

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 MARCH 2013

## AUDITOR'S REPORT

To the Shareholders of Thai Stanley Electric Public Company Limited

I have audited the accompanying financial statements in which the equity method is applied and the Company only of Thai Stanley Electric Public Company Limited, which comprise the statements of financial position in which the equity method is applied and the Company only as at 31 March 2013, and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows in which the equity method is applied and the Company only for the year then ended, and a summary of significant accounting policies and other notes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the financial statements in which the equity method is applied and the Company only referred to above present fairly, in all material respects, the financial position of Thai Stanley Electric Public Company Limited as at 31 March 2013, and its results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Unakorn Phruithithada  
Certified Public Accountant (Thailand) No. 3257  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
17 May 2013

Thai Stanley Electric Public Company Limited  
 Statements of Financial Position  
 As at 31 March 2013 and 2012

	Notes	Financial statements in which the equity method is applied		The Company only	
		2013	2012	2013	2012
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	1,706,831,055	1,707,851,632	1,706,831,055	1,707,851,632
Short-term investments held to maturity	7	109,704,902	198,849,700	109,704,902	198,849,700
Trade and other accounts receivable, net	8	2,034,445,035	1,546,358,261	2,034,445,035	1,546,358,261
Inventories, net	9	844,326,647	848,394,251	844,326,647	848,394,251
Corporate income tax refundable		35,804,368	35,804,368	35,804,368	35,804,368
Other current assets		7,224,223	11,523,481	7,224,223	11,523,481
<b>Total current assets</b>		<b>4,738,336,230</b>	<b>4,348,781,693</b>	<b>4,738,336,230</b>	<b>4,348,781,693</b>
<b>Non-current assets</b>					
Investments in associates	10	475,826,519	417,868,654	57,176,689	57,176,689
Long-term investments, net	11	139,859,738	146,267,138	139,859,738	146,267,138
Property, plant and equipment, net	12	5,905,057,348	4,574,302,530	5,905,057,348	4,574,302,530
Intangible assets, net	13	465,263,346	437,255,701	465,263,346	437,255,701
Other non-current assets, net	14	19,840,167	100,051,417	19,840,167	100,051,417
<b>Total non-current assets</b>		<b>7,005,847,118</b>	<b>5,675,745,440</b>	<b>6,587,197,288</b>	<b>5,315,053,475</b>
<b>Total assets</b>		<b>11,744,183,348</b>	<b>10,024,527,133</b>	<b>11,325,533,518</b>	<b>9,663,835,168</b>

Director \_\_\_\_\_  
 ( Mr. Hiroyuki Nakano )

Director \_\_\_\_\_  
 ( Mr. Apichart Leeissaranukul )

Date \_\_\_\_\_

The notes to the financial statements on page 11 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited  
 Statements of Financial Position  
 As at 31 March 2013 and 2012

	Notes	Financial statements in which the equity method is applied		The Company only	
		2013	2012	2013	2012
		Baht	Baht	Baht	Baht
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade accounts payable - other companies		564,389,044	497,327,992	564,389,044	497,327,992
- related parties	26	300,625,020	156,621,051	300,625,020	156,621,051
Other accounts payable - other companies		235,633,141	321,752,198	235,633,141	321,752,198
- related parties	26	130,841,491	186,129,113	130,841,491	186,129,113
Accrued corporate income tax		234,080,227	-	234,080,227	-
Advances received from customers		38,639,703	62,278,044	38,639,703	62,278,044
Accrued expenses	15	246,249,796	192,185,048	246,249,796	192,185,048
<b>Total current liabilities</b>		<b>1,750,458,422</b>	<b>1,416,293,446</b>	<b>1,750,458,422</b>	<b>1,416,293,446</b>
<b>Non-current liabilities</b>					
Provision for post-employment benefits	16	131,762,100	111,670,710	131,762,100	111,670,710
<b>Total non-current liabilities</b>		<b>131,762,100</b>	<b>111,670,710</b>	<b>131,762,100</b>	<b>111,670,710</b>
<b>Total liabilities</b>		<b>1,882,220,522</b>	<b>1,527,964,156</b>	<b>1,882,220,522</b>	<b>1,527,964,156</b>
<b>Shareholders' equity</b>					
Share capital					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each	17	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	17	383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital	17	504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve	19	38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		9,071,206,974	7,678,162,011	8,510,045,496	7,205,963,512
Other components of equity		(134,931,648)	(107,286,534)	7,580,000	4,220,000
<b>Total shareholders' equity</b>		<b>9,861,962,826</b>	<b>8,496,562,977</b>	<b>9,443,312,996</b>	<b>8,135,871,012</b>
<b>Total liabilities and shareholders' equity</b>		<b>11,744,183,348</b>	<b>10,024,527,133</b>	<b>11,325,533,518</b>	<b>9,663,835,168</b>

The notes to the financial statements on page 11 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited  
 Statements of Income  
 For the years ended 31 March 2013 and 2012

	Notes	Financial statements in which the equity method is applied		The Company only	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Sales	24, 26	11,334,990,293	7,800,988,244	11,334,990,293	7,800,988,244
Cost of sales	22	(8,796,587,934)	(6,477,658,518)	(8,796,587,934)	(6,477,658,518)
Gross profit		2,538,402,359	1,323,329,726	2,538,402,359	1,323,329,726
Other income					
- Dividend income	10, 11	24,229,182	63,488,033	69,210,225	104,596,785
- Gain on exchange rates, net		20,550,869	19,003,330	20,550,869	19,003,330
- Others	20	201,943,324	222,188,418	201,943,324	222,188,418
Profit before expenses		2,785,125,734	1,628,009,507	2,830,106,777	1,669,118,259
Selling expenses	22	(547,812,041)	(402,787,251)	(547,812,041)	(402,787,251)
Administrative expenses	22	(254,958,373)	(228,739,509)	(254,958,373)	(228,739,509)
Expenses arising from floods, net	21	(35,294,401)	(162,138,468)	(35,294,401)	(162,138,468)
Total expenses		(838,064,815)	(793,665,228)	(838,064,815)	(793,665,228)
Operating profit		1,947,060,919	834,344,279	1,992,041,962	875,453,031
Share of profit from investments in associates	10	133,944,022	139,722,439	-	-
Profit before income tax		2,081,004,941	974,066,718	1,992,041,962	875,453,031
Income tax		(458,093,678)	(247,480,617)	(458,093,678)	(247,480,617)
Net profit for the year		<u>1,622,911,263</u>	<u>726,586,101</u>	<u>1,533,948,284</u>	<u>627,972,414</u>
Basic earnings per share	23				
Net profit for the year		<u>21.18</u>	<u>9.48</u>	<u>20.02</u>	<u>8.20</u>

The notes to the financial statements on page 11 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited  
 Statements of Comprehensive Income  
 For the years ended 31 March 2013 and 2012

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	Financial statements in which			
	the equity method is applied		The Company only	
	2013	2012	2013	2012
Notes	Baht	Baht	Baht	Baht
Net profit for the year	1,622,911,263	726,586,101	1,533,948,284	627,972,414
Other comprehensive income (expenses):				
Unrealised gain (loss) on change in fair value of available-for-sale investment	11 3,360,000	(400,000)	3,360,000	(400,000)
Exchange differences relating to investments in associates	10 (31,005,114)	28,036,736	-	-
Other comprehensive income (expenses) for the year	(27,645,114)	27,636,736	3,360,000	(400,000)
Total comprehensive income for the year	<u>1,595,266,149</u>	<u>754,222,837</u>	<u>1,537,308,284</u>	<u>627,572,414</u>

The notes to the financial statements on page 11 to 36 are an integral part of these financial statements.

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Thai Stanley Electric Public Company Limited  
 Statements of Changes in Shareholders' Equity  
 For the years ended 31 March 2013 and 2012

	Financial statements in which the equity method is applied							
	Other components of equity							
	Other comprehensive income							
	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Unrealised gain on change in fair value of available-for-sale investment Baht	Cumulative exchange differences relating to investments in associates Baht	Total other components of equity Baht
Legal reserve Baht				Unappropriated retained earnings Baht				
<b>Opening balance as at 1 April 2012</b>	383,125,000	504,250,000	38,312,500	7,678,162,011	4,220,000	(111,506,534)	(107,286,534)	8,496,562,977
Total comprehensive income for the year	-	-	-	1,622,911,263	3,360,000	(31,005,114)	(27,645,114)	1,595,266,149
Dividends paid	18	-	-	(229,866,300)	-	-	-	(229,866,300)
<b>Closing balance as at 31 March 2013</b>	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>9,071,206,974</u>	<u>7,580,000</u>	<u>(142,511,648)</u>	<u>(134,931,648)</u>	<u>9,861,962,826</u>
<b>Opening balance as at 1 April 2011</b>	383,125,000	504,250,000	38,312,500	7,449,618,260	4,620,000	(139,543,270)	(134,923,270)	8,240,382,490
Total comprehensive income for the year	-	-	-	726,586,101	(400,000)	28,036,736	27,636,736	754,222,837
Dividends paid	18	-	-	(498,042,350)	-	-	-	(498,042,350)
<b>Closing balance as at 31 March 2012</b>	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>7,678,162,011</u>	<u>4,220,000</u>	<u>(111,506,534)</u>	<u>(107,286,534)</u>	<u>8,496,562,977</u>

The notes to the financial statements on page 11 to 36 are an integral part of these financial statements.



Thai Stanley Electric Public Company Limited  
 Statements of Changes in Shareholders' Equity  
 For the years ended 31 March 2013 and 2012

The Company only								
Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Other components of equity		Total shareholders' equity Baht	
			Legal reserve Baht	Unappropriated retained earnings Baht	Unrealised gain on change in fair value of available-for-sale investment Baht	Other comprehensive income		Total other components of equity Baht
<b>Opening balance as at 1 April 2012</b>	383,125,000	504,250,000	38,312,500	7,205,963,512	4,220,000	4,220,000	8,135,871,012	
Total comprehensive income for the year	-	-	-	1,533,948,284	3,360,000	3,360,000	1,537,308,284	
Dividends paid	18	-	-	(229,866,300)	-	-	(229,866,300)	
<b>Closing balance as at 31 March 2013</b>	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>8,510,045,496</u>	<u>7,580,000</u>	<u>7,580,000</u>	<u>9,443,312,996</u>	
<b>Opening balance as at 1 April 2011</b>	383,125,000	504,250,000	38,312,500	7,076,033,448	4,620,000	4,620,000	8,006,340,948	
Total comprehensive income for the year	-	-	-	627,972,414	(400,000)	(400,000)	627,572,414	
Dividends paid	18	-	-	(498,042,350)	-	-	(498,042,350)	
<b>Closing balance as at 31 March 2012</b>	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>7,205,963,512</u>	<u>4,220,000</u>	<u>4,220,000</u>	<u>8,135,871,012</u>	

The notes to the financial statements on page 11 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited  
Statements of Cash Flows  
For the years ended 31 March 2013 and 2012

	Notes	Financial statements in which the equity method is applied		The Company only	
		2013	2012	2013	2012
		Baht	Baht	Baht	Baht
Cash flows from operating activities:					
Profit before income tax for the year		2,081,004,941	974,066,718	1,992,041,962	875,453,031
Adjustments to reconcile profit before income tax for the year to net cash provided by operations:					
- Depreciation	12	752,484,683	639,865,452	752,484,683	639,865,452
- Amortisation	13	109,018,826	105,733,614	109,018,826	105,733,614
- Interest income	20	(34,483,366)	(83,862,656)	(34,483,366)	(83,862,656)
- Share of profit from investments in associates	10	(133,944,022)	(139,722,439)	-	-
- Dividend income					
- Investments in associates	10	-	-	(44,981,043)	(41,108,752)
- Long-term investments	11	(24,229,182)	(63,488,033)	(24,229,182)	(63,488,033)
- Gain on disposal of equipment		(3,038,396)	(4,183,586)	(3,038,396)	(4,183,586)
- Impairment of long-term investment	11	1,613,500	5,000,000	1,613,500	5,000,000
- Loss on sale of long-term investment	11	165,535	-	165,535	-
- Allowance for doubtful account	8	(794,180)	4,161,447	(794,180)	4,161,447
- Loss on write-off of damaged inventories from floods	21	-	50,476,685	-	50,476,685
- Allowance for slow moving inventories and net realisable value lower than cost of inventories	9	(9,679,369)	16,012,625	(9,679,369)	16,012,625
- Provision for post-employment benefits	16	21,167,640	19,750,860	21,167,640	19,750,860
- Unrealised loss (gain) on exchange rates		(129,913)	285,579	(129,913)	285,579
Cash flows before changes in operating assets and liabilities		2,759,156,697	1,524,096,266	2,759,156,697	1,524,096,266
Changes in operating assets and liabilities					
- Trade and other accounts receivable		(488,349,800)	(91,285,848)	(488,349,800)	(91,285,848)
- Inventories		13,746,973	(330,549,073)	13,746,973	(330,549,073)
- Other current assets		4,299,258	(6,723,836)	4,299,258	(6,723,836)
- Other non-current assets		4,808,692	(6,287,388)	4,808,692	(6,287,388)
- Trade accounts payable - other companies		67,061,052	(4,441,599)	67,061,052	(4,441,599)
- related parties		144,003,969	(35,086,626)	144,003,969	(35,086,626)
- Other accounts payable - other companies		(49,165,525)	120,221,942	(49,165,525)	120,221,942
- related parties		(55,401,611)	26,091,097	(55,401,611)	26,091,097
- Advances received from customers		(23,638,341)	(23,432,279)	(23,638,341)	(23,432,279)
- Accrued expenses		54,064,748	84,641,152	54,064,748	84,641,152
- Payment for post-employment benefit obligation	16	(1,076,250)	(370,565)	(1,076,250)	(370,565)
Cash generated from operations		2,429,509,862	1,256,873,243	2,429,509,862	1,256,873,243
Interest received		33,072,616	83,073,404	33,072,616	83,073,404
Income tax paid		(224,013,451)	(552,717,556)	(224,013,451)	(552,717,556)
Net cash received from operating activities		2,238,569,027	787,229,091	2,238,569,027	787,229,091

The notes to the financial statements on page 11 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited  
 Statements of Cash Flows  
 For the years ended 31 March 2013 and 2012

	Notes	Financial statements in which the equity method is applied		The Company only	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash flows from investing activities:					
Purchases of property, plant and equipment		(2,048,144,517)	(1,965,825,861)	(2,048,144,517)	(1,965,825,861)
Advance payment for purchase of machines	14	-	(75,402,558)	-	(75,402,558)
Proceeds from disposals of equipment		6,136,427	9,137,947	6,136,427	9,137,947
Interest received on short-term investments					
held to maturity		2,467,956	4,014,005	2,467,956	4,014,005
Proceeds from sale of long-term investment	11	7,988,365	-	7,988,365	-
Dividends received					
- Investments in associates	10	44,981,043	41,108,752	44,981,043	41,108,752
- Long-term investments	11	24,229,182	63,488,033	24,229,182	63,488,033
Purchases of intangible assets		(136,656,471)	(153,595,885)	(136,656,471)	(153,595,885)
Cash receipts from short-term investments					
held to maturity	7	198,849,700	560,985,995	198,849,700	560,985,995
Cash payment on short-term investments					
held to maturity	7	(109,704,902)	(198,849,700)	(109,704,902)	(198,849,700)
Net cash used in investing activities		<u>(2,009,853,217)</u>	<u>(1,714,939,272)</u>	<u>(2,009,853,217)</u>	<u>(1,714,939,272)</u>
Cash flow from financing activity:					
Dividends paid	18	<u>(229,866,300)</u>	<u>(498,042,350)</u>	<u>(229,866,300)</u>	<u>(498,042,350)</u>
Net cash used in financing activity		<u>(229,866,300)</u>	<u>(498,042,350)</u>	<u>(229,866,300)</u>	<u>(498,042,350)</u>
Net decrease in cash and cash equivalents		(1,150,490)	(1,425,752,531)	(1,150,490)	(1,425,752,531)
Cash and cash equivalents at beginning					
of the year		1,707,851,632	3,133,889,742	1,707,851,632	3,133,889,742
Effects of exchange rate changes		129,913	(285,579)	129,913	(285,579)
Cash and cash equivalents at end of the year		<u>1,706,831,055</u>	<u>1,707,851,632</u>	<u>1,706,831,055</u>	<u>1,707,851,632</u>
Non-cash transaction:					
Outstanding liabilities arisen from purchases of					
plant, equipment and intangible assets		27,735,169	64,574,712	27,735,169	64,574,712

The notes to the financial statements on page 11 to 36 are an integral part of these financial statements.

## 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 Bangpoo-Rungsit Road, Bangklang, 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 17 May 2013.

## 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 the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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.

### 2.2 New accounting standard, new financial reporting standard, new interpretations and amendments to accounting standards

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

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
TERS 8	Operating Segments
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

2 Accounting policies (Cont'd)

2.2 New accounting standard, new financial reporting standard, new interpretations and amendments to accounting standards (Cont'd)

The Company's management has determined that the new accounting standard, new financial reporting standard, new interpretations and amendments to accounting standards will not significantly impact the financial statements being presented, except for TAS 12 Income Taxes and TFRS 8 Operating Segments.

TAS 12, this deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to 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 adopt this standard from 1 April 2013 retrospectively. The effect of adoption this accounting standard on the statements of financial position as at 1 April 2013 can be summarised below.

	Financial statements in which the equity method is applied Baht Million	The Company only Baht Million
Increase in deferred tax assets	34.39	34.39
Increase in deferred tax liabilities	98.89	15.16
Increase (decrease) in retained earnings	(92.12)	20.11
Decrease in unrealised gain on change in fair value of available-for-sale investment	(0.88)	(0.88)
Increase in exchange differences relating to investments in associates	28.50	-

TFRS 8, the standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Company will apply this standard from 1 April 2013. The Company's management has determined that this standard will impact on entity-wide disclosures only. For segment information, as the Company currently manufactures and sells auto bulbs, automotive lighting equipment and molds & dies at one establishment. In addition, the sales, assets and profit of mold & die segment, which is different from auto bulbs and automotive lighting equipment, do not meet quantitative thresholds of reportable segment. Moreover, the Company's management allocates resources and assesses the Company's performance as a whole. Therefore, the Company's management has determined that the current disclosure of segment information is sufficient and consistent with this standard's requirements.

## 2 Accounting policies (Cont'd)

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

The following new interpretations are mandatory for the accounting periods beginning on or after 1 January 2014, but the Company has not early adopted them.

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

The Company's management has determined that the new interpretations will not significantly impact the financial statements being presented.

### 2.3 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 rates prevailing at the statement of financial position 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 statement of financial position items are translated at the exchange rates ruling on the statement of financial position date. Currency translation differences arising from the translation 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.

### 2.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are not used as collateral.

### 2.5 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.

## 2 Accounting policies (Cont'd)

### 2.6 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 based on normal capacity. 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.

### 2.7 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 associates is disclosed in Note 10.

### 2.8 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 statement of financial position 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 statement of financial position 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.

## 2 Accounting policies (Cont'd)

### 2.8 Investments (Cont'd)

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.

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.

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.

### 2.9 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.

	Useful life (years)
Buildings	30
Land and building improvements	5 - 10
Machinery, equipment and factory tools	5 - 10
Molds	4
Motor vehicles	5
Furniture, fixtures and office equipment	3 - 5

The assets' useful lives, residual values and depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.



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

2 Accounting policies (Cont'd)

2.10 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.

2.11 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.

2.12 Post-employment benefits

The Company has post-employment benefits both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

- Defined contribution plan

Provident fund

The Company operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and

by the Company. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

## 2 Accounting policies (Cont'd)

### 2.12 Employee benefits (Cont'd)

- Defined benefit plan

#### Retirement benefit

Under Labour Laws applicable in Thailand and Company's employment policy, the severance pay will be at the rate according to salary and number of years of service which will happen in the future. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using government bond interest rate that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Gain and loss from actuarial estimation for employee benefit is recognised as other comprehensive income (expenses) in the statement of comprehensive income.

### 2.13 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.

### 2.14 Revenue recognition

Revenue from sales comprises the fair value of the consideration received or receivable for the sales of goods net of rebates and discounts. Revenue from sales is recognised when significant risks and rewards of ownership of the goods are transferred to the buyers.

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.

### 2.15 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 Accounting policies (Cont'd)

### 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.

### 2.17 Financial instruments

Financial assets carried in the statements of financial position include cash and cash equivalents, short-term investments held to maturity, and trade accounts receivable. Financial liabilities carried in the statements of financial position 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 statement of financial position 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 statement of financial position.

Disclosures about financial instruments to which the Company is a party are provided in Note 25.

## 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 the year ended 31 March 2013, the significant accounting estimates of the Company are as follows:

### Plant, equipment and intangible assets

Management has determined the estimated useful lives and residual value of plant, 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.

### Post-employment benefits

The Company provides for post-employment benefits, payable to employees under the Thai Labour Law. The present value of post-employment benefit 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 post-employment 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 equipment, has not been separately reported as the sales of this segment represent only 2.52% of total sales (2012 : 2.43% of total sales).

6 Cash and cash equivalents

	2013 Baht	2012 Baht
Cash and cheques on hand	878,917	612,418
Current accounts with banks	94,569,886	110,717,215
Savings accounts with banks	62,897,051	31,521,999
Short-term investments in treasury bills and bills of exchange	1,548,485,201	1,565,000,000
	<u>1,706,831,055</u>	<u>1,707,851,632</u>

Savings accounts with banks and short-term investments bear interest at the average rate of 0.01% - 2.65% per annum (2012 : 0.01% - 3.15% per annum).

7 Short-term investments held to maturity

As at 31 March 2013 and 2012, short-term investments held to maturity represent bills of exchange, treasury bills and fixed deposits which have original maturities between 3 and 12 months.

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

	2013 Baht	2012 Baht
Opening net book amount	198,849,700	560,985,995
Additions during the year	109,704,902	198,849,700
Redemptions during the year	(198,849,700)	(560,985,995)
Closing net book amount	<u>109,704,902</u>	<u>198,849,700</u>

Short-term investments held to maturity bear interest at the average rate of 2.65% - 2.73% per annum (2012 : 3.00% - 3.02% per annum).

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8 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 31 March 2013 and 2012 are as follows:

	2013 Baht	2012 Baht
Trade accounts receivable - other companies	1,717,846,398	1,231,280,105
<u>Less</u> Allowance for doubtful account	<u>(3,367,267)</u>	<u>(4,161,447)</u>
Trade accounts receivable - other companies, net	1,714,479,131	1,227,118,658
Trade accounts receivable - related parties (Note 26)	179,626,862	132,828,274
Prepaid expenses	23,987,610	43,381,518
Accrued income	9,920,092	14,881,508
Value added tax receivable	82,473,754	95,594,694
Other receivables	23,957,586	32,553,609
	<u>2,034,445,035</u>	<u>1,546,358,261</u>

Trade accounts receivable as at 31 March 2013 and 2012 can be analysed as follows:

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Current	1,704,026,595	1,115,901,330	178,291,785	127,121,859
Overdue:				
less than 3 months	10,440,551	34,567,355	585,297	1,760,310
3 - 6 months	11,985	75,368,114	139,250	3,946,105
6 - 12 months	-	1,395,889	-	-
more than 1 year	3,367,267	4,047,417	610,530	-
	<u>1,717,846,398</u>	<u>1,231,280,105</u>	<u>179,626,862</u>	<u>132,828,274</u>

9 Inventories, net

	2013 Baht	2012 Baht
Raw materials and packaging	221,963,598	265,082,239
Work in process	441,035,160	430,038,408
Finished goods	115,843,313	132,872,925
Goods in transit	99,358,332	44,595,066
	878,200,403	872,588,638
<u>Less</u> Allowance for net realisable value lower than cost and slow moving inventories		
- Raw materials and packaging	(14,848,411)	(8,126,433)
- Work in process	(12,444,000)	(5,500,000)
- Finished goods	(6,581,345)	(10,567,954)
Inventories, net	<u>844,326,647</u>	<u>848,394,251</u>

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10 Investments in associates

The details of investments in associates as at 31 March 2013 and 2012 are as follows:

Name	Business activity	Paid-up share capital	% of holding	Equity method			
				2013		2012	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Associates							
Lao Stanley Company Limited	Manufacture automotive lighting equipment	USD 0.25 million	50	13,317,919	2,726,202	11,425,918	4,185,446
Vietnam Stanley Electric Company Limited	Manufacture automotive lighting equipment	USD 8.30 million	20	462,508,600	42,254,841	406,442,736	36,923,306
				<u>475,826,519</u>	<u>44,981,043</u>	<u>417,868,654</u>	<u>41,108,752</u>
Name	Business activity	Paid-up share capital	% of holding	Cost method			
				2013		2012	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Associates							
Lao Stanley Company Limited	Manufacture automotive lighting equipment	USD 0.25 million	50	3,132,500	2,726,202	3,132,500	4,185,446
Vietnam Stanley Electric Company Limited	Manufacture automotive lighting equipment	USD 8.30 million	20	54,044,189	42,254,841	54,044,189	36,923,306
				<u>57,176,689</u>	<u>44,981,043</u>	<u>57,176,689</u>	<u>41,108,752</u>

Movements in investments in associates are as follows:

For the years ended 31 March	Equity method		Cost method	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Opening net book amount	417,868,654	291,218,231	57,176,689	57,176,689
Share of profit	133,944,022	139,722,439	-	-
Dividends received	(44,981,043)	(41,108,752)	-	-
Translation adjustments	(31,005,114)	28,036,736	-	-
Closing net book amount	<u>475,826,519</u>	<u>417,868,654</u>	<u>57,176,689</u>	<u>57,176,689</u>

The total assets, total 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
For the year ended 31 March 2013					
Lao Stanley Company Limited	25,503,935	12,186,016	65,950,158	5,350,825	50
Vietnam Stanley Electric Company Limited	555,456,766	92,948,166	709,262,683	128,593,197	20
	<u>580,960,701</u>	<u>105,134,182</u>	<u>775,212,841</u>	<u>133,944,022</u>	
For the year ended 31 March 2012					
Lao Stanley Company Limited	18,896,179	7,470,261	43,200,636	3,392,863	50
Vietnam Stanley Electric Company Limited	497,982,836	91,540,101	713,546,763	136,329,576	20
	<u>516,879,015</u>	<u>99,010,362</u>	<u>756,747,399</u>	<u>139,722,439</u>	



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11 Long-term investments, net

Long-term investments, net as at 31 March 2013 and 2012 are as follows:

As at 31 March 2013	Available- for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
- Related parties	7,760,000	104,921,215	112,681,215
- Other companies	-	27,178,523	27,178,523
Long-term investments, net	<u>7,760,000</u>	<u>132,099,738</u>	<u>139,859,738</u>
As at 31 March 2012	Available- for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
- Related parties	4,400,000	114,688,615	119,088,615
- Other companies	-	27,178,523	27,178,523
Long-term investments, net	<u>4,400,000</u>	<u>141,867,138</u>	<u>146,267,138</u>

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

The details of long-term investments, net as at 31 March 2013 and 2012 are as follows:

Name	Business activity	Paid-up share capital	% of holding	2013		2012	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Related parties - available for sale							
Inoue Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200 million	0.2	3,380,000	82,040	3,380,000	97,440
Change in fair value of investments				4,380,000	-	1,020,000	-
				<u>7,760,000</u>	<u>82,040</u>	<u>4,400,000</u>	<u>97,440</u>
Related parties - 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	10,387,294	60,000,000	19,143,458
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting	Baht 21 million	15.0	3,000,000	-	3,000,000	508,459
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.73	8,793,715	535,081	8,793,715	618,271
PT. Indonesia Stanley Electric	Manufacture of molds and automotive lighting	USD 7.5 million	10.0	33,127,500	13,224,767	33,127,500	43,120,405
Stanley Electric Engineering India PVT.	Design molds and manufacture of lamps and molds	RS 161 million	-	-	-	16,263,000	-
<u>Less</u> Impairment of investments				-	-	(6,495,600)	-
				<u>104,921,215</u>	<u>24,147,142</u>	<u>114,688,615</u>	<u>63,390,593</u>
Other companies - general investments (at cost)							
Sum Hitechs Company Limited	Chrome plating on plastic products	Baht 104 million	16.35	27,178,523	-	27,178,523	-
Top Hitech (Thailand) Company Limited	Manufacture of plastic products and molds	Baht 35.9 million	13.9	5,000,000	-	5,000,000	-
<u>Less</u> Impairment of investments				(5,000,000)	-	(5,000,000)	-
				<u>27,178,523</u>	<u>-</u>	<u>27,178,523</u>	<u>-</u>
Total long-term investments, net				<u>139,859,738</u>	<u>24,229,182</u>	<u>146,267,138</u>	<u>63,488,033</u>

On 12 December 2012, the Company sold investment in Stanley Electric Engineering India PVT. that had book value amounting to Baht 8.15 million (cost and allowance for impairment amounting to Baht 16.26 million and Baht 8.11 million, respectively) to Lumax Industries Limited for a consideration of Baht 7.99 million. As a result, the Company had loss on sales of investment amounting to Baht 0.16 million.

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**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 2011</b>									
Cost	833,004,322	949,563,934	736,464,721	4,065,174,967	2,826,173,416	68,862,763	117,867,003	431,284,904	10,028,396,030
Less Accumulated depreciation	-	(486,224,886)	(395,617,282)	(3,282,547,081)	(2,447,059,945)	(45,362,993)	(103,378,558)	-	(6,760,190,745)
Net book amount	833,004,322	463,339,048	340,847,439	782,627,886	379,113,471	23,499,770	14,488,445	431,284,904	3,268,205,285
<b>For the year ended 31 March 2012</b>									
Opening net book amount	833,004,322	463,339,048	340,847,439	782,627,886	379,113,471	23,499,770	14,488,445	431,284,904	3,268,205,285
Additions	292,082,533	10,882,242	-	122,800,602	9,692,281	15,402,500	7,919,810	1,492,137,090	1,950,917,058
Disposals / write-offs, net	(1,188,000)	(630,171)	(3)	(387,357)	(1,770,165)	(10)	(978,655)	-	(4,954,361)
Transfers	-	81,692,881	3,277,068	254,507,516	174,418,863	-	1,131,833	(515,028,161)	-
Depreciation charge (Note 22)	-	(120,447,574)	(18,193,424)	(279,676,526)	(202,028,048)	(10,229,437)	(9,290,443)	-	(639,865,452)
Closing net book amount	1,123,898,855	434,836,426	325,931,080	879,872,121	359,426,402	28,672,823	13,270,990	1,408,393,833	4,574,302,530
<b>As at 31 March 2012</b>									
Cost	1,123,898,855	1,024,774,229	734,691,820	4,321,128,000	2,994,532,311	77,432,037	118,725,097	1,408,393,833	11,803,576,182
Less Accumulated depreciation	-	(589,937,803)	(408,760,740)	(3,441,255,879)	(2,635,105,909)	(48,759,214)	(105,454,107)	-	(7,229,273,652)
Net book amount	1,123,898,855	434,836,426	325,931,080	879,872,121	359,426,402	28,672,823	13,270,990	1,408,393,833	4,574,302,530

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**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 2013</b>									
Opening net book amount	1,123,898,855	434,836,426	325,931,080	879,872,121	359,426,402	28,672,823	13,270,990	1,408,393,833	4,574,302,530
Additions	23,345,775	26,053,997	-	161,438,408	727,026	13,957,000	5,853,022	1,854,962,304	2,086,337,532
Disposals / write-offs, net	-	(3)	-	(247,743)	(2,777,322)	(15)	(72,948)	-	(3,098,031)
Transfers	-	452,191,308	543,324,445	1,031,410,232	598,195,868	-	9,360,813	(2,634,482,666)	-
Depreciation charge (Note 22)	-	(134,856,878)	(35,370,010)	(336,684,580)	(227,888,069)	(11,470,776)	(6,214,370)	-	(752,484,683)
Closing net book amount	1,147,244,630	778,224,850	833,885,515	1,735,788,438	727,683,905	31,159,032	22,197,507	628,873,471	5,905,057,348
<b>As at 31 March 2013</b>									
Cost	1,147,244,630	1,501,007,629	1,278,016,265	5,441,035,954	3,589,751,807	75,470,137	121,736,007	628,873,471	13,783,135,900
Less: Accumulated depreciation	-	(722,782,779)	(444,130,750)	(3,705,247,516)	(2,862,067,902)	(44,311,105)	(99,538,500)	-	(7,878,078,552)
Net book amount	1,147,244,630	778,224,850	833,885,515	1,735,788,438	727,683,905	31,159,032	22,197,507	628,873,471	5,905,057,348

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13 Intangible assets, net

	Computer software Baht	Product design cost Baht	Total Baht
As at 31 March 2011			
Cost	173,872,473	494,793,197	668,665,670
<u>Less</u> Accumulated amortisation	(91,008,939)	(188,263,301)	(279,272,240)
Net book amount	<u>82,863,534</u>	<u>306,529,896</u>	<u>389,393,430</u>
For the year ended 31 March 2012			
Opening net book amount	82,863,534	306,529,896	389,393,430
Additions	24,230,265	129,365,620	153,595,885
Amortisation charge (Note 22)	(22,620,819)	(83,112,795)	(105,733,614)
Closing net book amount	<u>84,472,980</u>	<u>352,782,721</u>	<u>437,255,701</u>
As at 31 March 2012			
Cost	198,102,738	624,158,817	822,261,555
<u>Less</u> Accumulated amortisation	(113,629,758)	(271,376,096)	(385,005,854)
Net book amount	<u>84,472,980</u>	<u>352,782,721</u>	<u>437,255,701</u>
For the year ended 31 March 2013			
Opening net book amount	84,472,980	352,782,721	437,255,701
Additions	19,324,909	117,701,562	137,026,471
Amortisation charge (Note 22)	(21,888,313)	(87,130,513)	(109,018,826)
Closing net book amount	<u>81,909,576</u>	<u>383,353,770</u>	<u>465,263,346</u>
As at 31 March 2013			
Cost	217,427,648	741,860,378	959,288,026
<u>Less</u> Accumulated amortisation	(135,518,072)	(358,506,608)	(494,024,680)
Net book amount	<u>81,909,576</u>	<u>383,353,770</u>	<u>465,263,346</u>

14 Other non-current assets, net

	2013 Baht	2012 Baht
Advance payment for purchase of machines	-	75,402,558
Others	19,840,167	24,648,859
	<u>19,840,167</u>	<u>100,051,417</u>

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15 Accrued expenses

	2013 Baht	2012 Baht
Accrued staff costs	180,667,600	107,318,170
Accrued electricity expense	35,142,681	24,043,558
Accrued flood prevention and rehabilitation expenses	-	17,400,000
Others	30,439,515	43,423,320
	<u>246,249,796</u>	<u>192,185,048</u>

16 Provision for post-employment benefits

The amounts recognised in the statement of financial position are determined as follows:

	2013 Baht	2012 Baht
Present value of defined benefit obligations	131,762,100	111,670,710
Liability in the statement of financial position	<u>131,762,100</u>	<u>111,670,710</u>

Movements in provision for post-employment benefits are as follows:

	2013 Baht	2012 Baht
Opening balance	111,670,710	92,290,415
Current service cost	17,361,118	16,464,928
Interest cost	3,806,522	3,285,932
Benefits paid	(1,076,250)	(370,565)
Closing balance	<u>131,762,100</u>	<u>111,670,710</u>

The amounts recognised in the statement of income are as follows:

	2013 Baht	2012 Baht
Current service cost	17,361,118	16,464,928
Interest cost	<u>3,806,522</u>	<u>3,285,932</u>
Total	<u>21,167,640</u>	<u>19,750,860</u>

16 Provision for post-employment benefits (Cont'd)

These expenses are included in cost of sales, selling expenses, administrative expenses and other expenses as follows:

	2013 Baht	2012 Baht
Cost of sales	19,340,880	17,370,143
Selling expenses	522,240	490,440
Administrative expenses	1,304,520	1,405,470
Other expenses	-	484,807
<b>Total</b>	<b>21,167,640</b>	<b>19,750,860</b>

The principal actuarial assumptions used were as follows:

Discount rate	4%
Salary increase rate	5%

17 Share capital and premium on share capital

	Number of shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
As at 31 March 2013 and 2012	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 (2012 : 76,625,000 shares with a par value of Baht 5 per share). All shares are issued and fully paid.

18 Dividends

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 26 June 2012, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2012 for 76,625,000 shares of Baht 3 per share, totalling Baht 229,875,000. There are 2,900 shares that were not entitled to receive the dividends, totalling Baht 8,700 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 229,866,300 in the financial statements. The Company paid the dividends to the shareholders on 24 July 2012.

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 8 July 2011, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2011 for 76,625,000 shares of Baht 6.5 per share, totalling Baht 498,062,500. There are 3,100 shares that were not entitled to receive the dividends, totalling Baht 20,150 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 498,042,350 in the financial statements. The Company paid the dividends to the shareholders on 4 August 2011.

19 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% of the registered capital. The reserve is non-distributable.

20 Other income - others

	2013 Baht	2012 Baht
Scrap sales	123,706,537	77,925,679
Interest income	34,483,366	83,862,656
Tax rebate income	13,277,427	13,538,179
Royalty income	1,329,584	17,638,564
Others	29,146,410	29,223,340
	<u>201,943,324</u>	<u>222,188,418</u>

21 Expenses arising from floods, net

The Company was affected by the floods and had to stop production at its factory since 20 October 2011. In November 2011, the Company was able to restart some of its operation and started to resume its normal production. The cost of sales in the statement of income for the year ended 31 March 2012 include expenses relating to the production transfer of some goods to Stanley Electric Group companies' factories and shipping costs for molds and equipment during the period when the Company could not produce these goods. The total amount of these expenses is approximately Baht 184.57 million.

The Company has entered into insurance contracts which cover business interruption, damaged inventories and assets. At present, the Company is still in the process of filing insurance claims with its insurance companies. In March 2012, the Company received the first reimbursement from the insurance companies amounting to Baht 184.67 million.

The details of expenses arising from floods, net in the statements of income for the years ended 31 March 2013 and 2012 are as follows:

	2013 Baht	2012 Baht
Staff salaries and other fixed expenses during the period when the Company stopped and rehabilitated its operation	-	108,512,614
Loss on write-off of damaged inventories from floods	-	50,476,685
Other expenses arising from floods including flood-prevention and rehabilitation expenses	35,294,401	187,822,103
<u>Less</u> Cash receipt from insurance companies from floods	-	(184,672,934)
	<u>35,294,401</u>	<u>162,138,468</u>



22 Expense by nature

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

	2013 Baht	2012 Baht
	<u>                    </u>	<u>                    </u>
Changes in finished goods and work in process	6,032,860	(162,566,524)
Raw materials and consumables used	4,809,305,417	3,522,486,754
Staff costs	1,386,841,156	1,130,858,644
Depreciation (Note 12)	752,484,683	639,865,452
Amortisation (Note 13)	109,018,826	105,733,614
Utility expenses	381,269,819	251,346,467
Subcontract service costs	495,955,077	280,563,095
Repairs and maintenance expenses	258,951,626	280,767,754

23 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	
	2013	2012	2013	2012
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net profit attributable to shareholders (Baht)	1,622,911,263	726,586,101	1,533,948,284	627,972,414
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)	21.18	9.48	20.02	8.20

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

## 24 Promotional privileges

The Company has received promotional privileges from the Office of the Board of Investment for the production of molds, mold repairs and production of Eco-car lamps. 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 promotion certificates.

	2013		Total Baht
	BOI promoted activities Baht	Non-BOI promoted activities Baht	
Export sales	318,017,718	2,243,098,182	2,561,115,900
Domestic sales	283,804,189	8,490,070,204	8,773,874,393
	<u>601,821,907</u>	<u>10,733,168,386</u>	<u>11,334,990,293</u>
Domestic service income - mold repairs	2,543,510	-	2,543,510
	<u>2,543,510</u>	<u>-</u>	<u>2,543,510</u>
	2012		Total Baht
	BOI promoted activities Baht	Non-BOI promoted activities Baht	
Export sales	80,892,676	2,055,036,761	2,135,929,437
Domestic sales	108,968,000	5,556,090,807	5,665,058,807
	<u>189,860,676</u>	<u>7,611,127,568</u>	<u>7,800,988,244</u>
Domestic service income - mold repairs	4,327,934	-	4,327,934
	<u>4,327,934</u>	<u>-</u>	<u>4,327,934</u>

## 25 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.

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.

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

25 Financial instruments (Cont'd)

a) Financial assets and liabilities

As at 31 March 2013 and 2012, the Company has outstanding foreign currency assets and liabilities as details below.

	2013		2012	
	Currency Million	Baht Million	Currency Million	Baht Million
<b>Assets</b>				
Japanese Yen	4.98	1.54	30.63	11.39
US Dollars	6.20	180.94	5.16	158.51
		<u>182.48</u>		<u>169.90</u>
<b>Liabilities</b>				
Japanese Yen	183.23	57.62	625.04	237.02
US Dollars	5.58	164.37	0.73	22.55
		<u>221.99</u>		<u>259.57</u>

**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 2013 and 2012, the settlement dates on foreign currency forward contracts were ranged between 1 and 2 months from the statement of financial position date. The equivalent Thai Baht to be received at the contractual exchange rates of the outstanding contracts were:

	2013 Baht	2012 Baht
USD 0.80 million at average rate Baht 29.69 = USD 1 (2012 : Yen 100 million at average rate Baht 37.18 = Yen 100)	23,754,000	37,183,100

**Fair values**

The fair values of the derivative financial instruments at the statement of financial position date were:

	2013 Baht	2012 Baht
Forward foreign exchange contracts - liabilities	285,197	183,505

The fair values of forward foreign exchange contracts have been calculated using rates quoted by the Company's banks as if the contracts are terminated at the statement of financial position date.

25 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.

26 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.

26 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

For the years ended 31 March	2013 Baht	2012 Baht
<b>Sales</b>		
Stanley Electric Group companies	508,234,254	365,324,042
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	175,351,785	172,485,189
Associates	173,708,556	186,205,063
	<u>857,294,595</u>	<u>724,014,294</u>
<b>Technical assistance income (other income)</b>		
Stanley Electric Group companies	466,900	1,140,182
Associates	82,800	18,400
	<u>549,700</u>	<u>1,158,582</u>
<b>Royalty income (other income)</b>		
Associates	407,816	278,981
	<u>407,816</u>	<u>278,981</u>
<b>Dividend income</b>		
Stanley Electric Group companies	24,147,142	62,882,134
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	82,040	605,899
Associates	44,981,043	41,108,752
	<u>69,210,225</u>	<u>104,596,785</u>
<b>Other income</b>		
Stanley Electric Group companies	2,828,728	1,596,069
Associates	631,365	22,760
	<u>3,460,093</u>	<u>1,618,829</u>
<b>Purchases of goods and services</b>		
Stanley Electric Group companies	1,130,511,413	1,166,121,648
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	325,291,449	239,597,423
Associates	38,000,420	40,109,715
	<u>1,493,803,282</u>	<u>1,445,828,786</u>

26 Related party transactions (Cont'd)

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

For the years ended 31 March	2013 Baht	2012 Baht
Royalty fees Stanley Electric Group companies	307,093,413	216,871,149
Design and development fee Stanley Electric Group companies	10,527,010	45,006,700
Technical fee Stanley Electric Group companies	12,669,104	9,117,411
Training fee Stanley Electric Group companies	24,077,528	1,668,647
Commission Stanley Electric Group companies	2,998,268	6,886,708
Directors' and managements' remuneration Short-term benefits	54,361,935	48,714,381

Short-term benefits comprise salary, bonus and other welfares.

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 2013 and 2012 are as follows:

	2013 Baht	2012 Baht
Trade accounts receivable - related parties Stanley Electric Group companies	93,182,313	42,291,766
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	56,636,602	69,717,984
Associates	29,807,947	20,818,524
	179,626,862	132,828,274
Trade accounts payable - related parties Stanley Electric Group companies	255,659,601	119,901,154
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	35,416,228	27,717,595
Associates	9,549,191	9,002,302
	300,625,020	156,621,051
Other accounts payable - related parties Stanley Electric Group companies	130,841,491	186,129,113

27 Significant commitments

a) Bank guarantees

As at 31 March 2013, the Company has bank guarantees with respect to electricity supply from banks of Baht 40 million (2012 : Baht 40 million).

b) Capital commitments

As at 31 March 2013, the Company has capital commitments of Baht 84 million (2012 : Baht 721 million). The capital commitment mainly comprises construction and machines for production expansion in the future.

28 Subsequent event after the reporting period

At the Board of Directors' meeting held on 17 May 2013, the Board of Directors approved to propose the dividends payment in respect of the operating results for the year ended 31 March 2013 for a total 76,625,000 shares of Baht 6.75 per share totaling Baht 517.22 million to the Annual General Shareholders' meeting which will be held on 5 July 2013.