity and values of the company and to prevent potential loss due to the misbehavior of internal people. It is published in the form of booklet providing to the board members, executives employees to be aware and adhere to. The content of company vision and code of conduct are put into orientation course for new board member, executive, and employee. The details are also disclosed on the company's website as well.

The committee has complied with the corporate governance policy; the summary of those 5 sections are as follows:

### 1. Rights of Shareholders

The company is committed to ensuring that the basic right of the shareholders is protected and treated in an equal manner as regulated by law.

The company gives the right to shareholders to independently buy, sell, or transfer the securities that they are holding. The shareholders are eligible to receive dividend, participate in the shareholder meeting, freely express opinion in the meeting, and can take part in making key decision such as board election, key business transaction approval, and key company letters amendment.

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In addition, the company promotes the right of shareholders and facilitates as follows:

## 1.1 The right to receive important and necessary information

Make sure that the disclosed information is accurate, complete, transparent, and in timely fashion to shareholders and stakeholders as required by related regulations. Such information will also be posted on the website as another information channel for shareholders, including other key information such as investment structure, shareholders, management policy, members of the board of directors and so on, as well as other financial information and the information disseminated to the public so that the shareholders and the stakeholders will receive the same information.

Individual shareholder shall be provided with necessary and adequate information about the shareholders' meeting which includes the date, time, venue, and agenda, together with supplementary details for each agenda in advance. The company posts such information on the company's website one month before distributing the documents.

## 1.2 The right to participate in the shareholder meeting and the right to vote

The company shall send the invitation letter to the shareholders at least 14 days in advance of the shareholder meeting. The letter shall include complete and adequate details of the meeting, agenda, together with supplementary documents which will be both Thai and English language for foreign shareholders.

Details about the right to participate and vote, what documents needed to bring along will be advised. In case of being unable to attend in person, that shareholder can appoint any independent director or any person to be a proxy for him by presenting any proxy form which the company attached together with the invitation letter. The proxy form can be downloaded from the company's website.

The company will arrange commuting transportation as a facilitation for shareholders.

Staffs to welcome and provide service to participating shareholders will be standby 2 hours in advance.

For voting process, poll cards will be collected in case of disagree vote in order to use for processing the data of each agenda. Investigation can be done upon request from shareholders.

The following persons are required to attend the shareholders' meeting:

- Every member of executive directors and audit committee
- Auditors to provide information in case of having inquiries from shareholders or lawyers
- Lawyers from the third party company will act as a middleman for voting inspection
- Interpreters to ensure the content be understood for shareholders and committee
- Employee representatives such as the chairman of welfare committee and elected members from welfare committee
- Representatives from Bann-Klang Subdistrict Administrative Organization

## 1.3 The right to freely express opinion in the meeting

Every shareholder has an equal right to express opinion or make an inquiry with an adequate time providing for each agenda before resolution.

# GENERAL CORPORATE INFORMATION

In the shareholders' meeting, all members of the boards and executives are required to attend the meeting to answer any inquiries to the meeting.

## 1.4 The right to consider remuneration for board members

In the agenda of remuneration for board members, the criteria and details of remuneration for each member will be notified.

## 1.5 The right to appoint and nominate the board members and then have shareholders to vote individually

## 1.6 The board allows shareholders to propose agenda for the annual shareholder meeting.

To ensure the fair and equitable treatment to shareholders, the company sets the criteria and procedure for shareholders to propose agenda to the board to consider it to be the agenda in the annual shareholders' meeting. The details of right, criteria, and procedure are posted on the company website. The company shall notify such dissemination through SET news for shareholders to know in advance.

## 2. Equitable Treatment of Shareholders

The company pays attention to an equitable treatment to every shareholder whether or not they are major or minor shareholder, institutional investor, or foreign investor. The implementation includes:

### 2.1 Every shareholder has right to vote depending on number of shares they are holding; one vote per share

### 2.2 The board has developed prevention measure of using internal information as follows:

None of director, executive, or employee can use internal information for the sake of personal benefits. Employees working in department involving with internal information, executive, and director are prohibited from trading the company securities for 1 month before the disclosure of financial statement or information to public and within 24 hours after the disclosure hereof. This rule is described in the code of conduct for the board and employees. The rule also specifies that director, executive, and accounting manager is obliged to declare the number of shares they own to the board of directors every time during the board of directors meeting.

### 2.3 For the shareholders' meeting; the proxy forms approved by Ministry of Commerce together with the meeting invitation letter, documents, and instruction about proxy assignment will be sent to shareholders so that they can appropriately prepare themselves for the meeting.

### 2.4 The company agrees to give the right to vote for shareholder who is late in attending the meeting; however, only for the agendas on discussion and have not been reached the resolution yet. That share will be counted for quorum starting from the agenda that he attends as well as votes onwards, unless otherwise instructed by the meeting.

### 2.5 Besides Thailand Securities Depository Co., Ltd., the share registrar of the company, who will be responsible for sending out the notice for attending shareholders' meeting for 14 days in advance of the meeting, the notice will also be posted on the company website for 30 days in advance of the meeting and published on the daily newspaper in Thai for at least 3 consecutive days and at least 7 days before the meeting date.

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- 2.6 The Minutes of Shareholders' Meeting will be posted on the company website so that the shareholders who did not attend the meeting being able to know the same information.

## 3. Role of Stakeholders

The company is aware of the rights of each group of stakeholders such as customers, suppliers, employees, shareholders, government sectors, and other related parties as well as community as specified by law and make sure that their rights are properly protected and treated.

### 3.1 Customers

Most of the company products are sold to automaker; therefore, the company's customers mean the purchasers of the products and the end-users as well.

Customer policy is as follows:

**Management** : Consider customer satisfaction as the first priority by improving every function; quality control, costing, delivery, development, security, and relationship through Planning – Implementing – Inspecting process cycle.

**Quality** : Aim to develop international standard on quality assurance system; delivering the products with the confidence in gaining satisfaction and trust from customers.

The company sets up a function to be responsible for quality assurance, giving advices on products, providing consultations, and receiving complaints, to make sure the customers will satisfy with the quality of products and services.

As of the end of accounting period on 31 March 2011, the awards that the company has received from customers include:

June 2010	Quality Award from Mitsubishi Motors (Thailand) Co., Ltd. SQA Award from Stanley Electric Co., Ltd. In Japan
January 2011	Design Cost Improvement Award from AutoAlliance (Thailand) Co., Ltd.
February 2011	Cost Reduction Award from Thai Yamaha Motor Co., Ltd.
March 2011	Cost Reduction Award from Thai Suzuki Motor Company Limited

### 3.2 Suppliers

Supplier is one of business partners. The company strictly complies with agreement or contract made with the suppliers by adhering to operating business with integrity to self and to other parties in accordance with law and related rules and regulations.

Meeting with business partner is also held with the purpose to keep partner updated about the company movement and to hear opinions; for example, for bank or creditor; the company will invite them to the meeting together with securities analyst so as to be informed about the company quarterly performance, or for the case of suppliers; supplier

meeting is held every year through purchasing department in order to inform about annual purchasing policy and confer QCD award to the suppliers who delivered the good products and being punctual.

For construction contractor, a separate meeting will be held by occupational health and safety officer and invite the staff who is responsible in the field of repairing, construction, or

# GENERAL CORPORATE INFORMATION

expansion of the company properties to the meeting in order to ensure that safety measure is extended to the involved parties.

Since 2009, the company initiated the project of developing raw material suppliers to be quality suppliers by delivering goods on time, being competitive which leads to quality raw material with reasonable price. The project has been carried on until present, divided into 2 activities as follows:

## 1. Supplier SNAP

The company extends productivity improvement activity to suppliers and sends SNAP (Stanley New Approach Productivities) team together with purchasing officer to the supplier company in order to educate and conduct productivity improvement activity in an periodical manner during 6 month period.

## 2. Supplier Improvement Project

The company will choose the suppliers to help them to identify problems and give advices on manufacturing efficiency.

## 3.3 Employees

The company realizes that the company is growing because of the cooperation of every employee so the employees are valuable resource of the company. The policy in respect with safety, welfare, privilege for employees is therefore set as follows:

### - Compensation and Competency Development

In 2010, the company launched the new human resource management system called Stars Plan (Stanley Total Ability Rating System Plan) consisting of 6 systems; Hierarchy system, Position system, Job Rotation system, Evaluation system, Wage system, and Skill Development system. These systems were built under the 3-word philosophy; Fairness, Acceptance, and Appropriateness.

This human resource management system focuses on the personnel who love to learn and wish to grow by urging them to fully utilize their abilities. The details of such system is published and distributed to employees, training is also conducted to ensure that employees understand this system

### Objectives of the system :

- To clarify about the competency required by the company by dividing into ranks, also state on how to improve the rank of performance (promotion) in order to urge employees to develop their skill and competency
- To promote fair compensation; the competency required for each rank is clearly identified which results in the balance between compensation and competency. The criteria of salary increasing will also be considered from enhancing competency.
- To be more efficient in managing organization by clarifying role and responsibility of each position



# GENERAL CORPORATE INFORMATION

## - Employee Welfare and Privilege

The company provides the welfare for employees better than what is required by law; for example, provident fund, additional life and health insurance as well as health care budget in addition to social security which covers illness and dental expense so employees do not need to be worried about medical expense, transportation allowance, meal allowance etc.

Besides, welfare for employees will be added once every year through welfare committee who is compiling employee opinions and proposing to executives. Accordingly, employees are satisfied with the company welfare that can be proven by the labor-related award that the company has received, also no labor dispute happened and no labor union in this company.

## - People Development

The company focuses on developing employee competency by setting target for every employee to attend training class required for each rank, also setting up training course for each rank based on competency for both in-house training and outside training. Passing training course also becomes a requirement for promotion.

Besides the said required course, each department can send the staff to attend training course both local and overseas.

In 2010, numbers of in-house training class totaling 131 with total number of participants of 2,079. This year, the courses added include Work-Life Balance, Strategic Thinking, How to provide feedback to supervisor.

Overseas training of last year, 29 staffs were sent to Japan to attend 3 to 9 month period training course; the course covered the field of manufacturing, quality, product research and development, accounting, internal audit, and information technology.

For overseas business visiting, the company consistently sends staffs to Japan to learn about new innovation and apply that to improve the company business operation.

The company is certified for Thai Labor Standard, TLS800-2003 (since June 2008 until present) from Ministry of Labour and Social Welfare. The company labor policy is as follows:

## - Labor Policy

1. The company is committed to complying with Labor Law, Standard Labor Provisions and other related standards
2. The company tries to improve employee quality of life, and provide appropriate workplace environment and security, and keep developing them.
3. The company shall review the adequacy, appropriateness, and effectiveness of the company policies, rules and regulations, as well as implementation.

## - Occupational Health, Safety, and Environment Policy had been set as follows:

1. Workplace safety is first priority for every employee.
2. The company shall strictly obey law, rules and regulations, and standards related to occupational health, safety, and environment.

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3. The company shall promote safety activities which raise safety awareness for employees.
4. Supervisors at all levels have to be role models; leading, coaching, training, motivating staff to work in a safe manner.
6. Strictly perform 5S (Sort, Shine, Stabilize, Standardize, Sustain) at the workplace to prevent accident and work related illness.
7. It is obligatory for every employee to cooperate to the company occupation health and safety project. Employee is eligible to propose ideas of improvement on work condition and work safety.
8. Evaluation on compliance with the company policies will be regularly made.
9. The company shall continue supporting the activity of hazard identification and assessment in order to achieve zero accident target for both at workplace and outside workplace.

The company has set up special task force for Occupational Health and Safety unit; moreover, TOP GUN team for the company itself has also been established and sent the team to take specific courses in order to be able to help in emergency cases that might occur not only in the company but also in the community as well. In July 2010, The company sent the Top Gun Team to participate the Emergency Response Team Contest in Safety Week 24 event by aiming to develop team to meet standard level and the team won 2nd Consolation Prize from the total of 23 teams. Next year, the company plans to be certified for Occupational Health and Safety Management System Standard (OHSAS18001) in order to ensure that the procedure to minimize work-related hazards or accidents is efficient and work operation is complied with the related laws

The company has won many awards relating to employee as follows:

- |                |   |
|----------------|---|
| July 2010      | - The Best Performance Company of Safety, Occupational Health and Workplace Environment as of year 2010 from Department of Labour Protection and Welfare for 7 consecutive years. |
| September 2010 | - An Outstanding Establishment for Labour Relations Welfare Award as of year 2010 from Ministry of Labour for 5 consecutive years   |

### 3.4 Shareholders

The company policy is to protect shareholders' rights in an equitable manner as required by law. The policy is set that dividend paid to shareholders will not be less than 30% of net profit, and allow shareholders to visit the company after finishing Shareholders' Meeting.

### 3.5 Society and Community

The company takes society and community into account by defining values in the company vision – "Love Nature and Humankind; build good feeling, give good support, kind to people, and care for nature", this is because the company considers itself as a part of society. Since the company was found until present, the company always takes part in supporting local activities.

The company has been doing social aids under the name of Stanley Thailand Foundation. The activities done each year are summarized in the annual report. The main activities consistently run by the foundation include:

## GENERAL CORPORATE INFORMATION

1. Scholarship for poor students to encourage them to study in higher level of education and to be a quality resource of society. Scholarship can be divided in to 2 cases as follows:
  - 1.1 Annual scholarship: In 2010, the scholarships were given to 1,519 students among 33 schools.
  - 1.2 Long term scholarship program: This means supporting all academic expenses starting from secondary school (Mattayom 1) level until graduating Bachelor's Degree. Each year, there will be students adopted to this program and it has been run for 10 years with total of 28 students in this program
2. Education sponsorship by purchasing books for library and educational equipment for schools every year; in 2010, there were 84 schools receiving the sponsorship.
3. Sponsor on science, technology and innovation activity: Every year, the company sponsors for Scientific Project Contest for elementary level and secondary level and also TPA Robot Contest Thailand Championship.
4. Sponsor for raising environmental awareness; for example, afforestation, fish releasing. The company also subscribes environmental-related books membership for students in 16 schools at Pathumthani area.

The company aims to sustain environment and carefully utilize natural resource through all company activities. The company is certified for Environmental Management System ISO 14001:2004. Environmental policy of the company is as follows:

1. The company will drive activities with the purpose to conserve environment, prevent pollution, and minimize environmental impact, also consistently improve the whole process starting from designing, developing, manufacturing, servicing, as well as destroying. The company is committed to complying with law, environmental related requirements and asking for cooperation from related parties.
2. The company shall provide training course and communicate about the basic philosophy, environmental policy, and environmental activities to all employees and relevant parties to educate and raise environmental awareness.
3. The company is always ready to disclose and promote the basic philosophy, policies, and update environmental activities to public.

For the energy management, the company operates in accordance with the Energy Conservation Promotion Act B.E. 2535 and 2nd Amendment B.E.2550. In 2010, Environmental Conservation Committee was appointed to make sure the operation will be more concrete. Energy conservation policy is defined as follows:

1. To drive the manufacturing process and other activities relating to energy consumption to utilize energy will efficiency which is regarded as a part of business operation.
2. To improve efficiency of energy usage by considering characteristics of the industry and energy consumption to be more corresponding, also bring in the best practice to implement.
3. The company is committed to managing and conserving energy in accordance with energy conservation laws and other related rules and regulations.
4. Energy conservation is regarded to be the responsibility of executives and all levels of employees to provide cooperation by complying with energy conservation measures, monitoring, and reporting to energy conservation committee which is to show intention of energy usage efficiency improvement.

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5. The company shall allocate resources relating to energy conservation and energy management adequately and appropriately in order to achieve the company objectives over energy management.
6. The company shall explore replacement energy as well as alternative energy to bring about sustainable energy and environmental conservation, disclose, disseminate, and promote the energy conservation activities to relevant parties and public.

In addition, the company has developed the policy about the right of stakeholders and put in corporate governance policy and code of conduct for directors and employees of the company. Stakeholders can communicate with the company via the company website.

The company always focuses on social and community activities and strictly complies with laws and regulations.

## 4. Disclosure and Transparency

The company and the executive committee focuses on managing and operating business under the principle of good governance and being aware of information disclosure with accuracy and in timely fashion as specified by regulatory agencies. Therefore, the company sets the policy and practice regarding information disclosure as follows:

### 4.1 Information Policy

- Disseminating information about the company must be aligned to disclosure policy and under the scope of laws, provisions, and related regulations.
- Disseminating information about the company must be clear, accurate, complete, transparent, and reliable. The information must be explained clearly, easy to understand, and promptly to stakeholders.
- Giving information must be fair to all parties by treating all parties in an equitable and consistent manner under the scope of operation practice, also avoid causing conflict of interest.
- Ensure that such dissemination will not cause negative impact on relationship between the customers and the company or violate the privacy of customers, shareholders, or other stakeholders.
- Performing duty about disseminating confidential information must be complied with the company rules and regulations specified in the code of conduct for the board and employees.

### 4.2 Communication

Chairman of the Board of Directors, Executive Chairman, and Vice Executive Chairman have authority to notify key information of the company and can delegate to management to give information about its own function through responsible department or person in charge of investor relation

Company information is available for customers, shareholders, investors, or interested persons or requesting for more information via the company website (<http://www.thaistanley.com>). In addition, the company has appointed Investor Relations officer; in charge of providing general news and respond to inquiries, coordinating with staff or involved person to provide news and answer to inquiries, monitoring financial and

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information reporting system notified to various regulatory agencies. To contact Investor Relations, please call 02 581 5462 ext.164 or [info@stanley.co.th](mailto:info@stanley.co.th).

## 4.3 Communication Standard and Channel

Company performance and general information will be periodically communicated to shareholders, investors and public through media of Stock Exchange of Thailand and company website.

Meeting with securities analysts is held in a quarterly basis. Information that is revealed to analysts in the meeting will be posted on the company website. The company has no policy to meet analyst, fund manager, investor, or any person interested in investing with company individually.

News and information about the company is available on the company website (<http://www.stanley.co.th>) which includes:

- Vision, Management Policy, Governance Policy
- Disclosure policy consists of information policy, communication channels to the company, authorized spokesman, type of communication and information disclosure to public
- Financial information such as financial statement, key financial information, financial ratio, rate of dividend and so on.
- Company information such as type of business, board of directors, executive directors, and shareholder structure.
- Shareholders' Meeting information such as Minutes of Meeting, pictures from the meeting, VDOs presented in the shareholders' meeting.
- Annual Report and other reports submitted to Stock Exchange of Thailand and Securities and Exchange Commission
- Webboard
- Investor Relations activities such as quarterly meeting with securities analysts

## 5. Board Responsibilities

### 5.1 Structure of Board of Directors

Board of Directors consists of competent, capable, skilled, and experienced people who are qualified for the position.

Board of Directors as of 31 March 2011 consists of 12 members as follows:

1. Executive Directors: involving in managing day to day operations or have authority to sign and bind the company, totaling 4 people accounting for 33.33% of total members.
2. Non-Executive Directors including independent directors totaling 8 people accounting for 66.67% of the total Directors. Four independent directors are accounted for one-third of the Board's total numbers which is in accordance with the provision of Securities and Exchange Act (No. 4) B.E. 2551.

All directors are qualified in terms of knowledge and experience required for company business operation and focus on performing their role. Independent directors meet the qualification as required by Securities and Exchange Commission.



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## 5.2 Combine or Separate Position

Role of Chairman of the Board of Directors is to lead the policy, develop vision, and supervise the performance of executives; therefore, the chairman and the executive is stipulated not to be the same person for clearly separating role and responsibility of each position. Currently, chairman of the board of directors passed away and no replacement yet and this is regarded as the duty of all members of the board.

## 5.3 Term of Office for the Members of the Board

The member of the board has 3-year term of office, after completing term, that member might be reelected depending upon the shareholders' meeting.

## 5.4 Remuneration for the Board of Directors and Executives

Remuneration for directors shall be appropriately considered by comparing with the remuneration for the directors paid by the companies listed in Stock Exchange of Thailand with the same size of business or the same industry, and approved by shareholders' meeting.

Remuneration for executives shall be considered from their roles and responsibilities as well as performance. Information of the remuneration for directors and executives are revealed in disclosure report of additional information (form 56-1).

## 5.5 Directors and Executives Development

The board of directors set the policy to provide an orientation course for new director in order to educate them about role and responsibility, business operation so as to efficiently support the company. This year, there are 2 new directors taking orientation course on the date of appointment; the content provided in the class such as the company's regulations, vision, governance policy, code of conduct for directors and employees, as well as rules and regulations of the Stock Exchange of Thailand and SEC about roles of director and code of conduct for the listed companies. The directors had visited the factory for better understanding about the company operation.

The existing members of the Board are also educated by attending the training courses arranged by each function. Any change of information or rules will also be informed to the board in the board of directors meeting. Last year, the courses taken by the members of the Board included:

- Director Certificate Program (DCP) conducted by IOD
- Audit Committee Program (ACP) conducted by IOD
- Monitoring the Quality of Financial Reporting (MFR) conducted by IOD
- The role of the Board in fraud prevention and detection conducted by PWC
- Project of CSR Day for Director for all members of the Board of Directors conducted by SET

## 5.6 Subcommittee

Subcommittee has been established to help screening matters, the subcommittee include

# GENERAL CORPORATE INFORMATION

## Audit Committee

- Consisting of 3 independent directors; one of those has enough knowledge and adequate experience to review the reliability and accuracy of financial statement. Role and responsibility is clearly stated in the audit committee charter, amended for additional roles on 24 October 2008 to be in accordance with the notice from Stock Exchange of Thailand subject: Qualification and scope of work for audit committee B.E.2551.
- Audit committee performs its duty by having the support from internal audit as an operation unit and report to audit committee. Also, the committee can asks for advices from independent advisor its expense is absorbed by the company.
- The audit committee meeting must be held at least once every three months and there might be additional meeting if necessary. Executive or involved person might be invited to give information directly to the meeting. Meeting with auditor without executive attending must be held at least once a year.

Total numbers of audit committee meetings held during 2010 accounting period are 10. According to attendance record, audit committee members attending the meeting are as follows; Mr.Kritsada Wissawateeranont and Mr.Suchart Pisitwanich had attended every time, Mr.Chokchai Tangpoolsintana had attended for 7 times. Details of meetings are as follows:

- o 6 meetings are among auditors, executives, and internal audit
- o 4 meetings are only with auditors, no executive attended.

Audit committee has reported the performance, meeting participation, and comments from audit committee to the board of directors and shareholders through the company annual report.

In addition, the board has appointed executive committee as follows:

## Executive Directors

- o Consist of 3 directors and 4 executives
- o Role and responsibility is to develop policy and direction and inspect the implementation
- o Executive directors meeting will be held 4 times a month and there might be additional meeting if necessary. Management or involved person might be invited to give information directly to the meeting

## 5.7 Board of Directors Meeting

Board of directors meeting must be held at least once every 3 months and all directors are required to attend. There might be additional meeting if necessary. The director having interests has no right to vote for that agenda. The procedure of the meeting has been described in the rules of board of directors meeting.

Meeting schedule and key agenda have been set for the whole year in advance in order to make sure the adequacy of time and the availability of the board members. The invitation letter is sent out at least 21 days in advance both in Thai and in English. TV conference is also set up for the board member who is on overseas business trip to join the meeting from abroad.

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In the board of directors meeting, chairman of the board of directors and executive chairman shall set the agendas together and screen the agendas proposed by directors. As there has not been any one being appointed to replace the former chairman of the board; hence, executive chairman and corporate secretary together shall set the meeting agendas. Every time in the meeting, each director is required to report sale/holding of securities to the meeting.

For the normal business transactions, executives will report to the board meeting on the quarterly basis.

In 2008, the company appointed corporate secretary, Mrs.Sudjai Srifuengfung, to oversee the compliance of the board activities with laws and related regulations, as well as prepare minutes of board of directors meeting both in Thai and in English including completing other reports and keep them on file in accordance with the provisions of related laws.

Total numbers of Board of Directors meetings held in 2010 are 8. At every meeting, adequate details in the form of supplementary documents will be sent out to the board members to study in advance. According to attendance record, 7 out of 12 members had attended meeting every time (100%), 4 attending 7 times (87.5%), and the other 2 who stays in overseas attending meeting via TV Conference; 1 attending 6 times and another 1 attending 5 times.

## 5.8 Role and Responsibility of the Board of Directors

Role and responsibility of the board of directors is clearly stated in the code of conduct for board of directors which is responsible for corporate strategy, corporate governance, human resource management, financial statement reporting, information disclosure, and communication

### 1. Corporate Strategy and Key Policies

The board acts as a policy leader by developing vision and overseeing the performance of executives, giving appropriate advices about key strategies and policies, and financial objectives, also ensuring that plans and budget are implemented.

### 2. Corporate Governance

The corporate board of directors has developed corporate governance policy in writing and approved it. Also, the Board has developed code of conduct for directors and employees in order to be a best practice and communicate to employees in the form of booklet, and post on the intranet. For new employee, the content will be inserted in orientation course.

### 3. Internal Control and Internal Audit

Internal audit is established as a separate function with role and responsibility clearly stated, reporting to executive chairman and audit committee.

Internal audit function is responsible for developing annual audit plan covering various work systems which will be reviewed and approved by audit committee, also following up results from executive meeting and regularly reporting to audit committee every 3 months.

Audit committee shall review the internal audit system and consider the appropriateness and adequacy, and report to the corporate board of directors.

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## 4. Protect the Rights of Stakeholders

The board shall review the transaction inclining to conflict of interest or interrelated case that has been initially screened by the audit committee.

Ensure that the information about transactions risky to conflict of interest is accurately and completely disclosed.

Any transaction is in the scope of conflict of interest, the involved person is not eligible to vote or approve.

All members of the board are required to submit conflict of interest report once a year, as of 31 March of every year, to corporate secretary in month of April.

In 2010, the company has listed the transactions that are in the scope of conflict of interest. Those transactions are normal business transactions that follow the procedure approved by the board of directors. Those transactions were reviewed by audit committee and proposed to the board of directors. The summary of the transactions has been reported to the corporate board of directors every quarter.

## 5. Risk Management

Risk policy has been developed with details as follows:

“The company focuses on controlling risks in all aspects which cover the risks relating to business objectives, finance, manufacturing, and other operations. The company also ensures the security in lives of employee and properties of the company, and providing cooperation to society and government agencies.”

The company has established Managerial Risk Management Committee in which executive chairman acts as chairman of the committee. The role of the committee is to develop risk management plan in order to ensure that company risk management is adequate and appropriate, staying acceptable level, and continually being implemented so that the organization will be able to achieve the objectives and goals. Management and employees in each business unit are assigned to anticipate risks around them so as to set up strategy to prevent loss causing from such risk. In case that such risk eventually happens, responsive measure needs to be developed to ensure that loss is minimized. Monitoring system is also required to watch out new risks that possibly occur and then report to the executive committee.

Risk Management Committee has developed risk control manual in order to be a guideline on how to control all risk factors that might impact to the business operation, and to be able to respond a crisis in a timely manner. Requirements of risk control shall be reviewed every year.

In 2011, no significant risk from performing duty has been found, only normal business risk. Prevention measure has been revealed in disclosure report of additional information (form 56-1).

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6. **Self-evaluation of the Board of Directors.** In 2010, the board has done self-performance evaluation.

In overall, covering all roles and responsibilities of the committees, since 2007 until end of accounting period as of 31 March 2011, based on May 2011 evaluation, the result is Good. The result, notices, and suggestions shall be taken into account to improve the performance of the board in the future.

7. **Reporting**

Audit committee shall review financial report and propose it to the board of directors in a quarterly basis. Board of directors will make sure financial report and other information necessary to shareholders are complete, accurate, and transparent by having description and supporting statistic data as well as future trend. The board shall be responsible for disclosure of key information, performance, and key events during the year.

The company annual report must be reviewed by audit committee and auditor before proposing to the board of directors for review and approval and disclose to the public.

The committee is responsible for reporting the corporate governance policy and its implementation and publishing it into the company annual report.

- (5) **Internal information controlling**

The Company published the Code of Conduct to Directors and Employees to take the way of implement a good appropriate which covers the use of inside information that non-profit for themselves and others. Based on inside information of the company and set the time to employees and directors not to trade the company's assets within 1 month before the financial statements are disclosed or general corporate information to publish and within 24 hours after disclosure of financial statement and general corporate information

The Directors and Executives will report to the Secretary trading company and report to the Board Meeting every time and in addition. The company announced the information system security policy. To control the company's information that cover on customer information, personal information and communications equipment, the system implemented, communications and create a business continuity. This policy will ensure the system can control the company's information.

- (6) **Internal Control**

The three members of Audit committee has meeting with the Board of Directors meeting No. 4/2011 on 20th May 2011. The Board of Directors have evaluated for the internal control system from Office of Internal's report and reviewing the progress of internal control of Working System that recommending in the past year. Ensuring that the business of the Company is performed in accordance with the applicable laws and regulations. Reviewing transactions between the Company and the related entitles, as well as any matters involving conflict of interest and ensuring that the Company discloses information in accordance with applicable laws and regulations, and meeting with the auditor that without the management.

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The Audit Committee has reviewed and has the opinion that the company's activities in fiscal year 1st April 2010 – 31st March 2011, the financial report and the disclosure information were care in accordance with the appropriate internal control of the company.

Ms. Nangnoi Chareonthaweesub, PricewaterhouseCoopers ABAS Limited ,the Auditor of company was no serious concerns about the internal control.

## 5.3 Dividend payment policy

The dividend payment policy of the company is that the rate of dividend payment of the company is not less than 30 per cent of the net profits deduction of tax that paid on next year.

## 6. The related items

Since last 3 years, there was no event of spending the income from stock sales for any of the shared interest person; the company has the significant trade with the related company by purchasing and sales items. The company's auditor gave the explanation in the Note 25 Page 67 - 70 of the financial statement on 31st March 2011. The purchasing items from the related company are those particular raw materials or merchandise from the same production source at the great quantity to reduce the production cost. The company received the confirmation report from the related company about the sales of raw materials as the regular trading business. The sales items are mostly exporting by set up the sales price from cost fee plus the profit. Royalty fee to a related company at the rate of 3% of sales minus the cost of importing raw materials from that related company, and specified as the regular trading business, details as follows:



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## 1. Related party transaction by way of the shareholder or common directors.

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2011	The reasonable of transactions
1. Stanley Electric Co.,Ltd.	1. Major shareholder, holding 29.95% 2. Common director 1 person Mr.Katsumi Kondo	1. Purchasing in raw materials , goods and equipments  2. Selling goods,  3. Royalty Fee is charged at 3% of sales less materials cost imported from the related party in accordance with the agreement 4. Designed and Development Fee is charged in case design and development product for Thai Stanley's products 5. Technical Fee is charged for the specialist come for assistance in production technics. 6. Training fee is charged for send Thai Stanley' employee to training and practice. 7. Commission is charged for an agent to connected with customers	Purchased 560.76 million baht Balance 174.49 millions baht  Sold amount 33.11 million baht Balance 2.98 millions baht  Amount 243.18 millions baht  Amount 49.85 millions baht  Amount 8.01 millions baht  Amount 24.44 million baht  Amount 0.53 millions baht	Specifically products or materials and material which are manufactured on a large scale at one source for cost saving benefit. Pricing are charged in the normal course of business and same practice with the outsider. Specifically products or materials and material which are manufactured on a large scale at one source for cost saving benefit. Pricing are charged in the normal course of business and same outsider. In the normal course of business and same practices in Stanley Group  In the normal course of business and same practices in Stanley Group, pricing are charged same as outsider.  In the normal course of business and same practice in Stanley Group  In the normal course of business and same practice in Stanley Group
2. Lao Stanley Co.,Ltd.	1. Thai Stanley holding 50% 2. Common Director 2 persons - Mr.Apichart Leeissaranukul - Mr.Hiroyuki Nakano	1. Selling goods,	Sold amount 72.44 millions baht Balance 7.05 millions baht	Specifically products Pricing are charged in the normal course of business and same practice with the outsider.
3. Vietnam Stanley Electric Co.,Ltd.	1. Common major shareholders as Stanley Electric Co.,Ltd. Holding 50% 2. Common director 1 persons as - Mr.Apichart Leeissaranukul 3. Thai Stanley holding share 20%	1. Purchasing goods  2. Selling goods	Purchased amount 21.34 millions baht Balance 4.93 millions baht Sold amount 66.05 millions baht Balance 7.88 millions baht	Specifically products Pricing are charged in the normal course of business and same practice with outsider. Specifically products Pricing are charged in the normal course of business and same practice with the outsider.

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Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2011	The reasonable of transactions
4. Asian Stanley International Co.,Ltd	1. Common major shareholder as Stanley Electric Co.,Ltd. Holding 67.5% 2. Common Director 2 persons - Mr.Apichart Leeissaranukul - Mr.Katsumi Kondo 3. Thai Stanley holding 15% 4. Holding Thai Stanley 0.44%	1. Purchasing raw material  2. Selling goods	Purchased amount 139.99 millions baht Balance 22.34 millions baht Sold amount 2.60 millions baht Balance 0.69 millions baht	Specifically products Pricing are charged in the normal course of business and same practice with the outsider. Pricing are charged in the normal course of business and same practice with the outsider.
5. PT.Indonesia Stanley Electric	1. Common major shareholder as Stanley Electric Co.,Ltd. Holding 60 % 2. Common director 2 person as - Mr.Hiroyuki Nakano - Mr.Apichart Leeissaranukul 3. Thai Stanley holding 10%	1. Purchasing raw material  2. Selling goods,	Purchased amount 0.47 millions baht Balance 0.13 millions baht Sold amount 362.22 millions baht Balance 23.91 millions baht	Specifically products Pricing are charged in the normal course of business and same outsider. Pricing are charged in the normal course of business and same practice with the outsider.
6. Stanley Electric Engineering India PVT Ltd.	1. Common major shareholder as Stanley Electric Co.,Ltd. Holding 90 % 2. Common director 1 person as - Mr.Katsumi Kondo 3. Thai Stanley holding 10%	1. Purchasing raw material	Purchased amount 3.09 millions baht Balance - millions baht	Specifically products Pricing are charged in the normal course of business and same practice with the outsider.
7. Sirivit Stanley Co.Ltd.	1. Thai Stanley holding 15% 2. Common director 3 persons as - Mr.Hiroyuki Nakano - Mr.Apichart Leeissaranukul	1. Purchasing raw material  2. Selling raw material	Purchased amount 250.16 millions baht Balance 23.02 millions baht Sold amount 28.17 millions baht Balance 2.93 millions baht	Specifically products Pricing are charged in the normal course of business and same outsider. Pricing are charged in the normal course of business and same outsider.
8. Top Hightech Co.,Ltd.	1. Thai Stanley holding 13.9% 2. Common director 1 person as - Mr.Hiroyuki Nakano	1. Purchasing raw material	Purchased amount 0.84 millions baht Balance - millions baht	Pricing are charged in the normal course of business and same practice with the outsider.
9. Sum Hitech Co.,Ltd.	1. Thai Stanley holding 16.35% 2. Common director 1 person as - Mr.Hiroyuki Nakano	Hire for surface of injection plastic part	Hire amount 126.32 millions baht Balance - millions baht	Pricing are charged in the normal course of business and same practice with the outsider.
10. Inoue Rubber (Thailand) Public Company Limited	1. Thai Stanley holding 0.02% 2. Common director 4 person as - Mr.Apichart Leeissaranukul - Mr.Thanong Leeissaranukul - Mrs.Pimjai Laochinda - Mrs.Pornthip Sethiwan	1. Purchasing raw material	Purchased amount 25.01 millions baht Balance 4.80 millions baht	Pricing are charged in the normal course of business and same practice with the outsider.
11. The Sittipol 1919 Co.,Ltd.	1. The shareholders holding 3.34% 2. Common director 3 persons as - Mr.Thanong Leeissaranukul - Mrs.Pornthip Sethiwan - Mrs.Pomdee Leeissaranukul	1. Selling goods,	Sold amount 108.12 millions baht Balance 32.17 millions baht	Pricing are charged in the normal course of business and same practice with the outsider.

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Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2011	The reasonable of transactions
12. Lumax Industries Co.,Ltd.	1. Thai Stanley holding 1.73% 2. Common major shareholder as Stanley Electric Co.,Ltd. Holding 26.31 %	1. Purchasing goods  2. Selling goods,	Purchased amount 0.50 millions baht Balance 0.45 millions baht Sold amount 5.81 millions baht Balance 0.66 millions baht	Pricing are charged in the normal course of business and same practice with the outsider.  Pricing are charged in the normal course of business and same practice with the outsider
13. Total Oil Co.,Ltd.	1. Common director 2 person as - Mr.Apichart Leeissaranukul - Mr.Thanong Leeissaranukul	1. Purchasing goods	Purchased amount 0.02 millions baht Balance -	Pricing are charged in the normal course of business and same practice with the outsider.
14. Siam City Law Offices Limited	1. Common director 1 person as - Mr.Picham Sukparangsee	1. Law service	Purchased amount 0.37 millions baht Balance 0.11millions baht	Pricing are charged in the normal course of business and same practice with the outsider.

3. Transaction with the company whose Stanley Electric Co.,Ltd. Is the major shareholders, the transaction are purchasing and selling in raw material or goods that are specific materials which are manufactured on a large scale at one source for cost saving benefit. Pricing are charged in the normal course of business and same practice with the outsiders, details as follows :

Company Name	Transaction Amount in 2010	Balance as at 31 March 2011
1. Guangzhou Stanley Electric (China)	Purchased amount - million baht Sold amount 3.74 million baht	- million baht 0.81 million baht
2. Stanley Iwaki Factory (Japan)	Purchased amount 1.27 million baht Sold amount 2.77 million baht	- million baht - million baht
3. Stanley Electric (Asia Pacific) (Taiwan)	Purchased amount 3.10 million baht Sold amount 1.11 million baht	1.42 million baht 0.16 million baht
4. Shenzhen Stanley Electric Co.,Ltd.	Purchased amount 59.83 million baht Sold amount - million baht	8.91 million baht - million baht
5. Stanley Electric US Inc. (U.S.A)	Purchased amount 1.53 million baht Sold amount 0.10 million baht	0.09 million baht 0.01 million baht
6. Tianjin Stanley Electric Co.,Ltd. (China)	Purchased amount 2.85 million baht Sold amount 0.80 million baht	1.25 million baht 0.25 million baht
7. Tianjin Stanley Sakata Component (China)	Purchased amount 24.41 million baht Sold amount - million baht	- million baht - million baht
8. II Stanley Co.,Inc (America)	Purchased amount - million baht Sold amount 6.88 million baht	- million baht 0.02 million baht
9. Shanghai Stanley Electric Co.,Ltd.	Purchased amount 7.64 million baht Sold amount - million baht	- million baht 1.60 million baht
10. Stanley Electric Hungary Co.,Ltd.	Purchased amount - million baht Sold amount 0.06 million baht	- million baht - million baht

# GENERAL CORPORATE INFORMATION

## The approval for the related transactions

In Year 2010, the related transactions was the normal course of business and same practice with the outsider, such as price comparison, selling price is determined based on manufacturing cost plus a certain margin. The related transaction controlling by the management director.

## Policy or Trend towards Potential the related transaction

The related transaction to be continued, because of the raw material or goods are specifically and used only in Stanley Group. The selling price is determined base on manufacturing cost plus a certain margin that the normal course of business. Whatever these transaction are belong to The Purchasing and Selling products and assets policy, that announcement since year 2004 and for others transaction will consideration belong to The rule of The Stock Exchange of Thailand.

## The related transaction Report from Audit Committee

The Audit Committee considered the related transaction in year 2010, that have transaction may cause conflict of interest, that transaction with related parties company and normal course of business.

## 7. Financial Situation Analysis, and Business Result

Since Year 2010, the company gains the total revenue of 9,165.38 million baht, which has been considered to be 22.69 percent more than those of Year 2009, the effect was mainly from economic conditions of the country grow up continuously, that the details of Business Result and Financial Situation can be shown as follows;

### Company's Revenue

Since Year 2010, our total revenue was 9,165.38 million baht, which was 1,694.82 million baht increase or 22.69 percent of previous year as from Sales were 8,939.61 million baht, which were 1,653.24 million baht increase or 22.69 percent more of previous year from domestic sale increase 22.49 percent and export sale increase 23.67 percent. And Dividend income increase 4.54 million baht, Other Incomes increase 42.48 million baht from previous year from Interest Income increase 27.61 million baht of previous year from interest rate increase and scrap sale increase 12.44 million baht because of the company improved the extract process of scrap, the value of scrap increased from last year.

### Company Expenses

The Expenses of our company since year 2010 was 7,821.74 million baht which was 1,215.87 million baht increase or 18.41 percent more of Year 2009, as from Cost of Sales was 6,581.40 million baht or 73.62 percent of sale and 15.15 percent more of previous year. This caused an increased sales and to control costs to achieve the best result.

Selling Expenses of Year 2010 was 415.16 million baht, which was 96.45 million baht or 30.26 percent increase of previous year, from Royalty expenses increase 55.23 million baht or 29.38 percent, Export & Transportation increase 28.14 million baht or 37.18 percent.

Administration expenses were 214.26 million baht increase from previous year 18.99 million bath or 9.72 percent.

# GENERAL CORPORATE INFORMATION

Income Tax was 584.21 million baht increase from the previous year 233.05 million baht; this was from the right of BOI privileges only 1 card is part of Die & Mold factory.

## Net Profit

Net Profit of the company was 1,427.71 million baht, which was 470.27 million baht or 49.12 percent more of same period last year.

## Financial Situation of the Company

### Total Assets

Total Assets of the Company was 9,865.31 million baht increase from last year was 8,441.50 million baht in 1,423.81 million baht, or 16.87 percent increasing, from cash and cash equivalents increase 1,275.10 million baht or 68.60 percent from deposit in treasury bills and bills of exchange term under 3 months. Short term investment held to maturity increases 414.59 million baht or 57.50 percent from deposit increase in treasury bills and bills of exchange term over 3 months.

Trade accounts receivable, net increase 117.03 million or 9.13 percent, due in March 2011 has sold increases the balance of receivables increased over the past year. And inventory increased 164.74 million baht or 39.26 percent from the previous year.

Investment in associates decrease 7.66 million baht or 2.56 percent from foreign currency translation adjustment in Vietnam Stanley Electric Co., Ltd., so the ratio of investment decrease.

Property ,Plant and equipment net, increase 237.03 million baht or 7.82 percent, this was from invest in Land 227.87 million baht.

Intangible assets net, increase 43.71 million baht or 12.65 percent, which was the capital of new product design development project.

### Total Liabilities

Total liabilities of the company was 1,624.93 million baht increase 445.27 million baht or 37.75 percent more of last year from Trade accounts payable increase 183.27 million baht or 31.77 percent. Other accounts payable increase 85.93 million baht or 38.40 percent. And accrued income tax increase 42.23 million baht or 18.59 percent.

Other current liabilities increase 18 million baht or 20.17 percent. Retirement benefit obligation increase 45.54 million baht or 97.40 percent, which was the provision under Thai Labor Law.

### Shareholders' equity

The Shareholders equity was 8,240.38 million baht increase 978.54 million baht or 13.48 percent, net profit of the company was 1,427.71 million baht and dividends paid has been paid for the amount 383.11 million baht and currency translation adjustments in Vietnam Stanley Electric Co., Ltd. and Lao Stanley Co., Ltd. 65.82 million baht

# GENERAL CORPORATE INFORMATION

## 8. Financial Statement

8.1 The audited Financial Statement 2 Fiscal Year, please see page 32 - 38

### 8.2 Auditor's remuneration

#### A. Audit fee

The last year company paid for the audit fee 1.82 million bath, and other expenses in auditing such as transportation, copy and others amount 0.08 million baht

#### B. Other service fee

Company paid for the other compensation that was review of promotional privileges 0.12 million baht



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