



ANNUAL REPORT 2007

Fiscal Year Ended March 31, 2008

STANLEY GROUP VISION



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HIGHLIGHTS



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	For the year ended 31 March 2008 (Thousand)	For the year ended 31 March 2007 (Thousand)	Change (%)
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Operating Report

Sales	8,329,879	7,906,951	5.35
Total Revenues	8,602,776	8,216,089	4.71
Cost of Sales	6,367,303	6,273,877	1.49
Selling and Administrative Expense	591,297	459,770	28.61
Profit before interest expenses and income tax	1,644,176	1,482,734	10.89
Net Profit (Loss)	1,229,108	1,111,103	10.62

Financial Statement

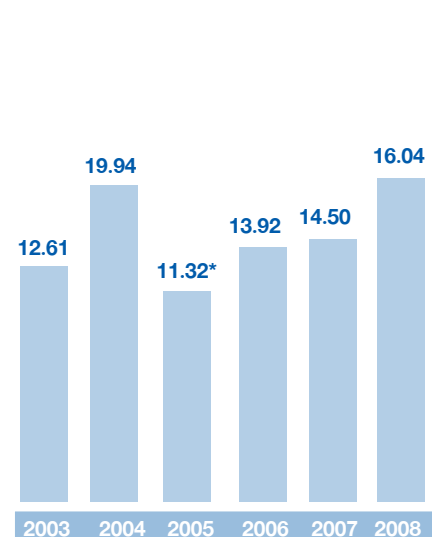
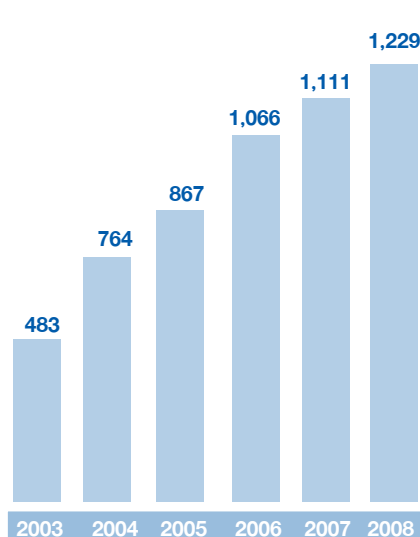
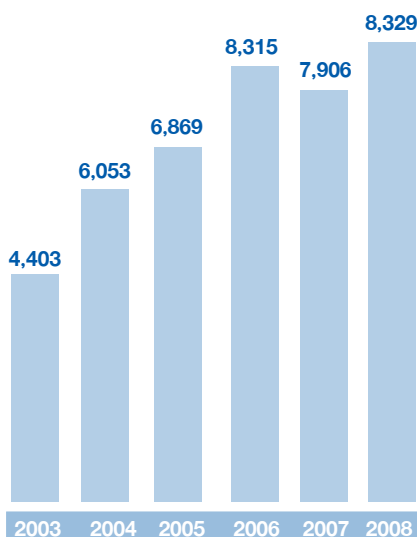
Current Assets	3,427,251	2,797,178	22.53
Total Assets	7,312,798	6,364,383	14.90
Current Liabilities	1,452,707	1,375,276	5.63
Total Liabilities	1,471,732	1,382,608	6.45
Shareholders' Equity	6,058,598	5,132,384	18.05

	Baht	Baht	
Net Profit (Loss) per Share	16.04	14.50	
Par Value	5.00	5.00	
Book Value per Share	76.23	65.02	

Net Sales (Unit : Million Baht)

Net Profit (Unit : Million Baht)

Earning Per Sare (Unit : Baht)



* Split PAR from 10 Baht to 5 Baht

HIGHLIGHTS

TO OUR SHAREHOLDERS

THE BOARD OF DIRECTORS AND THE EXECUTIVES

NEW PRODUCTS

5S ACTIVITIES

STANLEY NEW APPROACH FOR HIGHER PRODUCTIVITY (SNAP)

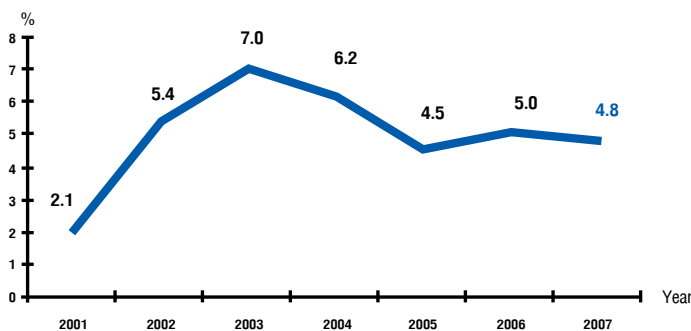
CORPORATE ENVIRONMENTAL AND SOCIAL RESPONSIBILITY (CESR)

1. General Economic Situation

In Thailand's economic situation in 2007, higher inflation, increase in the Consumer Price Index and higher interest rates were caused mainly by the continuous increase in the crude oil price. Furthermore during last year, the sub-prime mortgage crisis in the US led to depreciation of the US dollar that affected the global economy. Thailand faced significant appreciation of the Thai baht. Although the government tried to solve this problem by launching many initiatives such as maintaining interest rate policies, this did not make the national economy expand.

Exports continued to grow due to more variety of products such as automobile products, electronic equipment, petroleum products, plastic products, and jewelry. These factors made the export value for each quarter in 2007 achieve the highest value compared with the past.

Foreign investment was at the same level as last year. Most foreign investment was from Japan. Although the overall economic condition was at a slower pace, and GDP decreased from 5.1% to 4.5%, there was an opportunity for the economy to expand due to exports, investments, and confidence that the new government would ensure political stability.



GDP Growth Rate (2001 – 2007)
(Source: The Office of National Economic and Social Development Board)
As at February, 25 2008

2. The trend for the automobile industry

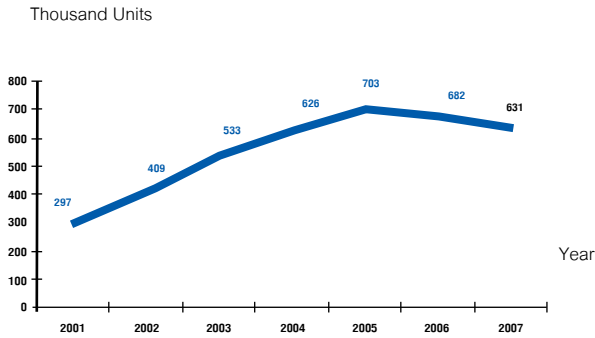
The automobile industry in Thailand is the industry related to our company. Since 1998, the production of tyres has increased each year. However, in the year 2006 to 2007 the slower pace of the economy led to the decreased in sales of automobiles. Sales of cars were 631,251 units, a 7.5% decrease compared with the past. Also, the sales of motorcycle were 1,598,613 units, a 22.19% decrease.

Nevertheless, the volume of production has increased. The production of cars during the last year was 1,301,149 units, which was an increase of 8.98% due to increased production for export. The export of cars was 690,100 units, which was an increase of 28.04%, and this was the first time ever that the number of cars that produced for export was higher than that produced for domestic sale.

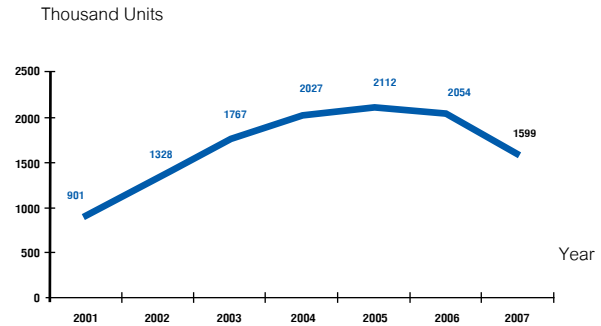
During January to March, there was a good sign that the automobile industry in Thailand had recovered to its positive point. Sales of 160,789 cars represented 16.28 % increase when compared to the sale during the same period last year. Sales of 435,068 motorcycles accounted for 2.09 % increase when compared to the sales during the same period last year. This sales increase was caused by a higher degree of confidence in the economic situation and the E20 car policy from the government that became effective in January. Nonetheless, exports were the main driver of the economy, especially exports to the Middle East, a region that became wealthier due to the increasing oil price. This boosted sales to 197,550 cars, up 27.85% compared to with last year as well as led the total production amount of the quarter to achieve 365,483 cars, an increase of 24.52% from last year.

TO OUR SHAREHOLDERS

In addition, the government has promoted the Eco-Car programme and there are 6 car manufacturers approved by the Board of Investment of Thailand (BOI) participating in this programme. There are six car manufacturers approved by The Board of Investment of Thailand (BOI). This points to high productivity in the future.



Automobile sales (2001 – 2007)
(Source: Thailand Automotive Institute)



Motorcycle sales (2001 – 2007)
(Source: Thailand Automotive Institute)

However, the situation that fuel prices were significantly increased has seriously affected the cost of production and consumer demand. The Company expected that there would be solutions developed to solve this problem, for example, alternative energy, research and study programs to help generate new ideas about automobiles as well as concerning on the environment.

3. The Company Operation

Within the overall economic conditions and the automobile economy that affected the Company's performance, sales grew slowly by only 5% compared with last year. However, according to the production activity, the Company has improved the overall production system by; anticipating the 5S campaign, cost reduction, and controlling the Company's expenses, for example. These initiatives have helped increase the Company's margin by 16.5% compared with last year.

The Company expects to increase the efficiency of the current production in order to upgrade the production to meet the international standard, decrease the waste to zero by focusing on improved coordination between each department, and adopting procedures to reduce waste. Furthermore, Lamp 5, the new factory with waste treatment system was installed and has started production. Also, the Company has focused on "Visual Control"; which is the policy of SNAP (Stanley New Approach for higher Productivity). Visual Control is the visualizing of any contradiction in order to find solutions to solve problems. This approach is important for the management of each manufacturer. Apart from preparing the Company procedure to be prompt in overcoming problems, the Company's goals as stated above would also benefit by reducing material stocks in the warehouse and more efficient use of the assets.

<Revenue Structure>

The Company has three main products; bulbs, lamps, and dies and molds. Presently, lamps enjoy the highest sales, at approximately 90%. Meanwhile bulbs and dies and molds achieved small percentages as they are used as components and parts in support of lamps.



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Value and percentage of each product in 2007

Unit: Thousand baht

	Year 2007 (April 2007 – March 2008)		Year 2006 (April 2006 – March 2007)		Change
	Value	Percentage	Value	Percentage	
Bulb	485,580	5.83%	486,021	6.15%	(0.09%)
Lamp	7,713,461	92.60%	7,168,450	90.66%	7.6%
Die and mold	130,838	1.57%	252,480	3.19%	(48.18%)
Total	8,329,879	100.0%	7,906,951	100.0%	5.35%

* Excluding internal transfers of bulbs, dies and molds

<Investment>

The Company has continuously invested in order to increase production efficiency and support the expansion of the industry. In 2007, the Company invested in constructing Lamp 5 factory and started operation in December 2007. It is Company's most modern manufacturing unit with integral dust collection. Company investments in 2007 were as follows:

Unit: Thousand baht

	Year 2007 (April 2007 – March 2008)	Year 2006 (April 2006 – March 2007)	Change
	Value	Value	
Land	-	29.08	(100)
Buildings	22.05	390.96	(94.36)
Machinery and equipment	655.89	663.10	(1.09)
Molds and Jigs	242.44	210.71	15.06
Others	36.89	38.08	(3.13)
Total	957.27	1,331.93	(28.13)

<Employment>

Number of employees at the end of 2007 was as follows:

Unit: Employee

	Number of employees at the end of 2007	Number of employees at the end of 2006	Increase (Decrease)
Local employees (Male)	1,402	1,334	68
Local employees (Female)	1,071	974	97
Japanese employees	30	31	(1)
Total	2,503	2,339	164

4. Future trends

According to the more stable political conditions under the new government that was legally elected, the Company expects that the Thai economy will grow slightly in 2008.

However, the economic crisis in the US and higher fuel prices are the issues that cause concern. By focusing on the areas of export that perform well and the Eco-Car project that will become more substantial, the Company expects that these initiatives will benefit the Company's production.

TO OUR SHAREHOLDERS



Presently, the Company is planning the development plan to strengthen and increase the potential of production. The Company will focus on lowering the cost of materials as well as planning a strategy to improve and develop higher profits. This development plan is also created for the Company to be able to compete in the global competitive market. The Company always intends to seize every opportunity to win the highest number of orders and distribute the best quality products and services to our customers.

The Company intends to follow the strategy and policy stated above in order to generate higher dividends. Thus, the Company requests all cooperation, suggestions, and support from the shareholders.

Thai Stanley Electric Public Company Limited

Mr. Apichart Lee-issaranukul
Executive Vice President

Mr. Hiroyuki Nakano
President



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THE BOARD OF DIRECTORS AND THE EXECUTIVES

THE BOARD OF DIRECTORS

Mr.Hiroyuki Nakano	Director
Mr.Apichart Lee-issaranukul	Director
Mr.Masahiro Nakamura	Director
Mr.Shigeo Suzuki	Director
Mr.Kaoru Kuramoto	Director
Mr.Thanong Lee-issaranukul	Director
Mrs.Pimjai Laochinda	Director
Mrs.Pornthip Sethiwan	Director
Mrs.Porndee Lee-issaranukul	Director
Mr.Tadashi Kochi	Director
Mr.Katsutoshi Iino	Director
Mr.Hidenari Yamazaki	Director
Mr.Katsumi Kondo	Director
Mr.Kiat Shinno	Independent Director
Mr.Krisada Visavateeranon	Independent Director
Mr.Chokechai Tanpoonsinthana	Independent Director

THE EXECUTIVES



1. **Mr.Hiroyuki Nakano**
President
2. **Mr.Apichart Lee-issaranukul**
Executive Vice President and Executive General Administration Division
3. **Mr.Masahiro Nakamura**
Executive Director and Executive General Manager Die & Mold Division

4. **Mr.Shigeo Suzuki**
Director and Executive General Manager R&D Center
5. **Mr.Kaoru Kuramoto**
Director and Executive General Manager Lighting Equipment Division
6. **Mr.Shinichiro Kojima**
Executive General Manager Marketing Division

NEW PRODUCTS

New Products in 2007

Thailand's economy in 2007 slowed as a result of the uncertain political climate as well as the continuous increase in the oil price. This caused growth in the automobile sector to stagnate.

Vehicle manufacturers are now seeing the trend that market growth will be better than last year. Besides, the government's Gasohol E20 campaign has reduced excise tax which allows vehicle prices to be reduced by 5%. This has helped boost the market during the latter part of last year and this is expected to continue until next year.

Vehicle manufacturers are preparing to launch their new product models that emphasize modern technology and energy saving. Our Company enjoys confidence from the following vehicle manufacturers as a reliable supplier of lighting equipment for vehicles:

Motorcycle:

HONDA : I - CON , WAVE X , SONIC, CLICK PLAY

YAMAHA : NOUVO , SPARK 110

Automobile:

HONDA : ACCORD, CITY ZX

ISUZU : D-MAX

AUTOMOBILE

HONDA - ACCORD



HONDA - CITY ZX



ISUZU - D-MAX



MOTORCYCLE

HONDA - I CON



HONDA - WAVE X



HONDA - SONIC



HONDA - CLICK PLAY



YAMAHA - NOUVO



YAMAHA - SPARK 110



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(SNAP)

CORPORATE ENVIRONMENTAL
AND SOCIAL RESPONSIBILITY
(CESR)

The 5S Activities is the fundamental of all Activities of Thai Stanley, under the objective of building up Working Standard for all Work Units, in order to increase the product number per Work Unit as well as establishing of Work Environment to be Safe, stay in Perfect order, clean, and Easy to Detect any unusual occurrence.

Since Year 2007 the 5S Activities has been performed in order to establish the continuous enhancement for each Work Unit of the company, which was highlighted on "At Large Improvement" (Joint Standard), and also performing of "Specific Improvement" for each Work Unit (Self Improvement in each Work Unit).

All this, the sample of "At Large Improvement" Activities are as follow:

- Performing of 5S Activities to be visible (Mieruka) which means performing of 5S Activities in order to acknowledge the present condition of Work, Things, Places for their Standard, that will allow us to perform only Visual Check of their condition if there is any unusual occurrences.
- Performing of Joint Standard Specification in order to establish the easy understanding and being used as the same Basic Standard for all Work Units such as providing of Color Standard Specication to identify the meaning, the form for Name of Production Line identification, Storage Area for Raw Material, and WIP, Standard Sign Board to indicate the Production Situation of Production Line (Andon) and etc.,

Besides, those of other important Activities has been continuously performed such as, Executive Board Member Patrol and Advice Activities, 5S Month Activities, Big Cleaning Day Activities, etc.



STANLEY NEW APPROACH FOR HIGHER PRODUCTIVITY (SNAP)



The Company continues implementing activities for production efficiency improvement every year. This enhances the skill for production efficiency improvement for the Company's personnel. Such improvement is not only for enhancing production efficiency but also improves the Company's personnel expertise. Over the past years the Company has developed two generations of players and up to now we already have 64 trained players.



This year the Company has the opportunity to participate and present our product at the "Analysis of the Toyota Production Way" event held by the Personnel Education Center (PEC) that is a well-known institute for engineering personnel efficiency development in Japan.



For next year's SNAP* activity, as one of the Company's important policies, we will proceed to train and develop another generation of players in order to seriously and continuously enhance production efficiency development.

*Stanley New Approach for Higher Productivity.



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Education

1. 2007 Scholarship Ceremony

Scholarship Ceremony for year 2007 held on December 14, 2007 at Thai Stanley Electric Public Company Limited. provided scholarship to 846 students from 25 educational institutions in Pathumthani total amount 860,000 baht. And on January 30, 2008 provided scholarship to 304 students from 8 educational institutions in Nakornratchasima total amount 270,000 baht.



2. Sponsored in Stanley Science Contest No.7

On March 13, 2007 STF sponsored Kanarajbamrung Pathumthani School in organizing "Stanley Science Contest No.7" for promote science project to be an education activities in primary school and secondary school level from Pathumthani and neighboring province. STF supported in trophy and prize amount 150,000 baht.



3. Sponsored in TPA Robot Contest

On June 3, 2007 STF sponsored Technology Promotion Association (Thailand-Japan) amount 107,000 baht in organize "TPA Robot Contest"



4. 2007 books for Library Activity.

In December 2007 to January 2008 STF gave books "The Speech of His Majesty the King for Year 1950 - 2005" on the auspicious occasion of His Majesty the King's 80th Birthday Anniversary for library to 90 schools such as school in 2007 Scholarship project 25 schools from Pathumthani area and 8 schools from Nakornratchasima area, school that expired in scholarship project 41 schools, schools that in Teacher Training project and schools that received equipments 20 schools and Sub district Administrative Organization in Pathumthani area 3 offices total amount 675,630 baht.



5. Gave Education Equipment to school in Pathumthani

In year 2007, STF gave the education equipments to schools in Pathumthani as follows

1. On July 3, 2007 and January 31, 2008 STF gave sport equipments to Wat Daorueng school, Wat Prayoonthamaram school, Wat Srisamosorn school, Wat-U-Kao school and Samwavittaya school amount 79,390 baht
2. On July 3, 2007 STF gave musical equipment to Chumchon Wat buakaewkesorn school amount 50,050 baht
3. On August 12, 2007 STF gave tables and chairs to Banklong chowmuang school, Wat Boat school and Banbueng school amount 54,900 baht.



CORPORATE ENVIRONMENTAL AND SOCIAL RESPONSIBILITY(CSR)



6. Gave Stationeries set and Sport equipments to schools at Lao P.D.R

On April 24, 2007 STF and Lao Stanley Co.,Ltd. gave stationeries set and sport equipments to 3 schools in Vientiane, Lao P.D.R.

Environment

1. Plant Conservation Activity

On September 22, 2007 STF arranged plant conservation at Prajuljomklow Fortress, Samutprakarn by Stanley's associates join with 100 person.

2. Garbages for Banklang Sub district Administration Organization

On March 23, 2007 and December 27, 2007 STF gave garbages 70 set to Banklang and Kukwang Sub district Administration Organization amount 112,350 baht.

Others

1. Gave the necessary accessories to Ruamphanya Person Lame Association, Nontaburi.

On October 17, 2007 STF gave the necessary accessories such as Dettol, powdered detergent, powder, soap, dentifrice rice and bedcloth for lame children at Ruamphanya Person Lame Association, Nontaburi amount 30,130 baht.

2. Gave necessary accessories to AIDS patients Activity

On October 27, 2007 STF gave necessary accessories such as Dettol, rice, sauces and other necessary accessories for AIDS patient at Watprabatnampu, Lopburi province amount 46,340 baht.

3. Gave the cabinet and toys to Banboathong Child Center, Pathumthani.

On January 29, 2008 STF gave the cabinet and toys to Banboathong Child Center, Ladlumkaew, Pathumthani amount 13,800 baht.

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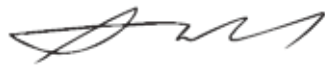
REPORT OF DIRECTORS RESPONSIBILITIES FOR FINANCIAL STATEMENTS

Report of Directors Responsibilities for Financial Statements Thai Stanley Electric Public Company Limited

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. The accounting policies adopted are deemed appropriate and applied consistently with adequate disclosure of significant information in the notes to the financial statements.

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 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.



Mr. Apichart Lee-issaranukul
Executive Vice President



Mr. Hiroyuki Nakano
President

Report of Audit Committee

The Audit Committee of Thai Stanley Electric Public Company Limited (“Company”) was set up by a resolution of the Board of Directors Meeting on 23rd June 2006. The Audit Committee has been allocated duties and responsibilities in accordance with “the Audit Committee Charter” of the Company.

The Audit Committee comprises of 3 independent directors as follows:

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

For the period April 1, 2007 to March 31, 2008 the Audit Committee convened 4 meetings. The key activities of the Audit Committee during the year are as follows:

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

The Audit Committee submits to the Board of Directors that, in its opinion, the Company’s activities for the period April 1, 2007 to March 31, 2008 are in accordance with the appropriate internal control of the Company. The Financial Statements contain no manifest error, the disclosure of information to those supervising agencies is also deemed to be consistent. The Audit Committee recommends that the shareholders at the annual general meeting re-appoint the PricewaterhouseCoopers ABAS Ltd. as the Company’s auditors.



(Mr.Kiat Shinno)
Chairman Audit Committee

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AUDITOR'S REPORT

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 2008 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 year 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 audit. The Company's financial statements for the year ended 31 March 2007, presented herewith for comparative purposes, were audited by another auditor in the same firm as myself, whose report dated 11 May 2007 expressed an unqualified opinion.

I conducted my audit 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 audit provides 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 2008, the results of operations and its cash flows for the year then ended of Thai Stanley Electric Public Company Limited in accordance with generally accepted accounting principles.

As discussed in Note 2.2 to the financial statements, from 1 April 2007, the Company has presented the separate financial statements and has accounted for investments in associates on a cost method to comply with the Federation of Accounting Professions' requirements relating to amendment to Thai Accounting Standards (TAS) "Investments in Associates". Therefore, the company only financial statements for the year ended 31 March 2007, presented for comparative purposes, are additionally prepared from the financial statements in which the equity method is applied.



Nangnoi Charoenthaveesub
Certified Public Accountant (Thailand) No. 3044
PricewaterhouseCoopers ABAS Limited

Bangkok
23 May 2008

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Thai Stanley Electric Public Company Limited
Balance Sheets
As at 31 March 2008 and 2007

	Notes	Financial statements in which the equity method is applied		The company only	
		2008 Baht	2007 Baht	2008 Baht	2007 Baht
Assets					
Current assets					
Cash and cash equivalents	3	1,489,336,729	1,148,679,318	1,489,336,729	1,148,679,318
Trade accounts receivable, net					
- other companies	4	1,151,608,000	1,010,038,008	1,151,608,000	1,010,038,008
- related parties	4, 5	154,184,345	147,022,774	154,184,345	147,022,774
Inventories, net	6	570,083,983	435,360,609	570,083,983	435,360,609
Foreign currency forward contract receivables, net		283,160	-	283,160	-
Other current assets		61,754,920	56,076,962	61,754,920	56,076,962
Total current assets		3,427,251,137	2,797,177,671	3,427,251,137	2,797,177,671
Non-current assets					
Investments in associates	7	274,707,909	207,786,058	57,176,689	57,176,689
Long-term investments, net	8	144,179,255	148,874,855	144,179,255	148,874,855
Property, plant and equipment, net	9	3,402,292,176	3,209,040,569	3,402,292,176	3,209,040,569
Intangible assets, net	10	252,420,511	131,982,143	252,420,511	131,982,143
Other non-current assets, net		29,478,625	20,130,901	29,478,625	20,130,901
Total non-current assets		4,103,078,476	3,717,814,526	3,885,547,256	3,567,205,157
Total assets		7,530,329,613	6,514,992,197	7,312,798,393	6,364,382,828

The notes to the financial statements on pages 23 to 44 are an integral part of these financial statements.

BALANCE SHEETS

Thai Stanley Electric Public Company Limited Balance Sheets As at 31 March 2008 and 2007

	Notes	Financial statements in which the equity method is applied		The company only	
		2008 Baht	2007 Baht	2008 Baht	2007 Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable - other companies		557,426,246	428,503,900	557,426,246	428,503,900
- related parties	5	224,159,660	204,776,601	224,159,660	204,776,601
Other accounts payable - other companies		231,831,197	364,695,095	231,831,197	364,695,095
- related parties	5	97,834,375	93,530,028	97,834,375	93,530,028
Foreign currency forward contract payables, net		-	1,597,520	-	1,597,520
Accrued income tax		239,815,981	175,324,249	239,815,981	175,324,249
Advances received from customers		1,039,463	14,916,200	1,039,463	14,916,200
Other current liabilities	11	100,599,900	91,932,036	100,599,900	91,932,036
Total current liabilities		1,452,706,822	1,375,275,629	1,452,706,822	1,375,275,629
Non-current liabilities					
Retirement benefits obligation		19,024,790	7,332,120	19,024,790	7,332,120
Total non-current liabilities		19,024,790	7,332,120	19,024,790	7,332,120
Total liabilities		1,471,731,612	1,382,607,749	1,471,731,612	1,382,607,749
Shareholders' equity					
Share capital					
Authorised share capital	12	383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital	12	504,250,000	504,250,000	504,250,000	504,250,000
Unrealised gain on revaluation of available - for-sale securities		4,820,000	3,020,000	4,820,000	3,020,000
Retained earnings					
Appropriated					
- Legal reserve	13	38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		5,128,090,501	4,203,676,948	4,910,559,281	4,053,067,579
Total shareholders' equity		6,058,598,001	5,132,384,448	5,841,066,781	4,981,775,079
Total liabilities and shareholders' equity		7,530,329,613	6,514,992,197	7,312,798,393	6,364,382,828

The notes to the financial statements on pages 23 to 44 are an integral part of these financial statements.

STATEMENTS OF INCOME

Thai Stanley Electric Public Company Limited Statements of Income For the years ended 31 March 2008 and 2007

	Notes	Financial statements in which the equity method is applied		The company only	
		2008 Baht	2007 Baht	2008 Baht	2007 Baht
Revenues					
Sales	5, 22	8,329,879,148	7,906,950,769	8,329,879,148	7,906,950,769
Dividend income		54,615,948	40,648,134	72,193,189	70,155,930
Gain on exchange rates		-	23,025,016	-	23,025,016
Other income	5, 14	200,703,365	215,957,039	200,703,365	215,957,039
Total revenues		8,585,198,461	8,186,580,958	8,602,775,702	8,216,088,754
Expenses					
Cost of sales	5	6,367,302,670	6,273,877,358	6,367,302,670	6,273,877,358
Selling and administrative expenses		584,570,950	456,627,248	584,570,950	456,627,248
Loss on exchange rates		3,845,754	-	3,845,754	-
Directors' remuneration	17	2,880,000	2,850,000	2,880,000	2,850,000
Total expenses		6,958,599,374	6,733,354,606	6,958,599,374	6,733,354,606
Operating profit	18	1,626,599,087	1,453,226,352	1,644,176,328	1,482,734,148
Share of net profit from investments in associates	7	84,499,092	70,022,868	-	-
Profit before interest expenses and income tax		1,711,098,179	1,523,249,220	1,644,176,328	1,482,734,148
Interest expenses		132,227	55,731	132,227	55,731
Income tax		414,935,699	371,575,521	414,935,699	371,575,521
Net profit for the year		1,296,030,253	1,151,617,968	1,229,108,402	1,111,102,896
Basic earnings per share	15				
Net profit for the year		16.91	15.03	16.04	14.50

The notes to the financial statements on pages 23 to 44 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Thai Stanley Electric Public Company Limited Statements of Changes in Shareholders' Equity For the years ended 31 March 2008 and 2007

	Financial statements in which the equity method is applied						Total Baht
	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	
Opening balance as at 1 April 2007							
Reserve for fair value	8	383,125,000	504,250,000	3,020,000	38,312,500	4,203,676,948	5,132,384,448
Net profit for the year		-	-	1,800,000	-	-	1,800,000
Dividends paid	16	-	-	-	-	(371,616,700)	1,296,030,253
							(371,616,700)
Closing balance as at 31 March 2008		383,125,000	504,250,000	4,820,000	38,312,500	5,128,090,501	6,058,598,001
Opening balance as at 1 April 2006							
Reserve for fair value	8	383,125,000	504,250,000	2,800,000	38,312,500	3,404,518,800	4,333,006,300
Net profit for the year		-	-	220,000	-	-	220,000
Dividends paid	16	-	-	-	-	1,151,617,968	1,151,617,968
						(352,459,820)	(352,459,820)
Closing balance as at 31 March 2007		383,125,000	504,250,000	3,020,000	38,312,500	4,203,676,948	5,132,384,448

The notes to the financial statements on pages 23 to 44 are an integral part of these financial statements.



STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Thai Stanley Electric Public Company Limited Statements of Changes in Shareholders' Equity For the years ended 31 March 2008 and 2007

	The company only						
	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	Total
		Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 April 2007		383,125,000	504,250,000	3,020,000	38,312,500	4,203,676,948	5,132,384,448
Adjustments for presenting the separate financial statements		-	-	-	-	(150,609,369)	(150,609,369)
Balance after adjustments		383,125,000	504,250,000	3,020,000	38,312,500	4,053,067,579	4,981,775,079
Reserve for fair value	8	-	-	1,800,000	-	-	1,800,000
Net profit for the year		-	-	-	-	1,229,108,402	1,229,108,402
Dividends paid	16	-	-	-	-	(371,616,700)	(371,616,700)
Closing balance as at 31 March 2008		383,125,000	504,250,000	4,820,000	38,312,500	4,910,559,281	5,841,066,781
Opening balance as at 1 April 2006		383,125,000	504,250,000	2,800,000	38,312,500	3,404,518,800	4,333,006,300
Adjustments for presenting the separate financial statements		-	-	-	-	(110,094,297)	(110,094,297)
Balance after adjustments		383,125,000	504,250,000	2,800,000	38,312,500	3,294,424,503	4,222,912,003
Reserve for fair value	8	-	-	220,000	-	-	220,000
Net profit for the year		-	-	-	-	1,111,102,896	1,111,102,896
Dividends paid	16	-	-	-	-	(352,459,820)	(352,459,820)
Closing balance as at 31 March 2007		383,125,000	504,250,000	3,020,000	38,312,500	4,053,067,579	4,981,775,079

The notes to the financial statements on pages 23 to 44 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Thai Stanley Electric Public Company Limited Statements of Cash Flows For the years ended 31 March 2008 and 2007

Notes	Financial statements in which the equity method is applied		The company only	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Cash flows from operating activities:				
Net profit for the year	1,296,030,253	1,151,617,968	1,229,108,402	1,111,102,896
Adjustments to reconcile net profit to net cash provided by operations:				
- Depreciation and amortisation	9, 10	776,023,717	702,612,750	776,023,717
- Share of net profit from investments in associates	7	(84,499,092)	(70,022,868)	-
- Dividend income from				
- Investments in associates	7	-	(17,577,241)	(29,507,796)
- Long-term investments	8	(54,615,948)	(40,648,134)	(40,648,134)
- Gain on disposal of equipment		(3,288,696)	(2,430,456)	(2,430,456)
- Provision for impairment of assets	9	8,801,112	-	8,801,112
- Reversal of allowance for loss on diminution value of work in process	6	(10,500,000)	(19,500,000)	(10,500,000)
- Allowance for slow moving inventories	6	4,871,978	(6,054,927)	4,871,978
- Reversal of allowance for doubtful accounts	4	(212,434)	(674,010)	(212,434)
- Retirement benefits obligation		11,692,670	5,205,960	11,692,670
- Provision for impairment of investments	8	6,495,600	-	6,495,600
- Unrealised gain on exchange rates		(1,299,326)	(1,994,092)	(1,299,326)
- Others		4,915,591	6,003,345	4,915,591
Cash flows before changes in operating assets and liabilities		1,954,415,425	1,724,115,536	1,954,415,425
Changes in operating assets and liabilities				
- Trade accounts receivable				
- other companies		(141,569,992)	171,292,076	(141,569,992)
- related parties		(6,949,137)	30,356,062	(6,949,137)
- Inventories		(129,095,352)	243,257,208	(129,095,352)
- Other current assets		(8,297,304)	(22,860,363)	(8,297,304)
- Other non-current assets		(11,643,968)	(3,978,669)	(11,643,968)
- Trade accounts payable - other companies		128,922,346	(18,912,603)	128,922,346
- related parties		19,383,059	(15,800,382)	19,383,059
- Other accounts payable - other companies		(42,553,151)	83,088,891	(42,553,151)
- related parties		4,304,346	(7,943,848)	4,304,346
- Accrued income tax		64,491,732	(950,095)	64,491,732
- Advances received from customers		(13,876,737)	(59,982,987)	(13,876,737)
- Other current liabilities		7,850,414	(11,616,858)	7,850,414
Net cash provided by operating activities		1,825,381,681	2,110,063,968	1,825,381,681

The notes to the financial statements on pages 23 to 44 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the years ended 31 March 2008 and 2007

	Notes	Financial statements in which the equity method is applied		The company only	
		2008 Baht	2007 Baht	2008 Baht	2007 Baht
Cash flows from investing activities:					
Purchases of land, plant and equipment		(1,047,583,499)	(1,128,234,697)	(1,047,583,499)	(1,128,234,697)
Proceeds from disposals of equipment		4,873,393	3,798,651	4,873,393	3,798,651
Dividends received from					
- Investments in associates	7	17,577,241	14,563,437	17,577,241	14,563,437
- Long-term investments	8	54,615,948	40,648,134	54,615,948	40,648,134
Purchases of intangible assets	10	(142,826,749)	(119,182,249)	(142,826,749)	(119,182,249)
Net cash used in investing activities		(1,113,343,666)	(1,188,406,724)	(1,113,343,666)	(1,188,406,724)
Cash flows from financing activities:					
Dividends paid to shareholders	16	(371,616,700)	(352,459,820)	(371,616,700)	(352,459,820)
Net cash used in financing activities		(371,616,700)	(352,459,820)	(371,616,700)	(352,459,820)
Net increase in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		1,148,679,318	579,420,479	1,148,679,318	579,420,479
Effects of exchange rate changes		236,096	61,415	236,096	61,415
Cash and cash equivalents at end of the year		1,489,336,729	1,148,679,318	1,489,336,729	1,148,679,318
Supplementary information for cash flows:					
Interest paid		132,227	55,731	132,227	55,731
Income tax paid		350,443,966	372,525,616	350,443,966	572,525,616
Non-cash transactions:					
Purchase of plant and equipment by credit		100,557,430	190,868,178	100,557,431	190,868,178
Additional investment in an associate		-	14,944,359	-	14,944,359

The notes to the financial statements on pages 23 to 44 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Thai Stanley Electric Public Company Limited Notes to the Financial Statements For the years ended 31 March 2008 and 2007

1 General information

Thai Stanley Electric Public Company Limited (“the Company”) is a public limited company, incorporated in Thailand. The Company engages in the manufacture of automotive bulbs, lighting equipments and molds and dies.

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

As at 31 March 2008, the Company had 2,503 employees (31 March 2007 : 2,316 employees).

These financial statements were authorised for issue by the Board of Directors on 23 May 2008.

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 Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

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 conflict shall prevail.

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2 Accounting policies (continued)

2.2 Amendments to accounting standards and new accounting standard effective in 2007 and 2008

Amendments to accounting standards effective in 2007

The effective date for the following revised accounting standards is for accounting periods beginning on or after 1 January 2007.

TAS 44 “Consolidated Financial Statements and Separate Financial Statements”

TAS 45 “Investments in Associates”

TAS 46 “Interests in Joint Ventures”

TAS 44 and TAS 45 are not relevant to the Company.

In accordance with the requirements of the Federation of Accounting Professions relating to amendment to TAS 45 “Investments in Associates”, the Company is required to present the separate financial statements by accounting for its investments in associates under the cost method.

Commencing 1 April 2007, the Company has presented the separate financial statements and has accounted for investments in associates using the cost method in the separate financial statements. The company only financial statements for the year ended 31 March 2007, presented for comparative purposes, have been prepared from the financial statements prepared under the equity method.

Amendments to accounting standards and new accounting standard effective in 2008

The effective date for the following revised and new accounting standards is for accounting periods beginning on or after 1 January 2008.

The revised accounting standards

- TAS 25 “Cash Flow Statements”
- TAS 29 “Leases”
- TAS 31 “Inventories”
- TAS 33 “Borrowing Costs”
- TAS 35 “Presentation of Financial Statements”
- TAS 39 “Accounting Policies, Changes in Accounting Estimates and Errors”
- TAS 41 “Interim Financial Reporting”
- TAS 43 “Business Combinations”
- TAS 49 “Construction Contracts”

The new accounting standard

- TAS 51 “Intangible Assets”

The Company will apply these standards from 1 April 2008. The Company’s management assessed and determined that there are no significant impacts to financial statements being presented except the revised TAS 35 “Presentation of Financial Statements” and TAS 51 “Intangible Assets” as details below.

- TAS 35 (revised) requires the additional disclosures on critical judgement and estimates made by the management.
- TAS 51 requires certain criteria to be met in order to capitalise as intangible assets. The management needs to review its existing accounting policy to be in line with the new accounting standard. However, the Company’s current accounting policies relating to intangible assets and deferred research and development cost are in line with the new standard.

Thai Stanley Electric Public Company Limited
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2 Accounting policies (continued)

2.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits at 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 carried at original invoice amount and subsequent measure 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 written off during the year in which they are identified and recognised in the income statement within selling and administrative expenses.

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 progress comprises raw materials, direct labor, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net 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 which are presented in the financial statements prepared under the equity method are initially recognised at cost. Subsequently shares of its associates' post-acquisition profits or losses are recognised in the statement of income and its shares of post-acquisition movements in fair value reserves are recognised in fair value reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments. 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. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other the Company's obligations or payments that are made on behalf of the associate, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

In the company financial statements, investments in associates are accounted for by using the cost method of accounting. Under the cost method, income from investments in associates is recorded when dividends are declared.

A list of the Company's principal associates is shown in Note 7.

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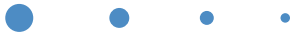
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2 Accounting policies (continued)

2.7 Long-term investments

Investments other than investments in associates are classified into the following two categories: available-for-sale and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale, and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- Investments in non-marketable equity securities are classified as general investments.

Purchases and disposals 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.

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 as of the balance sheet date. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment.

Investments in non-marketable equity securities are carried in the balance sheet 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.

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2 Accounting policies (continued)

2.8 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. All plant and equipment are 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 as it is deemed to have an indefinite life, to their residual values over their estimated useful lives as follows:

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

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

Repairs and maintenance 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 asset

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. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads. These costs are amortised over their estimated useful lives of which between 5 and 10 years.

Expenditure which enhances or extends the performance 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.



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2 Accounting policies (continued)

2.9 Intangible asset (continued)

Deferred research and developments costs

Research expenditure is recognised as an expense as incurred. 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. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Deferred development 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, not exceeding 4 years.

2.10 Impairment of assets

Property, plant and equipment and other non-financial assets, including intangible assets 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 net selling price or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.11 Employee benefits

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

The Company's contributions to the provident fund are charged to the statement of income in the period 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, which exclude the provisions relating to employee benefits, 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.

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2 Accounting policies (continued)

2.13 Revenue and expense recognition

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

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

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

Other income and expenses are recognised on an accrual basis.

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.

2.15 Corporate income tax

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 (Deferred income tax). 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) and income derived from NON-BOI activities.

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.



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2 Accounting policies (continued)

2.17 Financial instruments

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

The Company parties to financial instruments which are foreign currency forward contracts that reduce exposure to fluctuations in foreign currency exchange. 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. Obligations under foreign currency forward contracts are recognised in the balance sheet on inception. At the balance sheet date, the foreign currency amounts receivable under these contracts are translated into Baht at the rates ruling at year end. 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 19.

3 Cash and cash equivalents

	2008 Baht	2007 Baht
Cash and cheques on hand	1,115,533	7,759,182
Deposits held at saving accounts with banks	36,999,259	70,244,189
Deposits held at current accounts with banks	76,385,624	36,261,899
Short-term investments in treasury bills and bills of exchange	1,374,836,313	1,034,414,048
	<u>1,489,336,729</u>	<u>1,148,679,318</u>

The weighted average interest rates of saving accounts with banks and short-term investments were 0.25% - 2.95% per annum (2007 : 0.25% - 5.24% per annum).

4 Trade accounts receivable, net

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Trade accounts receivable	1,151,608,000	1,010,038,008	154,537,391	147,588,254
<u>Less</u> Allowance for doubtful accounts	-	-	(353,046)	(565,480)
Trade accounts receivable, net	<u>1,151,608,000</u>	<u>1,010,038,008</u>	<u>154,184,345</u>	<u>147,022,774</u>

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4 Trade accounts receivable, net (continued)

Trade accounts receivable as at 31 March 2008 and 2007 can be analysed as follows:

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Current	1,150,425,122	999,531,563	152,602,919	126,147,077
Overdue less than 3 months	847,532	9,572,646	305,080	16,858,433
Overdue more than 3 months	335,346	933,799	1,629,392	4,582,744
	<u>1,151,608,000</u>	<u>1,010,038,008</u>	<u>154,537,391</u>	<u>147,588,254</u>

As at 31 March 2008 and 2007, allowance for doubtful accounts were Baht 353,046 and Baht 565,480 respectively. In view of the collection history, management believes that the allowances for doubtful accounts are appropriate.

5 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 enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies with these individuals also constitute related parties.

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

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

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.

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5 Related party transactions (continued)

The following significant transactions were carried out with related parties.

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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

Royalty income (other income)

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

Other incomes

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

Purchases of goods and services

Stanley Electric Group companies
 Companies related by way of the
 Company's management and directors
 as shareholders, or by way of common directors
 Associates

Royalty fees

Stanley Electric Group

Design and development fee

Stanley Electric Group

Technical fee

Stanley Electric Group

Training fee

Stanley Electric Group

Commission

Stanley Electric Group

	2008	2007
	Baht	Baht
Sales		
Stanley Electric Group companies	372,908,960	346,098,282
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	222,968,804	290,154,577
Associates	152,101,093	93,542,437
	<u>747,978,857</u>	<u>729,795,296</u>
Technical assistance income (other income)		
Stanley Electric Group companies	<u>215,787</u>	<u>1,129,287</u>
Royalty income (other income)		
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	11,069,717	10,084,237
Associates	244,785	61,958
	11,314,502	10,146,195
Other incomes		
Stanley Electric Group companies	52,286,110	38,158,798
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	4,599,803	1,965,296
	<u>56,885,913</u>	<u>40,124,094</u>
Purchases of goods and services		
Stanley Electric Group companies	685,669,100	679,870,545
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	256,092,536	259,787,848
Associates	17,655,924	16,545,592
	<u>959,417,560</u>	<u>956,203,985</u>
Royalty fees		
Stanley Electric Group	<u>224,015,866</u>	<u>207,195,870</u>
Design and development fee		
Stanley Electric Group	<u>35,093,277</u>	<u>32,634,626</u>
Technical fee		
Stanley Electric Group	<u>6,899,200</u>	<u>4,426,949</u>
Training fee		
Stanley Electric Group	<u>4,851,564</u>	<u>7,548,957</u>
Commission		
Stanley Electric Group	<u>744,688</u>	<u>2,831,571</u>

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5 Related party transactions (continued)

The outstanding balances of amounts due to and amount due from related parties as at 31 March 2008 and 2007 are as follows:

	2008 Baht	2007 Baht
Trade accounts receivable - related parties		
Stanley Electric Group	58,590,690	56,479,713
Companies related by way of the Company's management and directors as shareholders, or by way of common directors Associates	56,438,825 39,154,830	61,243,877 29,299,184
	<u>154,184,345</u>	<u>147,022,774</u>
Trade accounts payable - related parties		
Stanley Electric Group	190,010,198	178,503,168
Companies related by way of the Company's management and directors as shareholders, or by way of common directors Associates	30,687,226 3,462,236	23,963,977 2,309,456
	<u>224,159,660</u>	<u>204,776,601</u>
Other payables - related parties		
Stanley Electric Group	<u>97,834,375</u>	<u>93,530,028</u>

6 Inventories, net

Inventories are as follows:

	2008 Baht	2007 Baht
Raw materials and packaging	168,301,322	193,440,789
Work in progress	317,844,809	183,426,763
Finished goods	36,788,376	31,702,175
Goods in transit	55,456,459	40,725,887
	<u>578,390,966</u>	<u>449,295,614</u>
<u>Less</u> Allowance for slow moving inventories	(8,306,983)	(3,435,005)
Provision of work in progress	-	(10,500,000)
Inventories, net	<u>570,083,983</u>	<u>435,360,609</u>

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7 Investments in associates

a) Movements in investments in associates are as follows:

	Equity Method		Cost Method	
	2008	2007	2008	2007
For the years ended 31 March 2008	Baht	Baht	Baht	Baht
Opening net book amount	207,786,058	152,326,627	57,176,689	42,232,330
Addition	-	14,944,359	-	14,944,359
Share of net profit from investments	84,499,092	70,022,868	-	-
Dividends received	(17,577,241)	(29,507,796)	-	-
Closing net book amount	274,707,909	207,786,058	57,176,689	57,176,689

At the Board of Director Meeting held on 27 October 2006, it is unanimously resolve to invest in additional share capital of Vietnam Stanley Electric Company Limited, a company incorporated in Vietnam, amounting to US dollar 400,000. Percentage of holding still maintains at 20% of authorised share capital. Vietnam Stanley Electric Company Limited increased capital by transfer its profit to increase authorised capital under Vietnamese law from USD 6.3 million to be USD 8.3 million in the same day. Accordingly, the Company does not have to inject cash for additional investment.

b) The details of investments in associates are as follows:

Name	Business activity	Equity Method						
		2008				2007		
		Paid-up share capital	% of holding	Amount Baht	Dividends Baht	% of holding	Amount Baht	Dividends Baht
Associates								
Lao Stanley Company Limited	Manufacture automotive lighting equipment	USD 0.25 million	50	10,907,293	346,441	50	9,483,252	161,636
Vietnam Stanley Electric Company Limited	Manufacture automotive lighting equipment	USD 8.3 million	20	263,800,616	17,230,800	20	198,302,806	29,346,160
				274,707,909	17,577,241		207,786,058	29,507,796

Thai Stanley Electric Public Company Limited
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7 Investments in associates (continued)

b) The details of investments in associates are as follows:

Name	Business activity	Cost Method						
		2008				2007		
		Paid-up share capital	% of holding	Amount Baht	Dividends Baht	% of holding	Amount Baht	Dividends Baht
Associates								
Lao Stanley Company Limited	Manufacture automotive lighting equipment	USD 0.25 million	50	3,132,500	346,441	50	3,132,500	161,636
Vietnam Stanley Electric Company Limited	Manufacture automotive lighting equipment	USD 8.3 million	20	54,044,189	17,230,800	20	54,044,189	29,346,160
				<u>57,176,689</u>	<u>17,577,241</u>		<u>57,176,689</u>	<u>29,507,796</u>

c) The financial position and the results of operations of its principal associates are as follows:

	Total assets Baht	Total liabilities Baht	Revenues Baht	Profit Baht	%Ownership Interest
Year ended 31 March 2008					
Lao Stanley Company Limited	68,439,287	55,067,833	194,044,171	3,540,963	50
Vietnam Stanley Electric Company Limited	1,520,042,992	339,769,018	1,831,806,838	413,643,048	20
	<u>1,588,482,279</u>	<u>394,836,851</u>	<u>2,025,851,009</u>	<u>417,184,011</u>	
Year ended 31 March 2007					
Lao Stanley Company Limited	29,386,855	19,051,611	138,787,017	2,835,115	50
Vietnam Stanley Electric Company Limited	1,314,076,313	382,728,922	1,453,893,830	350,904,127	20
	<u>1,343,463,168</u>	<u>401,780,533</u>	<u>1,592,680,847</u>	<u>353,739,242</u>	

The financial statements of these two associates for the year ended 31 March 2007 are not audited by the auditors.

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8 Long-term investments, net

a) Movements in long-term investments are as follows:

	2008			2007		
	Available- for-sale Baht	General investments Baht	Total Baht	Available- for-sale Baht	General investments Baht	Total Baht
For the years ended 31 March						
Equity securities						
- Related parties	3,200,000	121,184,215	124,384,215	2,980,000	121,184,215	124,164,215
- Other companies	-	24,490,640	24,490,640	-	24,490,640	24,490,640
	3,200,000	145,674,855	148,874,855	2,980,000	145,674,855	148,654,855
Change in fair value of investments	1,800,000	-	1,800,000	220,000	-	220,000
<u>Less</u> Impairment of investments	-	(6,495,600)	(6,495,600)	-	-	-
Long-term investments, net	<u>5,000,000</u>	<u>139,179,255</u>	<u>144,179,255</u>	<u>3,200,000</u>	<u>145,674,855</u>	<u>148,874,855</u>

b) The details of long-term investments are as follows:

Name	Business activity	2008				2007	
		Paid-up share capital	% of holding	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	3,200,000	192,000	2,980,000	116,000
Change in fair value of investments				1,800,000	-	220,000	-
				<u>5,000,000</u>	<u>192,000</u>	<u>3,200,000</u>	<u>116,000</u>

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8 Long-term investments, net (continued)

b) The details of long-term investments are as follows: (continued)

Name	Business activity	Paid-up share capital	% of holding	2008		2007	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
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	26,669,686	60,000,000	15,375,270
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting	Baht 21 million	15.0	3,000,000	1,050,983	3,000,000	1,159,211
*Lumax Industries Limited	Manufacture of automotive Lighting equipment and auto parts	RS 93.5 million	1.73	8,793,715	604,805	8,793,715	460,165
PT. Indonesia Stanley Electric	Manufacture of molds automotive lighting	USD 7.5 million	10.0	33,127,500	24,538,474	33,127,500	21,852,488
Stanley Electric Engineering India PVT.	Design molds Manufacture of lamps and molds	RS 161 million	10.0	16,263,000	-	16,263,000	-
Less Impairment of investments				(6,495,600)	-	-	-
				<u>114,688,615</u>	<u>52,863,948</u>	<u>121,184,215</u>	<u>38,847,134</u>

*For the year ended 31 March 2008, Lumax Industries Limited increased its registered share capital from RS 83.5 million to RS 93.5 million. The Company did not increase its investment resulting in decreasing in the Company's shareholding percentage from 1.90% of paid-up share capital to 1.73% of paid-up share capital.

Name	Business activity	Paid-up share capital	% of holding	2008		2007	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Other companies - general investments (at cost)							
Sum Hitechs Company Limited	Chrome plating on plastic products	Baht 104 million	15.0	19,490,640	1,560,000	19,490,640	1,560,000
Top Hitech (Thailand) Company Limited	Manufacture of plastic plastic products	Baht 35.9 million	13.9	5,000,000	-	5,000,000	125,000
				<u>24,490,640</u>	<u>1,560,000</u>	<u>24,490,640</u>	<u>1,685,000</u>

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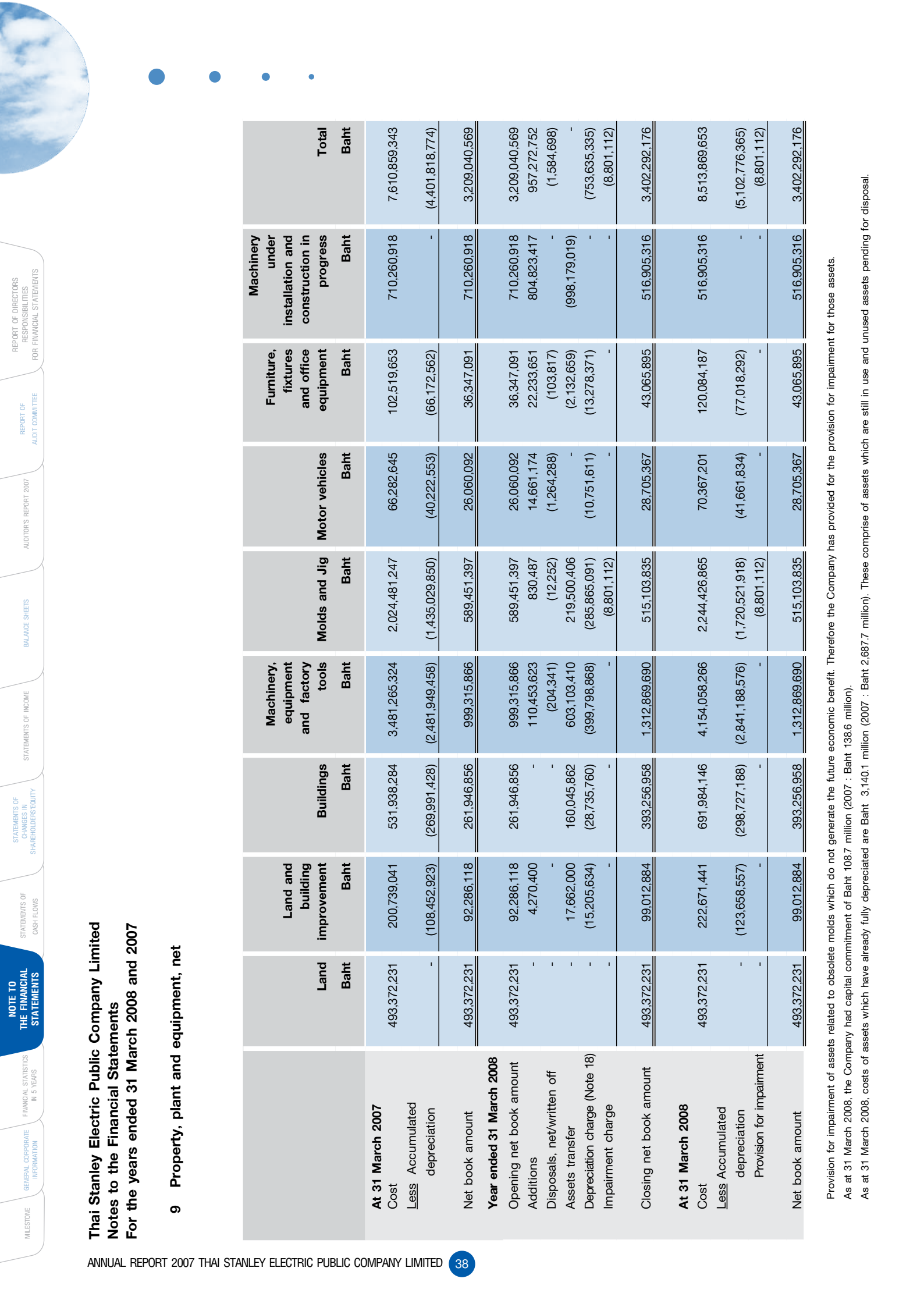
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9 Property, plant and equipment, net

	Land Baht	Land and building improvement Baht	Buildings Baht	Machinery, equipment and factory tools Baht	Molds and Jig Baht	Motor vehicles Baht	Furniture, fixtures and office equipment Baht	Machinery under installation and construction in progress Baht	Total Baht
At 31 March 2007									
Cost	493,372,231	200,739,041	531,938,284	3,481,265,324	2,024,481,247	66,282,645	102,519,653	710,260,918	7,610,859,343
Less Accumulated depreciation	-	(108,452,923)	(269,991,428)	(2,481,949,458)	(1,435,029,850)	(40,222,553)	(66,172,562)	-	(4,401,818,774)
Net book amount	493,372,231	92,286,118	261,946,856	999,315,866	589,451,397	26,060,092	36,347,091	710,260,918	3,209,040,569
Year ended 31 March 2008									
Opening net book amount	493,372,231	92,286,118	261,946,856	999,315,866	589,451,397	26,060,092	36,347,091	710,260,918	3,209,040,569
Additions	-	4,270,400	-	110,453,623	830,487	14,661,174	22,233,651	804,823,417	957,272,752
Disposals, net/written off	-	-	-	(204,341)	(12,252)	(1,264,288)	(103,817)	-	(1,584,698)
Assets transfer	-	17,662,000	160,045,862	603,103,410	219,500,406	-	(2,132,659)	(998,179,019)	-
Depreciation charge (Note 18)	-	(15,205,634)	(28,735,760)	(399,798,868)	(285,865,091)	(10,751,611)	(13,278,371)	-	(753,635,335)
Impairment charge	-	-	-	-	(8,801,112)	-	-	-	(8,801,112)
Closing net book amount	493,372,231	99,012,884	393,256,958	1,312,869,690	515,103,835	28,705,367	43,065,895	516,905,316	3,402,292,176
At 31 March 2008									
Cost	493,372,231	222,671,441	691,984,146	4,154,058,266	2,244,426,865	70,367,201	120,084,187	516,905,316	8,513,869,653
Less Accumulated depreciation	-	(123,658,557)	(298,727,188)	(2,841,188,576)	(1,720,521,918)	(41,661,834)	(77,018,292)	-	(5,102,776,365)
Provision for impairment	-	-	-	-	(8,801,112)	-	-	-	(8,801,112)
Net book amount	493,372,231	99,012,884	393,256,958	1,312,869,690	515,103,835	28,705,367	43,065,895	516,905,316	3,402,292,176

Provision for impairment of assets related to obsolete molds which do not generate the future economic benefit. Therefore the Company has provided for the provision for impairment for those assets. As at 31 March 2008, the Company had capital commitment of Baht 108.7 million (2007 : Baht 138.6 million). As at 31 March 2008, costs of assets which have already fully depreciated are Baht 3,140.1 million (2007 : Baht 2,687.7 million). These comprise of assets which are still in use and unused assets pending for disposal.

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10 Intangible assets, net

	Computer Software Baht	Deferred research and development cost Baht	Total Baht
At 31 March 2007			
Cost	66,050,192	106,349,771	172,399,963
<u>Less</u> Accumulated amortisation	(38,851,081)	(1,566,739)	(40,417,820)
Net book amount	27,199,111	104,783,032	131,982,143
Year ended 31 March 2008			
Opening net book amount	27,199,111	104,783,032	131,982,143
Addition	23,151,489	119,675,260	142,826,749
Amortisation charge (Note 18)	(10,907,307)	(11,481,074)	(22,388,381)
Closing net book amount	39,443,293	212,977,218	252,420,511
At 31 March 2008			
Cost	89,201,681	226,025,031	315,226,172
<u>Less</u> Accumulated amortisation	(49,758,388)	(13,047,813)	(62,806,201)
Net book amount	39,443,293	212,977,218	252,420,511

11 Other current liabilities

Other current liabilities comprised:

	2008 Baht	2007 Baht
Accrued salaries	50,168,056	43,765,094
Accrued electricity	18,804,206	16,196,155
Others	31,627,638	31,970,787
	<u>100,599,900</u>	<u>91,932,036</u>

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12 Share capital and premium on share capital

	Number of shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
As at 31 March 2006	76,625,000	383,125,000	504,250,000	887,375,000
Issues of shares	-	-	-	-
As at 31 March 2007	76,625,000	383,125,000	504,250,000	887,375,000
Issues of shares	-	-	-	-
As at 31 March 2008	<u>76,625,000</u>	<u>383,125,000</u>	<u>504,250,000</u>	<u>887,375,000</u>

As at 31 March 2008, the total authorised number of ordinary shares is 76,625,000 shares (2007 : 76,625,000 shares) with a par value of Baht 5 per share (2007 : Baht 5 per share). All issued shares are fully paid.

13 Legal reserve

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

At present, the Company set aside legal reserve at 10% of registered capital.

14 Other income

Other income is as follows:

	2008 Baht	2007 Baht
Service income	13,234,423	14,115,831
Tax rebate income	24,344,133	17,204,752
Scrap sales	111,228,599	127,645,842
Interest income	36,657,061	41,370,317
Others	15,239,149	15,620,297
	<u>200,703,365</u>	<u>215,957,039</u>

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15 Basic earnings per share

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

	Equity method		Cost method	
	2008	2007	2008	2007
Net profit attributable to shareholders (Baht)	1,296,030,253	1,151,617,968	1,229,108,402	1,111,102,896
Weighted average number of ordinary share in issue during the year (Shares)	76,625,000	76,625,000	76,625,000	76,625,000
Basic earnings per share (Baht)	16.91	15.03	16.04	14.50

There are no dilutive ordinary shares in issue for the years ended 31 March 2008 and 2007.

16 Dividends paid

At the annual shareholders' meeting held on 11 June 2007, the shareholders approved the payment of dividends from the operating results for the year ended 31 March 2007 of Baht 4.85 per share for a total 76,625,000 shares totaling Baht 371.6 million (for the year ended 31 March 2006 of Baht 4.60 per share for a total 76,625,000 shares totaling Baht 352.5 million). The dividends was fully paid to the shareholders on 9 July 2007.

17 Directors' remuneration

The directors' remuneration for the year ended 31 March 2008 amounting to Baht 2.88 million represents meeting fees and gratuities which were approved at the annual shareholders' meeting. (2007 : Baht 2.85 million).

18 Operating profit

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

	2008	2007
	Baht	Baht
Staff costs	770,418,084	704,777,876
Depreciation on plant and equipment (Note 9)	753,635,335	691,332,952
Amortisation of intangible assets (Note 10)	22,388,381	11,279,798

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19 Financial instruments

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

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

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

i) Objectives and significant terms and conditions

The Company enters into 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 to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

At 31 March 2008 and 2007, the settlement dates on open foreign currency forward contracts ranged between 1 and 4 months. The equivalent Thai Baht to be received at the contractual exchange rates of the outstanding contracts were:

	2008	2007
	Baht	Baht
	49,658,600	48,670,000

Yen 160 million (2008 : at average rate
 Baht 31.04 = Yen 100 and 2007: at average rate
 Baht 30.42 = Yen 100)

At 31 March 2008, trade accounts receivable and payable in foreign currency included aggregate net payables of Japanese Yen 588 million and Euro 0.17 million, and net receivables of US Dollars 3.6 million in respect of purchase and sales proceeds due in foreign currencies. There are foreign currency forward contracts to cover the amount of Japanese Yen 160 million (2007 : aggregate net payable of Japanese Yen 684 million and net receivable of US Dollars 2 million in respect of purchase and sales proceeds due in foreign currencies and there were foreign currency forward contracts to cover the amount of Japanese Yen 160 million).

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19 Financial instruments (continued)

i) Objectives and significant terms and conditions (continued)

Net fair values

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

	2008	2007
	Baht	Baht
Foreign currency forward contracts - assets (liabilities)	990,658	(838,163)

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

ii) Credit risk

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

iii) Fair values

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

20 Bank guarantees

As at 31 March 2008, the Company has obtained guarantees for electricity supply and telephones from bankers of Baht 19.51 million (2007 : Baht 19.54 million).

21 Business segment information

The Company currently manufactures and markets 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 1.57 % of total sales (2007 : 3.19 % of total sales).



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22 Promotional privileges

As at 31 March 2008, four outstanding promotional privileges exempting the Company from corporate income tax are on 8 March 2000 and 30 August 2002 for the production of manufacturing molds and on 15 January 1998 for the production of lighting equipments for automobiles and on 2 May 2002 for the electronic prototype design. Under these privileges, the Company will be exempted from corporate income tax for a period of 8 years from the date of commencement of earning revenue. As a promoted industry, the Company is required to comply with the terms and conditions as specified in the promotion certificates.

Sales of products

BOI

- under corporate income tax exemption
- over privilege in relation to income tax exemption

Non-BOI

Service income (Note 14)

- BOI
- Non-BOI

	2008	2007
	Baht	Baht
Sales of products		
BOI		
- under corporate income tax exemption	1,114,123,609	1,390,575,076
- over privilege in relation to income tax exemption	573,454,235	659,341,593
Non-BOI	6,642,301,304	5,857,034,100
	<u>8,329,879,148</u>	<u>7,906,950,769</u>
Service income (Note 14)		
- BOI	315,250	-
- Non-BOI	12,919,173	14,115,831
	<u>13,234,423</u>	<u>14,115,831</u>

23 Subsequent event after the balance sheet date

At the Board of Directors' meeting No. 2/2008 held on 23 May 2008, they proposed the payment of dividends from the operating results for the year ended 31 March 2008 of Baht 5.30 per share for a total 76,625,000 shares totaling Baht 406.1 million.

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FINANCIAL STATISTICS IN 5 YEARS

(Unit : Thousand Baht Except For Figure Per Share)

Report on Operation	31 Mar 08	31 Mar 07	31 Mar 06	31 Mar 05	31 Mar 04
Sales	8,329,879	7,906,951	8,315,522	6,869,653	1,087,413
Cost of Sales	6,367,303	6,273,877	6,657,336	5,430,662	887,346
Net Profit (Loss)	1,229,108	1,111,103	1,066,910	867,058	123,760
Net Profit (Loss) per Share (Baht)	16.04	14.50	13.92	11.32	1.62
Net Profit Margin (%)	14.29	13.52	12.45	12.34	11.06
Return on Equity (%)	22.72	23.86	27.05	26.56	4.25
Return on Total Assets (%)	17.97	18.65	20.79	19.44	3.00
Dividend per Share (Baht)	*	4.85	4.60	3.75	1.00
Dividend Ratio (%)	*	32.27	33.04	33.14	30.96
Assets & Liabilities and Shareholders' Equity					
Current Assets	3,427,251	2,797,178	2,629,600	2,022,887	1,525,934
Property, Plant and Equipment, Net	3,402,292	3,209,041	2,606,719	2,401,069	2,415,699
Total Assets	7,312,798	6,364,382	5,553,590	4,709,667	4,210,647
Current Liabilities	1,452,707	1,375,276	1,218,458	1,155,258	1,235,174
Long Term Liabilities	19,025	7,332	2,126	-	-
Shareholders' Equity	5,841,067	4,981,775	4,333,006	3,554,409	2,975,473
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)	76.23	65.02	56.55	46.39	77.66
Number of Shares**	76,625	76,625	76,625	76,625	38,312.50
Per Value (Baht)	5.00	5.00	5.00	5.00	10.00

* It will be Approved From The Ordinary Shareholders' Meeting

** Calculated Using The Weighted Average Method

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Company Information

1. Company Information

- 1.1 Name** : Thai Stanley Electric Public Company Limited
Public Registered No. 0107536000765
- Address** : 29/3 M.1 Bangpooon-Rungsit Road, Banklang, Muang Pathumthanee
- 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	USD 500,000	USD 250,000	50
2.	Vietnam Stanley Electric Co.,Ltd. - Hanoi , Vietnam - Manufacturer of automotive Lighting equipment	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	35.9	5 million baht common stock 5,000 shares	13.9
4.	Asian Stanley International Co.,Ltd. 48/1 M.1 Kukwang Ladlumkaew Pathumthanee - Manufacturer of lighting emitting diodes (LED) and camera flashes.	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	104	19.49 million baht common stock 156,000 shares	15
6.	Sirivit Stanley Co.,Ltd. 182 M.6 Tambol Cokegluad Muang Nakhonrachasima - Manufacturer of automotive lighting equipment and electronic components	40	6 million baht common stock 600,000 shares	15

GENERAL CORPORATE INFORMATION

No	Name/Address/Type Of Business	Capital Registered (Million Baht)	Amount Of Number Of Share Hold	Investment Ratio(%)
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.	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)	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
Auditor	Ms.Nangnoi Charoenthaveesub Certified Public Accountant (Thailand) No.3044 PricewaterhouseCoopers ABAS Limited. 15 th Bangkok City Tower 179 South Sathorn Road, Bangkok 10120
Law Consultant	ALLEN & OVERY 22 nd Floor, Sindhorn Building III 130 - 132 Wireless Road, Bangkok 10330
Financial Consultant	Capital Numura Securities Public Company Limited 21/3 Thai wa Tower, Ground Floor, South Sathorn Road Bangkok 10120

2. Financial Statistics Summary

Financial statistics as at 31 March 2006, 2007 , 2008

(Unit : Thousand baht)

(The Company Only) (The Company Only)

	31 March 2008	31 March 2007	31 March 2006
Sale	8,329,879	7,906,951	8,315,522
Total Revenues	8,602,776	8,216,089	8,568,560
Cost of sale	6,367,303	6,273,877	6,657,336
Selling and Administrative Expense	591,297	459,533	530,553
Net Profit (Loss)	1,229,108	1,111,103	1,066,910
Net Profit (Loss) per share (baht)	16.04	14.50	13.92
Current Asset	3,427,251	2,872,510	2,629,600
Property, Plant and Equipment, Net	3,402,292	3,236,240	2,606,719
Total Asset	7,312,798	6,364,383	5,553,590
Current Liabilities	1,452,707	1,375,276	1,218,458
Long Term Liabilities	19,024	7,332	2,126
Shareholders'Equity	5,841,067	4,981,775	4,333,006
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)	76.23	65.02	56.55
Financial Ratio			
Net Profit Margin (%)	14.29	13.52	12.45
Return on Equity (%)	22.72	23.86	27.05
Return on Total Asset (%)	17.97	18.65	20.79
Dividend Per Share (Baht)	*	4.85	4.60
Dividend Ratio (%)	*	32.27	33.04

* It will be approved from The Ordinary Shareholders' Meeting.

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 moulding. 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 1.57% of total sales.

(The Company Only) (The Company Only)

Revenues	31 March 2008		31 March 2007		31 March 2006	
	Million	%	Million	%	Million	%
Local Sale Revenues	7,116.40	82.72	6,946.18	84.55	7,360.37	85.90
Export Sale Revenues	1,213.48	14.11	960.77	11.69	955.15	11.15
Total Sale Revenues	8,329.88	96.83	7,906.95	96.24	8,315.52	97.05
Dividend Income	72.19	0.84	70.16	0.85	35.38	0.41
Gain on Exchange Rate	-	-	23.03	0.28	42.35	0.49
Other Income	200.70	2.33	215.96	2.63	125.94	1.47
Share of net profit from investment in associated companies	-	-	-	-	49.37	0.58
Total revenues	8,669.70	100.00	8,256.60	100.00	8,568.56	100.00

3.3 Relevant changing of business for the previous year

The automobile industry in Thailand is the industry related to companies. Since 1998, the production of tyres has increased each year until 2006 to 2007. The slower pace of economy led to increased sales of automobiles. Sales of cars were 631,251 units, a 7.5% increase compared with the past. Also, the sales of motorcycle were 1,598,613 units, a 22.19% increase.

However, if concerning only production, production has increased. The production of cars during the last year was 1,301,149 units, which was an increase of 8.98% due to increased production for export. The export of cars was 690,100 units, which was an increase of 28.04%, and this was the first time ever that the number of cars that produced for export was higher than that produced for domestic sale.

In the first quarter, there was a good sign that the automobile industry in Thailand had recovered to its positive point with sales of 435,068 cars, which is an increase of 2.09% of the same period last year. This was caused by more confidence in the economic situation and the E20 car policy from the government that became effective in January. Nonetheless, exports were the main driver of the economy, especially to the Middle East that became wealthier due to the increasing oil price. This boosted sales to 197,550 cars, up 27.85% compared with last year as well as led the total production amount of the quarter to achieve 365,483 cars, an increase of 24.52% from the last year.

Nevertheless, the government has promoted the Eco-Car programme and there are several car manufacturers participating in this programme. There are six car manufacturers approved by The Board of Investment of Thailand (BOI). This trends to high productivity in the future.

4. Risk factors

Although Thai Stanley Electric Public Company Limited does not have any risk in production area, because the Production Technology has been transferred from the Stanley Electric Limited, and also does not have any risk in sales area, because the Lighting Equipment products from Thai Stanley Electric Public Company Limited will receive the production copyright from the Stanley Electric Company Limited, which will certainly be guaranteed to have purchasing order from the customers.

Whatever, the risk that the company to confront in financial, economic and political as follows:

1. Financial Risk

- **Foreign currency exchange rate risk** exposure relates to importing of raw materials in Foreign currencies and certain export sales in foreign currencies. The business transactions are generally on a short-term period, 1 to 3 month terms. The currency exchange risk of the Company occurs mostly in Japanese Yen and US dollars. Foreign currency forward contracts are taken out to manage the currency risks in sales and purchase. Decisions on the level of risk undertaken are confined to the management committee which has established limits by transaction type and by counterparty. The current policy established by the Management Committee is unchanged from that of the prior year which is to enter into foreign currency forward contracts for approximately 50% of net foreign currency liabilities.

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

2. National Economic and Political Problem

caused the direct effect to Consumer's Security, especially Automobile Industry which has been considered to be one of those front rows industry to face against this effect, and also difficult to predict its future from the recent situation. Anyhow, since the foundation of Automobile Industry has been continuously well set up, and in particular the number of export ratio which seems to be increasing every year, that can allow us to be capable to attain risk dispersion at a certain level. Besides, the company also have our direct exporting, as well as overseas our investment which can currently allow us to continuously send those income and profit back to company headquarters and also have the trend to be increasing every single year, this may use as the compensation for the current uncertainty situation within the country.

3. The raw material prices increasing Risk

from the continue increase in the crude oil price that against to resin price, the main raw material of Thai Stanley then trend of our production cost will be increasing.

Thai Stanley, using a non-monopoly policy with suppliers because of in this industry, there are many suppliers and Thai Stanley have the exactly production plan and stable in financially, these factors that can negotiate for the lowest price possible and having bargaining power over suppliers.

5. Structure of holding and management

5.1 Shareholders

Top ten shareholder as at June 18, 2007.

1. STANLEY ELECTRIC CO.,LTD
2. LEEISSARANUKUL FAMILY GROUP
3. SOMERS (U.K) LIMITED
4. MORGAN STANLEY & CO INTERNATIONAL PLC
5. AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED – AFEX
6. HSBC (SINGAPORE) NOMINEES PTE LTD
7. AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED – TIGER
8. ALBOUYS NOMINEES LIMITED
9. STATE STREET BANK AND TRUST COMPANY
10. AYUTHDHAYA EQUITY FUND

Number of Share (Million share)	% of holding
22.95	29.95%
22.29	29.47%
3.08	4.02%
1.92	2.50%
1.36	1.77%
1.00	1.31%
1.00	1.31%
0.99	1.30%
0.99	1.30%
0.81	1.06%

5.2 Management

(1) Management Structure

1. Directors

1. Mr. Hiroyuki Nakano	Director
2. Mr. Apichart Leeissaranukul	Director
3. Mr. Masahiro Nakamura	Director
4. Mr. Shigeo Suzuki	Director
5. Mr. Kaoru Kuramoto	Director
6. Mr. Katsumi Kondo	Director
7. Mr. Hidenari Yamazaki	Director
8. Mr. Thanong Leeissaranukul	Director
9. Mrs. Pimjai Laochinda	Director
10. Mrs. Pornthip Sethiwan	Director
11. Mrs. Porndee Leeissaranukul	Director
12. Mr. Kiat Shinno	Independent Director
13. Mr. Krisada Visavareeranon	Independent Director
14. Mr. Chokechai Tanpoonsinthana	Independent Director
15. Mr. Katsutoshi Iino	Director
16. Mr. Tadashi Kochi	Director

Secretary : Mr. Apichart Leeissaranukul

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.

meeting.

2. Management

1. Mr. Hiroyuki Nakano	President
2. Mr. Apichart Leeissaranukul	Executive Vice President
3. Mr. Masahiro Nakamura	Executive Director
4. Mr. Shigeo Suzuki	Director
5. Mr. Kaoru Kuramoto	Director
6. Mr. Shinichiro Kojima	Executive General Manager

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.

3. Audit Committee

1. Mr. Kiat Shinno	Independent Director/Chairman Audit Committee
2. Mr. Krisada Visavateeranon	Independent Director/Audit Committee Member
3. Mr. Chokechai Tanpoonsinthana	Independent Director/Audit Committee Member



Authority 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.
3. To review that the Company will perform in compliance with the law governing Securities and the regulations of The SET and any relevant laws concerning the Company's business.
4. To consider, select, nominate and suggest compensation to the Company's auditor.
5. To consider the disclosure of company information where there is an occurrence of related particulars or particulars that are in conflict of interest for their validity and completeness.
6. To prepare report concerning its supervision of the business affairs and disclosure in the annual report of the company. Such a report shall be signed by the chairman of the Audit Committee and comprises.
7. To perform any other functions as assigned by the Board of Directors with the consent of the Audit Committee.

In 2007 Directors' operation as follows:-

1. Board of Director 16 person No. of Meeting 6 Times

Name	Quantity	Name	Quantity
1. Mr. Hiroyuki Nakano	6	9. Mrs. Pimjai Laochinda	6
2. Mr. Apichart Leeissaranukul	6	10. Mrs. Pornthip Sethiwan	6
3. Mr. Masahiro Nakamura	6	11. Mrs. Porndee Leeissaranukul	5
4. Mr. Shigeo Suzuki	6	12. Mr. Kiat Shinno	6
5. Mr. Kaoru Kuramoto	5	13. Mr. Krisada Visavateeranon	5
6. Mr. Katsumi Kondo	1**	14. Mr. Chockchai Tanpoonsinthana	5
7. Mr. Hidenari Yamazaki	2**	15. Mr. Katsutoshi Iino	2 * **
8. Mr. Thanong Leeissaranukul	6	16. Mr. Tadashi Kochi	0 * **

Remark * New appointment director during the year

** Director work at Japan.

2. Audit Committee 3 person No. of Meeting 4 Times
3. Executive Board of Director 6 person No. of Meeting 47 Times

For setting management policy and directions, approval of business operation plan and monitoring to achieve the business goals.

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	57	Bachelor the Faculty of Economics Meiji University, Japan	-	-	2003-Present	President	Thai Stanley Electric Public Co.,Ltd.
					2003-Present	Director	Top Hitech (Thailand) Co.,Ltd.
					2004-Present	Director	PT Indonesia Stanley Electric
					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 Department 3	Stanley Electric Co.,Ltd.
2. Mr. Apichart Leeissaranukul Executive Vice President and Executive General Administration Division.	45	Bachelor in Administration The University of the Thai Chamber of Commerce. Master of Business Administration Oklahoma City University, USA. Directors Certification program class 8/2001 from Thai Institute of Director.	5.87	Son Mr.Vitya Leeissaranukul and Mrs.Porndee Leeissaranukul Brother Mr.Thanong Leeissaranukul, Mrs. Pimjai Laochinda and 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 Public 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
					1997-2004	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					
3. Mr. Masahiro Nakamura Director and Executive General Manager Die & Mold Division	56	Course of Machine Section Certificate from Kagoshima National College of Technology, Japan.	0.01	-	1988-Present	Executive General Manager Die&Mold Division	Thai Stanley Electric Public Co.,Ltd.
					1992-Present	Executive Director	Thai Stanley Electric Public Co.,Ltd.
					2003-Present	Director	Stanley Electric Engineering India PVT Ltd.
4. Mr. Kaoru Kuramoto Director and Executive General Manager Lighting Equipment Division	51	Faculty of Laws, Kokugakuin University.	-	-	2006-Present	Executive General Manager Lighting Equipment Division	Thai Stanley Electric Public Co.,Ltd.
					2006-Present	Director	Thai Stanley Electric Public Co.,Ltd.
					2006-Present	Director	Sirivit Stanley Co.,Ltd.
					1997-2006	SNAP	Hiroshima Factory
5. Mr. Shigeo Suzuki Director and Executive General Manager R&D Center	49	Graduated from Musashi University, Faculty of Engineering, Mechanical Engineering	-	-	1997-2004	Team Manager	Stanley Electric Co.,Ltd.
					2004-Present	Director	Thai Stanley Electric Public Co.,Ltd.

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Name-Surname	Age	Education Degree	% of Holding	Relations	Working Experience		
					Period	Position	Company Name
6. Mr. Hidenari Yamazaki Director	59	Shibaura Institute of Technology	-	-	2005-Present	Director	Stanley Niigata Works Co., Ltd. Suzhou Stanley Electric Co., Ltd. Shenzhen Stanley Electric Co., Ltd. Vietnam Stanley Electric Co., Ltd. Stanley Electric (Asia Pacific) Ltd. II Stanley Co., Inc. Asian Stanley International Co., Ltd.
					2003-2005	Executive Director	Integrated Component Division
7. Mr. Katsumi Kondo Director	56	Faculty of Laws, Komazawa University	-	-	June 2006 - Present	Director	Stanley Niigata Works Co., Ltd.
						Director	II Stanley Co., Inc.
						Auditor	Stanley Electric Hungary KFT
					2006 - June 2006	Director	Tianjin Stanley Electric Co., Ltd.
2003 - 2006	Director, Department Manager	Stanley Electric GMBH Automotive Division 2					
2003 - 2006	Executive Director	Automotive Division 2					
8. Mr. Katsutoshi Iino	47	Faculty of Economy Industrial Management, Nihon University, Japan	-	-	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	Stanley Electric Co.,Ltd.
					2004 - 2005	Business Control Section	
					2005 - Present	Accounting Department	
2005 - Present	Department Manager	Stanley Electric Co.,Ltd.					
2007 - Present	Accounting Department						
2007 - Present	Director	Thai Stanley Electric Public Company Limited					

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Name-Surname	Age	Education Degree	% of Holding	Relations	Working Experience		
					Period	Position	Company Name
9. Mr. Tadashi Kochi	60	Faculty of Science and Engineering, Mechanical Engineering, Meisei University, Japan	-	-	1980 – 1986	Assistant Manager Bulb Designing Department	Stanley Electric Co.,Ltd.
					1986 - 1991	Section Manager Bulb Designing Department	Stanley Electric Co.,Ltd.
					1991- 2001	Department Manager Automotive Equipment Engineering Department	Stanley Electric Co.,Ltd.
					2001 – Present	President	Indonesia Stanley Electric Co.,Ltd.
					2006 - Present	Director	Stanley Electric Co.,Ltd. (Hamamatsu Work)
					2006 - Present	Division Manager 2W Business	Stanley Electric Co.,Ltd.
					2007 - Present	Director	Thai Stanley Electric Public Company Limited.
10. Mr. Thanong Leeissaranukul Director	48	Bachelor of Business Administration – Commercial Nanzan University, Japan.	4.19	Son Mr.Vitya Leeissaranukul Mrs.Porndee Leeissaranukul Brother Mr.Apichart Leeissaranukul, Mrs. Pimjai Laochinda and Mrs. Pornthip Sethiwan	1983-Present	Director	Thai Stanley Electric Public Co.,Ltd.
					1986-Present	Managing Director	The Sittipol 1919 Co.,Ltd.
					1986-Present	Director	Inoue Rubber (Thailand) Public Co.,Ltd.
					1988-Present	Director	Asian Stanley International Co.,Ltd
					1993-Present	Director	Sopa-Kanok International Co.,Ltd.
					1995-Present	Executive Director	Total Oil (Thailand) Co.,Ltd.
					1995-Present	Director Vice Chairman	Sungold Holding Co.,Ltd. Daido Sittipol Co.,Ltd.
1996-Present	Executive Director	Seng Ngun Hong Co.,Ltd.					
11. Mrs. Pimjai Laochinda Director	47	Bachelor of Engineering Chulalongkorn University Master of Business Administration operation Management, Drexel University,USA.	2.82	Daughter Mr.Vitya Leeissaranukul Mrs.Porndee Leeissaranukul Sister Mr.Apichart Leeissaranukul, Mr. Thanong Leeissaranukul and Mrs. Pornthip Sethiwan	1980-Present	Director	Thai Stanley Electric Public Co.,Ltd.
					2007-Present	President	Inoue Rubber (Thailand) Public Co.,Ltd.
					2001-Present	Director	Sungold Holding Co.,Ltd.
					2006-Present	Director	Kinno Hoshi Engineering Co.,Ltd.
					1986-2007	Executive Vice President and Managing Director	Inoue Rubber (Thailand) Public Co.,Ltd.
					1995-Present 2006-Present	Chairman Director	Toei Inoac Co.,Ltd. Daido Sittipol Co.,Ltd.

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Name-Surname	Age	Education Degree	% of Holding	Relations	Working Experience		
					Period	Position	Company Name
12. Mrs. Pornthip Sethiwan Director	41	Bachelor of Commerce and Accountancy, Commerce major Chulalongkorn University.	2.82	Daughter Mr.Vitya Leeissaranukul Mrs.Porndee Leeissaranukul Sister Mr.Apichart Leeissaranukul, Mr. Thanong Leeissaranukul and Mrs. Pimjai Laochinda	1980-Present	Director	Thai Stanley Electric Public Co.,Ltd.
					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) Public Co.,Ltd.
					1993-Present	Director	Sopa-Kanok International Co.,Ltd.
					1996-Present	Director	Daido Sittipol Co.,Ltd.
					1974-Present	Chairman	Sopa-Kanok International Co.,Ltd.
					1986-Present	Director	The Sittipol 1919 Co.,Ltd.
13. Mrs. Porndee Leeissaranukul Director	72	Bachelor of Commerce and Accountancy Thammasart University.	5.86	Couple Mr. Vitya Leeissaranukul Mother Mr.Apichart Leeissaranukul, Mr.Thanong Leeissaranukul, Mrs. Pimjai Laochinda and Mrs. Pornthip Sethiwan	1992-Present	Director	Thai Stanley Electric Public Co.,Ltd.
					2003-Present	Director	S.K. Industry Rubber Co.,Ltd.
					1993-Present	Director	Thai Stanley Electric Public Co.,Ltd.
					1999-Present	Director	Muramoto Co.,Ltd.
14. Mr. Kiat Shinno Independent Director	79	Bachelor degree Yokohama Technology Institute, Japan	-	-	1993-Present	Director	Thai Stanley Electric Public Co.,Ltd.
					1996-Present	Director	Kolon Industry Co.,Ltd.
					2003-Present	Director	NNT Consunding Co.,Ltd.
					2004-Present	Director	Sojitz (Thailand) Co.,Ltd.
					1974-2004	Vice President	Nichimen (Thailand) Co.,Ltd.*
15. Mr. Krisada Visavateeranon Independent Director	58	Master of Engineering Kyoto University, Japan. Directors Certification program class 7/2002 from Thai Institute of Director.	-	-	2007-Present	Chancellor	Thai-Nichi Institute of Technology
					1997-Present	Executive Director	Technology Promotion Association (Thailand-Japan)
					1999-Present	Director	Thai Stanley Electric Public Co.,Ltd.
					1975-Present 1998-2003	Associate Professor Director	Chulalongkorn University Vast Technical Engineering Consultant Co.,Ltd.

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Name-Surname	Age	Education Degree	% of Holding	Relations	Working Experience		
					Period	Position	Company Name
16. Mr.Chokechai Tanpoonsinthana Independent Director	60	Master of Business Administration (Quantitative Analysis & Finance) University of Wisconsin (Madison Campus) Master of Civil Engineering University of Wisconsin at Madison, U.S.A. * Training record in Directors Certification program class 3/2000 from Thai Institute of Director.	-	-	2000-Present	Director and Audit Committee	Thai Stanley Electric Public Co.,Ltd.
					2003-Present	Independent Director and Audit Committee Chairman	Advance Information Technology Public Co.,Ltd.
					2004-Present	Independent Director and Audit Committee	United Securities Public Co.,Ltd.
					1991-2000	Director and Assistant Managing Director	Bangkok First Investment & Trust Public Co.,Ltd.
					1998-2002	Director	The Stock Exchange of Thailand
					1998-Mar.2004	Director and Secretary	Association of Finance Companies
					2000-2002	Director	Thailand Securities Depository Co.,Ltd.
					2000-Mar.2004	Managing Director	Bangkok first Investment & Trust Public Co.,Ltd.
					2000-Mar.2004	Director	BFIT Securities Co.,Ltd.
					2001-Mar.2004	Director	Tawanna Hotel Co.,Ltd.
17. Mr.Shinichiro Kojima Executive General Manager Marketing Division	45	The Faculty of Economics, Josai University, Japan	-	-	2000-Present	Executive General Manager Marketing Division	Thai Stanley Electric Public Co.,Ltd.
					1985-2000	Manager Personnel Management Department	Stanley Electric Co.,Ltd.

(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 nonshareholder, 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 2.88 million baht.

Name	Remuneration Director	Name	Remuneration Director
1. Mr. Hiroyuki Nakano	180,000 Baht	10. Mrs. Pornthip Sethiwan	180,000 Baht
2. Mr. Apichart Leeissaranukul	180,000 Baht	11. Mrs. Porndee Leeissaranukul	180,000 Baht
3. Mr. Masahiro Nakamura	180,000 Baht	12. Mr. Kiat Shinno	180,000 Baht
4. Mr. Shigeo Suzuki	180,000 Baht	13. Mr. Krisada Visavateeranon	180,000 Baht
5. Mr. Kaoru Kuramoto	180,000 Baht	14. Mr. Chockchai Tanpoonsinthana	180,000 Baht
6. Mr. Toshio Uchikawa *	60,000 Baht	15. Mr. Katsumi Kondo	180,000 Baht
7. Mr. Akira Hosoda *	60,000 Baht	16. Mr. Hidenari Yamazaki	180,000 Baht
8. Mr. Thanong Leeissaranukul	180,000 Baht	17. Mr. Katsutochi Iino **	120,000 Baht
9. Mrs. Pimjai Laochinda	180,000 Baht	18. Mr. Tadashi Kochi **	120,000 Baht

Remark * Resign Director during the year

** New appointment director during the year

B. Remuneration for 6 persons of executive board and the management board and the management at the total of 38.36 million baht, and has been identified as monthly salary and bonus.

C. Remuneration for 3 persons of audit committee member and chairman at the total of 0.48 million baht.

Name	Type of Remuneration	Amount
1. Mr. Kiat Shinno	Chairman Audit Committee	240,000 Baht
2. Mr. Krisada Visavateeranon	Audit Committee Member	120,000 Baht
3. Mr. Chockchai Tanpoonsinthana	Audit Committee Member	120,000 Baht

2. Other Remuneration

- none

3. Auditor's remuneration

A. Audit fee

The last year company paid for the audit fee 1.71 million baht.

B. Other service fee

Company paid for the other compensation that were review of promotional privileges of Lighting Equipment and Prototype design 0.12 million baht, other consultant that did not concern about audit accounts total amount - million baht.

(4) The Corporate Governance

The Board of Directors has truly committed to operate the business to achieve the target goals effectively and transparently and secure the confidence of shareholders, investors and all relevant parties. The following are the Principles of Good Corporate Governance set out by the Board of Directors.

1. Provide ethical practices and a code of conduct for the members of the Board and Company employees to follow, observe compliance, review, improve and update as necessary.
2. Designate the organizational structure, roles and responsibility for the members of the Board and executives precisely and properly.
3. Provide for the Board of Directors to make self-performance appraisal.
4. Develop, maintain and review the control systems, which include financial, operations, and performance control, in accordance with the law and code of conduct effectively, as well as conduct risk management and advance warning of dangers and anomalies.
5. Disclose to shareholders and stakeholders accurate information, fairly, in full, transparently and in a timely manner.
6. Provide reliable financial and audit reports, evaluate the adequacy of internal controls, risk management and follow-up efficiently.
7. Make sure that shareholders and stakeholders' right have been protected and treated fairly.
8. Provide environmental and social surveillance systems.

In addition to the ethical practices set forth by the Board of Directors, the former version of the Good Governance Practices has been revised and published as handbook for members of the Board and Company employees to further study.

In the past year, by following the principles of Good Corporate Governance, the essence of the operation has been divided into five parts as follows;

1. Rights of Shareholders

The Company has executed policy to maintain the basic rights of shareholders equally in accordance with the provisions of the law. Namely, shareholders have been entitled to negotiate and transfer their securities under their own procession independently. Additionally, shareholders can receive dividends, attend shareholder meetings, express their opinions freely in such meeting, and partake in making important decisions such as committee member election, significant transaction approval, and revise the Articles of Association, and so on.

Additionally, the Board of Directors has undertaken to promote and facilitate the rights of shareholders as follows;

1.1 Right of Information Access

The Company discloses to shareholders and stakeholders accurate information in full, transparently, and in a timely manner in accordance with the relevant provisions, and enters the information on the Company website as an alternative channel for shareholders to access the Company's other necessary information such as the Company's vision, the administrative policy, the executives, the role and responsibility of the Board of Directors, and financial information.

All shareholders have access to adequate and necessary information about shareholder meetings, date and time and place of meeting, detailed agenda posted on the Company website fourteen days in advance.

1.2 Right to Attend and Vote

The Company shall notify all shareholders of the meeting fourteen days in advance of the meeting date, and meeting data shall include the agenda and relevant documents completely and adequately.

The meeting notice details the right of attendance and making a resolution, and other necessary documents. If any shareholder is unable to attend the meeting personally, the Company agrees that the shareholder

can assign an independent committee or representative to attend the meeting by using the Power of Attorney Form enclosed, or otherwise downloading the Power of Attorney Form from the Company website.

The Company provides a number of receptionists to welcome and facilitate the convenience of shareholder attendees at least one hour prior to the start of the meeting.

Shareholder voting cards are used for voting. In case of disputed votes, shareholders have right to verify the detailed information.

In the shareholder meeting, the accounting auditors shall attend to provide information in case of questions from shareholders. An outside lawyer acts as arbitrator to inspect votes in case of argument. The Company supplies a translator in the meeting to ensure clear understanding in interpretation between shareholders and members of the Board.

1.3 Right of Independent Expression

All shareholders have an equal right to express their opinions and submit questions properly for each agenda topic prior to the passing of a resolution.

Shareholder meetings are attended by all members of the Board and top executives who are responsible to answer questions and enquires submitted by attendees.

1.4 Right of Remuneration Consideration

In considering the remuneration committee proposals in the meeting of shareholders, data shall be informed in detail to individual committees.

2. Equitable Treatment of Shareholders

The Company values the equitable treatment of all shareholders whether major shareholders, minor shareholders, institutional investors, or foreign shareholders. The Company has proceeded as follows;

2.1 Preventive Measures for Internal Information Usage

The Board of Directors has set guidelines for preventive measures for internal information usage as follows;

Neither members of the Board, nor executives, nor employees shall make exploitation of internal information. Employees involved in any department knowing internal information, executives, and members of the Board shall not negotiate the Company's securities within the month prior to disclosure of a financial statement and public information, or within 24 hours after disclosure of a financial statement and public information, as prescribed in the Code of Conduct.

The Board of Directors, executives and the Accounting Manager shall report the number of the existing stocks(shares?) at the time of any meeting.

2.2 For a shareholder's meeting, the Power of Attorney Form provided by the Ministry of Commerce shall be enclosed together with the meeting notice.

2.3 The Company allows shareholder attendees to vote in duration of hearing, but remains not making a resolution yet. It is considered a quorum according to the meeting and voting agenda, unless otherwise expressed by shareholders

2.4 When convening a meeting, in addition to the Thailand Securities Depository Co., Ltd. (TSD) serving as stock

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registrar for the Company and delivering the meeting notice fourteen days in advance of the meeting date, the Company will advertise the meeting notice through mass media channels and daily newspapers (both Thai and English versions) for not less than 3 sequential days and not less than seven days prior to the meeting date.

2.5 The Company maintains minutes of shareholder meetings and has it posted details on the Company website so that shareholders who missed the meeting can study detailed information about the meeting equitably.

2.6 All shareholders have the right to vote pursuant to the number of shares they hold. One share equals to one vote.

3. Role of Stakeholders

The Company acknowledges the rights of all concerned stakeholders, the Company's customers, vendor's customers, Company employees, shareholders, government sector agencies, other relevant parties, and the community, according to the law relevant to rights protection and fair treatment.

Customers

As the Company's products have been distributed mainly to automobile manufacturers, customers herein shall mean those buying the Company's products and end users.

The customer-related policy has been set forth by the Company as follows:

Administration: The customer's satisfaction comes first. The Company has made every effort to improve all departments whether for quality, cost, logistics, development, safety, or human relations through the implementation of planning-practice-inspection cycles.

Quality: The Company strives to achieve the quality standards in accordance with international standards, and ensures delivery that meets the customers' satisfaction and trust.

Also, the Company provides a division responsible for product guarantee, giving advice and information about products, receiving customer complaints to ensure that customer satisfaction in the Company's products and service has been achieved.

Vendor's Customers

Vendor customer refers to business traders. The Company complies with the agreement and contract made with traders strictly and embraces the business practices honestly under the law, relevant regulations and rules.

Additionally, the Company provides meeting activity with vendors to inform them of the Company's information and news, including hearing their opinion. For example, in case of bank or loan creditor, the Company will invite them, along with security analysts to attend the meeting, and inform them of the Company's quarterly operating results. Or in case of vendor customers, the Company's Purchase Dept. will hold a supplier meeting. Or in case of a constructor, the Company will hold a separate meeting for safety and bio-hygiene staff, and maintenance technicians, etc.

Company Employees

The Company is aware that growth is a consequence of the cooperation of Company employees, who are considered an important human resource. The Company has established a policy to regulate employee

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safety, welfare, and benefits as follows:

1. The Company has made every effort to comply with the Thai Labor Law and provisions of the labor law and other relevant laws.
2. The Company makes every effort to improve employees' quality of living, the workplace environment and welfare provision, and provides continuous development.
3. The Company reviews the efficiency of Company policies, regulations, and performance results, adequately and properly.

In past year, the Company has applied for the Thai Labor Standard Certificate (TLS 8001-2003) from the Ministry of Labor and Social Welfare, and it is expected approval shall be granted in 2008.

Regarding safety and bio-hygiene practices, the Company has set up a surveillance division, and established TOP GUN teamwork for training in various specialties in case urgent assistance is required not only within the Company, but also to cooperate with the local community for any emergency.

By such practices the Company has achieved the Best Performance Company of Safety, Occupational Health and Workplace Environment Award, Ministry of Labor for 4 years and has been rewarded An Outstanding Establishment for Labor Relations and Welfare Award from the Ministry of Labor for the 2nd sequential year.

Shareholders

The Company has the policy to maintain the rights of shareholders equitably under the law. Not less than 30 percent of net profit shall be paid as a dividend to shareholders. Allow shareholders to visit the Company after attending a meeting.

Community and Society

Being aware of the importance of society and the community, the Company has values stated in the Company's vision as "Love Nature and Mankind, Create Positive Feeling, Humane, and Environmental Preservation".

The Company has developed a social assistance project for public utility(use?) on behalf of the Stanley Foundation of Thailand. The following is a summary of major activities carried out continually by the Company (recorded in the annual report)

Grant scholarships to students in different schools in Pathumthane, which included as follows;

1. Annual scholarships in 2007 amounted to 1,130,000 Baht granted to 1,150 students over 33 different schools.
2. Long-term continuous scholarship for educational tuition, tuition fee, textbook expenses, uniform expenses, and monthly allowance contributed to students from Mathayom 1 to university level. It has been carried out for an 8-year period now and currently includes 22 students (3 university students and it is expected that the number of scholarship students will increase every year). Scholarships awarded to students in 2007 valued at 500,000 Baht.
 - Educational support - provides school libraries with textbooks and educational materials every year. Educational support in 2007 amounted to 650,000 Baht.
 - Science, technology, and innovation support – carrying out a contest for science projects at different levels in both primary schools and high schools, conduct a Technology Promotion

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Association Robot Contest for National Champion, which has been conducted continually every year. In 2007, the Company contribution to such projects amounted to 250,000 Baht.

- Nurturing environmental consciousness for such activities as forest planting and fish release that is carried out every year. In addition, the Company has subscribed membership for environmental magazines to schools in Pathumthanee, aiming at providing the youth with knowledge and information about the environment.

The Company has carried out a social and environmental policy certified with ISO 14001: 2004, and emphasizes social and community activities regularly, and complies strictly with the law and regulations.

The Company has also formulated the policy on surveillance rights and regulations of stakeholders, which is contained in the Principles of Good Governance and the Code of Conduct to inform all members of the Board and employees of the compliance requirements that the Company expects.

The Company has invited all stakeholders of the opportunity to communicate with the Company through the channel of the Company website.

4. Disclosure and Transparency

The Company and the Board of Directors have emphasized the management and operation in accordance with the Principles of Corporate Good Governance, and they are aware of the significance of accurate and timely information disclosure within the requirements provided by departments, so the Company has set forth the policy and practice for disclosure as follows:

Information Dissemination

- Dissemination shall be conducted in accordance with the disclosure policy and under the provision of the law, rules and related regulations.
- Dissemination shall be conducted in a precise, accurate, transparent and reliable manner so that stakeholders can understand simply and speedily.
- Dissemination shall be carried out equitably to all parties in a fair and non-discriminatory basis within the framework provided and to avoid any conflict of interest.
- Ensuring that dissemination must not affect the customer and Company relationship or violate the secret information of a customer, shareholders and other stakeholders.
- Internal communication must be kept confidential within the Company's regulations and rules as stated in the Code of Conduct.

Communication

The Chairman, the Chief of Executive Officials, and the Vice-chairman have been empowered to inform about important information relating to the Company, and empowered to assign the executives of each department to provide the information relevant to their department to a business unit or concerned person regarding investor relations.

The customers, shareholders, investors or interested people can access the Company profile or contact the Company for additional information through the company website (<http://www.thaistanley.com>). In addition, the Company has assigned staff with responsibility for investor relations in respect of handling enquiries and providing general information, and serving as a center of cooperation with personnel and related persons directly in giving answers or handling enquires, and supervising the financial report process and other information technology matters through the Investor Relation Dept., at telephone number 0-2 581-5462 (Ext. 164) or email: info@stanley.co.th

Communication Form and Standard

The Company informs shareholders, investors and the general public about the operating results periodically and continually, including other information through the Stock Exchange of Thailand and the Company's website.

The Company conducts meetings for analysts on a quarterly basis and discloses information presented in such meetings on the Company's website. The Company has no the policy to meet in person with analysts, fund managers or those who are interested in investment. Other information about the Company has been posted on the Company's website (<http://www.thaistanley.com>) on the Investor Relation page under the following topics:

- Disclosure policy includes information provided through the communication channel with the giving company of the authorized company, communication pattern and public disclosure.
- Financial information includes financial statements.
- Company profile – business type and Board of Directors.
- Shareholder meeting information includes meeting notice and meeting report.
- Annual report and other reports lodged with the Stock Exchange of Thailand, and the Securities and Stocks Commission.

5. Board Responsibilities

Board of Directors

The Board of Directors is composed of experienced, skilled and competent persons applicable to the Company's organizational structure.

The members of the Board of Directors manage 16 committees as follows;

1. Executive Director – Managing six authorized committees concerned with administrative routine, accounting for 37.5% of all committees.
2. Non-Executive Directors – Managing 10 independent and external committees, accounting for 62.5% of all committees. Of these ten committees, three are independent and external committees.

All members of the Board are experienced, skilled and qualified personnel that are necessary to the Company's operation and each committee member is responsible for their own duty.

The Chairman has the ultimate power and authority as policy leader to set forth the Company's vision, and regulate the top executives' performance. The Chairman must not be the same person as the Chief Executive. This is to separate the present role and responsibility clearly. The Company chairman is appointed for life and no appointment has been made yet. Thus, it is considered that all members of the Board shall take accountability cooperatively.

Committee and Executive Remuneration

An appropriate consideration of the remuneration committee shall be contemplated by the Company by comparing with that paid by the Stock Exchange of Thailand at the comparable level of companies or industries, and this shall be presented in the shareholder's meeting for approval.

Also, an appropriate consideration of the executive's remuneration shall be based on an individual's responsibility and performance. The remuneration for committees and executives has been informed in the Additional Disclosure Report (Form 56-1)



Committee and Executive Development

In 2007, the Company has two new committees. The documentation and necessary information about the company profile, role and responsibility, procedures and related regulations undertaken by the Company Secretary have been informed in detail in the meeting, including answering the questions and enquires from the committees.

The Company encouraged the executive training at any level in 2007, and management employees have been trained regularly in relation to surveillance of business units.

Sub-committees

The Company has set up a set of sub-committees or audit committees which include three independent committees. One of the three independent committees must possess work experience in accounting or finance for which the duty and responsibility has been defined clearly to proceed with reviewing the operation in accordance with the corporation policy and the Articles of Association, the law, regulations and rules provided by the individual business units. In addition, the audit committees are responsible for giving guidance relevant to accounting and financial reporting systems, reviewing the Company's operations to make sure that the Company has internal controls and conducts risk management properly. An internal audit is reported directly to the Board, by consulting and listening to the auditor's opinion quarterly. Additionally, the audit committees are independent and may ask an external consultant for advice at the Company's expense.

Audit committee meetings shall be held at least once quarterly and other extraordinary meetings may be conducted as deemed necessary and the executives and concerned persons may be invited to join the meeting and make enquires thereto.

In 2007, the meeting of audit committees has been conducted four times, and internal control staff, accounting auditors, and executive representatives have joined each meeting.

Committee Meeting

A committee meeting shall be held at least once quarterly, and each committee member is responsible for attending a meeting, and other extraordinary meetings may be conducted as deemed necessary. In making a resolution, the stakeholder committees shall have no right to vote thereon. Meeting procedures and process have been specified in the Articles of Association and by the Board of Directors.

The meeting schedule of the Board of Directors is arranged one year ahead. This includes the crucial meeting agenda and adequate session meetings. All committees are required to attend the meeting in unison. The meeting notice in both Thai and English version shall be delivered to the committees twenty-one days in advance. A video conference link shall be implemented so that committee members who are abroad and unavailable will not miss the meeting.

In a meeting of the Board of Directors, the Chairman and CEO shall generally designate the meeting agenda cooperatively and consider the attendance by advising each committee of the opportunity to propose topics for consideration in the meeting. As the chairman has not been appointed yet, the CEO and Secretary therefore shall designate the meeting agenda together.

The Secretary shall be responsible for supervising the affairs of the Board in compliance with the law and related regulations, including preparing a Board of Directors meeting report and other related reports in both Thai and English versions.

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There were six meetings of the Board of Directors conducted in 2007, which included five pre-determined meetings and one extraordinary meeting. At each meeting, the Company delivered to all members of the Board the meeting documents and agenda in advance so that they had enough time in examination thereof.

Role and Responsibility of the Board of Directors

The Company has set forth the role and responsibilities of the Board of Directors definitely in the Articles of Association. The members of the Board are responsible for the following areas; strategy, governance practices, human resource management, financial reporting, and disclosure and communication.

1. Strategy and Policy

The Board of Directors is considered as the administrative leader in designating the Company's vision, governance practices for top executives, reviewing and giving appropriate advice for crucial policies, financial objectives, planning, budgets and compliance.

2. Governance Practices

The Board of Directors has formulated the corporate governance practice in writing, and developed the Code of Conduct as good performance guidelines and informed employees in the form of a handbook. The information is publicized by intranet communication, and described in detail in the newcomer orientation.

3. Control Systems and Internal Audit

The Company has a separate internal audit team whose duty and responsibility has been clearly specified, reporting directly to the CEO and Audit Committee.

The Internal Control Dept. shall develop the annual audit plan covering different business units, which have been reviewed and approved by the Audit Committee. Reporting and follow-up are carried out periodically by the Management and reported to the Audit Committee on a quarterly basis.

The Audit Committee shall review internal control in respect of appropriateness and adequateness, and then report to the Board of Directors.

4. Surveillance of Stakeholder Rights

The Board of Directors is responsible for considering any transaction that might cause a possible conflict of interest, or inter-related transactions, properly through the refinement process of the Audit Committees.

Regulating the appropriate disclosure of a transaction that might have a conflict of interest accurately and completely. Namely, for any transaction that might cause a conflict of interest, the concerned persons shall have no right to vote or approve the transaction.

In past year the Company had no inter-related transactions or transactions with a conflict of interest. This is because such transactions have been inspected by and submitted to the Board of Directors.

5. Risk Management

The Board of Directors has delegated the executives and employees in departments to regulate risk and engage in developing the Company's risk management process and report to the Risk Management Committee. The Company also pays attention to the advance warning and anomaly report. In addition, the Company has assigned the Internal Control Office to review the risk management process and report to the Audit Committee for review and further report to the Board of Directors.

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In 2007, there were no incidents causing a significant risk. The extent of risk remains normal pertaining to currency exchange rates, for which preventive measures have been expressed in the Additional Disclosure Report (Form 56-1)

6. Performance Appraisal for the Board of Directors

To improve the performance of the Board of Directors, the Company provides for performance appraisal for the Board of Directors, in which role and responsibility of the Board of Directors is included. The performance appraisal for the Board of Directors for the end of the accounting cycle on 31 March, 2008 was conducted in May 2008, and the performance appraisal was evaluated as satisfactory. However, there remains something to be improved to meet the Good Corporate Governance effectively.

- In nominating the sub-committees to help consider and refine the current operation, there is one Audit Committee only. As the operation and transactions have increased, additional sub-committees should be nominated to ensure shareholders of the operation control and refinement prior to submission to the Board of Directors.
- In the absence of a meeting, if any committee member is unable to attend the meeting due to staying abroad, the expedient resolution the Company provides is the implementation of an international video conference link, allowing any member of the Board who is abroad to join the meeting simultaneously.
- Division of duty and responsibility between Chairman and CEO, in practice in some circumstances, the CEO has executed the affairs in place of the Chairman because there still remains no appointed committee member to fill the vacancy. The CEO shall act as the president of the meeting and set out the agenda of the Board Meeting

7. Reporting

The Audit Committees reviews the financial report and submits it to the Board of Directors on a quarterly basis. The Board is responsible for reporting financial information and other necessary data to shareholders in an accurate, complete and transparent manner. This may include detailed exposition, figures, future trends, disclosure of important information, operating results and crucial events in the year.

The company's annual report is reviewed by the Audit Committee and Accountant prior to submission to the Board of Directors and publicized to the public.

The Board of Directors is responsible for having the corporate governance policy and implementation reported in the Company's annual report.

(5) Internal information controlling

The company assigned the management to report the shareholding status to the board in every company's director meeting, even though there is no purchase or sales movement in the stock.

(6) Internal Control

The three members of Audit committee has meeting with the Board of Directors meeting No. 2/2008 on 23rd May 2008. The Board of Directors have evaluated for the internal control system about Stock Management system, Property Plant and Equipment Control, Operations and Purchases Payments and Payables Control 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 entities, as well as any matters involving conflict of interest and ensuring that the Company discloses information in accordance with applicable laws and regulations.

The Audit Committee has reviewed and has the opinion that the company's activities are 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.

The dividend payment policy of Lao Stanley Co., Ltd., the subsidiary company is not less than 5 % of capital.

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 5 Page 31 - 33 of the financial statement on 31st March 2008. 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 2008	The reasonable of transctions
1. Stanley Electric Co.,Ltd.	1. Major shareholder, holding 29.95% 2. Common director 1 person as 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 form the related party in accordance with the agreement 4. Designed and Development Fee is chared 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 amount 488.86 millions baht Balance 145.15 millions baht Sold amount 57.70 millions baht Balance 5.83 millions baht Amount 224.02 millions baht Amount 35.09 millions baht Amount 6.90 millions baht Amount 4.85 million baht Amount 0.74 millions baht	Specically 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. Specically 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 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 1. Mr.Apichart Leeissaranukul 2. Mr.Hiroyuki Nakano	1. Selling goods,	Sold amount 62.50 millions baht Balance 18.07 millions baht	Specically products Pricing are charged in the normal course of business and same practice with the outsider.

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1. Related party transaction by way of the shareholder or common directors. (Continued)

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2008	The reasonable of transctions
3. Vietnam Stanley Electric Co.,Ltd.	<ol style="list-style-type: none"> Common major shareholders as Stanley Electric Co.,Ltd. Holding 50% Common director 2 persons as <ol style="list-style-type: none"> Mr.Apichart Leeissaranukul Mr.Hidenari Yamazaki Thai Stanley holding share 20% 	<ol style="list-style-type: none"> Purchasing goods Selling goods 	Purchased amount 17.65 millions baht Balance 3.46 millions baht Sold amount 89.60 millions baht Balance 21.08 millions baht	Specially products Pricing are charged in the normal course of business and same practice with outsider. Specially products Pricing are charged in the normal course of business and same practice with the outsider.
4. Asian Stanley International Co.,Ltd	<ol style="list-style-type: none"> common major shareholder as Stanley Electric Co.,Ltd. Holding 67.5% Common Director 2 persons as <ol style="list-style-type: none"> Mr.Apichart Leeissaranukul Mr.Hidenari Yamazaki Thai Stanley holding 15% Holding Thai Stanley 0.44% 	<ol style="list-style-type: none"> Purchasing raw material Selling goods 	Purchased amount 100.11 millions baht Balance 13.61 millions baht Sold amount 3.19 millions baht Balance 0.40 millions baht	Specially 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	<ol style="list-style-type: none"> Common major shareholder as Stanley Electric Co.,Ltd. Hoding 60 % Common director 3 person as <ol style="list-style-type: none"> Mr.Tadashi Kochi Mr.Hiroyuki Nakano Mr.Apichart Leeissaranukul Thai Stanley holding 10% 	<ol style="list-style-type: none"> Purchasing raw material Selling goods, 	Purchased amount 0.32 millions baht Balance 0.03 millions baht Sold amount 266.34 millions baht Balance 49.37 millions baht	Specially 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.	<ol style="list-style-type: none"> Common major shareholder as Stanley Electric Co.,Ltd. Holding 90 % Common director 1 person as Mr.Masahiro Nakamura Thai Stanley holding 10% 	<ol style="list-style-type: none"> Selling goods 	Sold amount 0.16 millions baht Balance None	Specially products Pricing are charged in the normal course of business and same practice with the outsider.
7. Sirivit Stanley Co.Ltd.	<ol style="list-style-type: none"> Thai Stanley holding 15% Common director 3 persons as <ol style="list-style-type: none"> Mr.Hiroyuki Nakano Mr.Apichart Leeissaranukul Mr.Kaoru Kuramoto 	<ol style="list-style-type: none"> Purchasing raw material Selling raw material 	Purchased amount 208.35 millions baht Balance 20.98 millions baht Sold amount 107.40 millions baht Balance 16.65 millions baht	Specially 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.	<ol style="list-style-type: none"> Thai Stanley holding 15% Common director 1 person as Mr.Hiroyuki Nakano 	<ol style="list-style-type: none"> Purchasing raw material 	Purchased amount 1.45 millions baht Balance 0.06 millions baht	Pricing are charged in the normal course of business and same practice with the outsider.

1. Related party transaction by way of the shareholder or common directors. (Continued)

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2008	The reasonable of transactions
9. Sum Hitech Co.,Ltd.	1. Thai Stanley holding 15% 2. Common director 1 person as Mr.Hiroyuki Nakano	Hire for surface of injection plastic part	Hire amount 145.78 millions baht Balance 15.95 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 1. Mr.Apichart Leeissaranukul 2. Mr.Thanong Leeissaranukul 3. Mrs.Pimjai Laochinda 4. Mrs.Pornthip Sethiwan	1. Purchasing raw material	Purchased amount 47.51 millions baht Balance 9.38 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 1. Mr.Thanong Leeissaranukul 2. Mrs.Pornthip Sethiwan 3. Mrs.Porndee Leeissaranukul	1. Selling goods,	Sold amount 99.91 millions baht Balance 30.57 millions baht	Pricing are charged in the normal course of business and same practice with the outsider.
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 0.84 millions baht Balance 0.33 millions baht Sold amount 8.15 millions baht Balance 5.94 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.

2. 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 2007	Balance as at 31 March 2008
1. Guangzhou Stanley Electric (China)	Purchased amount - Sold amount 10.49 millions baht	- 2.71 millions baht
2. Stanley Iwaki Factory (Japan)	Purchased amount 0.40 millions baht Sold amount 10.93 millions baht	- -
3. Stanley Electric (Asia Pacic) (Taiwan)	Purchased amount 0.68 millions baht Sold amount 4.20 millions baht	- 0.10 millions baht
4. Stanley Electric (Asia Pacic) (Singapore)	Purchased amount 11.00 millions baht Sold amount -	- -
5. Stanley Tsuruoka Work Ltd. (Japan)	Purchased amount 0.28 millions baht Sold amount -	- -
6. Shenzhen Stanley Electric Co.,Ltd.	Purchased amount 90.72 millions baht Sold amount -	13.51 millions baht -
7. Stanley Electric US Inc. (U.S.A)	Purchased amount 2.33 millions baht Sold amount 0.39 millions baht	8.40 millions baht 0.06 millions baht

Company Name	Transaction Amount in 2007	Balance as at 31 March 2008
8. Stanley Electric Hungary KFT. (Hungary)	Purchased amount - Sold amount 0.25 millions baht	- -
9. Tianjin Stanley Electric Co.,Ltd. (China)	Purchased amount 2.61 millions baht Sold amount 11.09 millions baht	2.40 millions baht 0.10 millions baht
10. Tianjin Stanley Sakata Component (China)	Purchased amount 23.54 millions baht Sold amount -	6.93 millions baht -

The approval for the related transactions

In Year 2007, 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 2008, that no transaction may cause conflict of interest, the company only have transaction with related parties company and normal course of business.

7 Financial Situation Analysis, and Business Result

Since Year 2007, the company gains the total revenue of 8,602.78 million baht, which has been considered to be 4.71 percents more than those of Year 2006, the effect was mainly from Automotive Industrial growth and new model, that the details of Business Result and Financial Situation can be shown as follows;

Company's Revenue

Since Year 2007, our total revenue was 8,602.78 million baht, which was 386.69 million baht increase or 4.71 percents of previous year as per the details shown below;

- Sales were 8,329.88 million baht, which were 422.93 million baht increase or 5.35 percents less of previous year from Export sale increase 65.59 percents and Domestic sale increase 34.41 percents.
- Dividend income increase 2.04 million baht from Asian Stanley International Co.,Ltd.
- Gain on exchange rate decrease from previous year 23.02 million baht that become to expenses - loss on exchange rate in 2007 financial statement.

- Other Incomes decrease 15.25 million baht from previous year, comprised of the important list as follows;

- Interest Income decrease 4.71 million baht of previous year from interest rate decrease.
- Scrap sale decrease 17.35 million baht from price rate decrease.
- Income from Export promotion increase 6.60 million baht from Export sale growth.

Company Expenses

The Expenses of our company which was included the Interest Expense and Income Tax since year

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2007 was 7,373.67 million baht which was 268.68 million baht increase or 3.78 percents less of Year 2006, as shown below;

- Cost of Sales was 6,367.30 million baht, which were 76.44 percents of sale and 1.49 percents less of previous year.
- Selling and Administrative Expenses of Year 2007 was 584.57 million baht, which was 127.94 million baht increase of previous year, the details of expenses as
- Royalty expenses were 13.17 percents.
- Building and Equipments maintenance expenses were 4.68 percents.
- Custom department penalty was 14.07 percents
- Income Tax was 414.93 million baht increase from the previous year 43.36 million baht.

Net Profit

Net Profit of the company was 1,229.11 million baht, which was 118.01 million baht more or 10.62 percents more of same period last year.

Financial Situation of the Company

Total Assets

Total Assets of the Company was 7,312.80 million baht, which was 948.42 million baht more of 6,364.38 million baht or 14.90 percents more of last year, as per the following details

- Cash and cash equivalents increase 340.66 million baht or 29.66 percents from the previous year.
- Trade accounts receivable, net increase 148.73 million or 12.85 percents from the previous year.
- Inventories increase 134.72 million baht or 30.95 percents from the previous year.
- Other current assets increase 5.68 million baht or 10.13 percents from the previous year.
- Long-term investments, net decrease 4.69 million baht from impairment of investment in Stanley Electric Engineering India PVT.
- Property, Plant and equipment net , increase 193.25 million baht or 6.02 percents, this was from new Lamp plant investment in building , machines , equipments and mold.
- Intangible Assets increase 120.44 million baht more, which was the Capital of New Product Design Development Project and investment in new computer program SAP system.
- Other non-current assets, net increase 9.35 million baht or 46.43 percents.

Total Liabilities

Total liabilities of the company was 1,471.73 million baht increase 89.12 million baht more of last year which was 1,382.61 million baht or 6.45 percents , as per the following details;

- Trade accounts payable increase 148.31 million baht or 23.42 percents.
- Other payable decrease 128.56 million baht more or 28.06 percents.
- Foreign currency forward contracts payable decrease from foreign currency forward contact payables was 0.28 million baht.
- Accrued income tax increase 64.49 million baht or 36.78 percents.
- Advances received from customers decrease 13.87 million baht or 93.03 percents from delivery products to customer already.
- Other current liabilities increase 8.67 million baht or 9.43 percents.
- Retirement benefit obligation increase 11.69 million baht or 159.47 percents, which was the provision under Thai Labor Law.

Shareholders' equity

The Shareholders equity increase 859.29 million baht or 17.25 percents, since Net Profit of the company was 1,229.11 million baht more and Dividends paid has been paid for the amount of 371.62 million baht and reserve for fair value 1.8 million baht.

May	1980	- Establishment and registration of the Company in Bangkok for the purpose of manufacturing and selling automotive bulbs with and initial capital of Bt. 10 million under investment.
August	1984	- Received investment promotion from The Board of Investment to manufacture Lighting Equipment and completion of factory for Lighting Equipment.
October	1987	- Received investment promotion from The Board of Investment to manufacture Die & Mold. Increased capital to Bt. 53 million.
March	1988	- Investment in a new company. (Asian Stanley International Co.,Ltd.)
April	1988	- Completion of Die & Mold factory.
November	1990	- Completion of new factory for Lighting Equipment.
May	1991	- The Company was listed in The Stock Exchange of Thailand.
June	1991	- Completion of head ofce building.
November	1991	- Received investment promotion from The Board of Investment for establishment Research & Development Center.
July	1993	- Registered transform to The Public Company Limited and increased capital to 274.5 million baht and changed name to “Thai Stanley Electric Public Company Limited.”
September	1993	- Signed technical assistance agreement with Electro Polymers (PVT.) Ltd. in Pakistan to produce automotive lighting equipment.
October	1993	- Establishment of The Stanley (Thailand) Foundation registered capital Bt. 200,000.
November	1993	- Signed Joint Venture agreement for establishment of Lao Stanley Co.,Ltd. in Lao People’s Democratic Republic.
September	1994	- Received an award for the best organization from Ministry of Labour and Social Welfare.
October	1994	- Participated of equity for Sum Hitechs Co.,Ltd., Sirivit Stanley Co.,Ltd. and Lumax Industries Limited.
May	1995	- Signed Joint Venture agreement of establishment of Top Hightech (Thailand) Co.,Ltd.
June	1995	- Increased capital to 383.125 million baht.
September	1995	- Completion of Welfare building.
November	1995	- Completion of new factory for Lighting Equipment for Automobiles.
May	1996	- Signed Joint Venture agreement of establishment of Vietnam Stanley Electric Co.,Ltd. in Hanoi, Vietnam.
October	1996	- Completion of new factory for Molding Plant.
July	1997	- Completion of expansion factory for Die & Mold
January	1999	- To certied quality system ISO 9002 in manufacturer of Automotive bulb and Die & Mold
July	1999	- To certied quality system ISO 9001 in manufacturer of Die & Mold
May	2000	- Completion of expansion factory for Automotive bulb and Die & Mold.
May	2000	- Signed technical assistance agreement with Unitech Machines Limited in India to produce Automotive Lighting Equipment.
September	2000	- Received “Female and Child Labour Management Achievement” Certicate from Ministry of Labour and Social Welfare.
January	2001	- QS 9000 Quality System has been acquired for Automotive bulb and Lighting Equipment Division.

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May	2001	- Joint Investment with Stanley Electric Company Limited to establish Stanley Electric Engineering India PVT.Ltd. (SEI) in India. In order to support the potential expansion of India market.
September	2001	- Joint Investment with Stanley Electric Company Limited to establish P.T. Indonesia Stanley Electric in Indonesia. In order to support the potential expansion of Indonesia market.
September	2002	- To certied environmental management ISO 14001.
July	2003	- Received The Best Performance Award in Industrial category on “SET AWARD 2003” from The Stock Exchange of Thailand.
October	2003	- Completion of new factory in Navanakorn Industrial Estate for Plastic Injection Parts and Lighting Equipment for vehicle.
May	2004	- Received “The Best Performance Company of Safety, Occupational Health and Working Environment Award 2004 “from Ministry of Labour.
July	2004	- Received The Best Performance Award in Industrial category on “SET AWARD 2004” from The Stock Exchange of Thailand.
November	2004	- Received “Green Factory” Certicate from Pathumthanee Province Labour and Welfare Protection Government.
April	2005	- Received “Best Corporate in Social Security Cooperation Award” from Ofce of Social Security, Pathumthanee Province.
May	2005	- Received “The Best Performance Company of Safety, Occupational Health and Working Environment Award 2005” from Ministry of Labour for the second year in a row.
March	2006	- To certied quality system ISO/TS 16949.
May	2006	- 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	2006	- Received The Best Performance Award in Industrial category on “SET AWARD 2006” from The Stock Exchange of Thailand
August	2006	- Received the Copper Trophy for participant in The National Zero Accident Campaign from Ministry of Labour.
September	2006	- Received “An Outstanding Establishment in the year 2006 for achievement on Labour Relations and Welfare Relations Award” from Ministry of Labour.
March	2007	- Completion of New Production 5 Factory for Lighting Equipment Manufacturer for automobile.
May	2007	- 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	2007	- Received the Copper Trophy for participant in The National Zero Accident Campaign from Ministry of Labour for the second year in a row.
September	2007	- 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.

STANLEY



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