

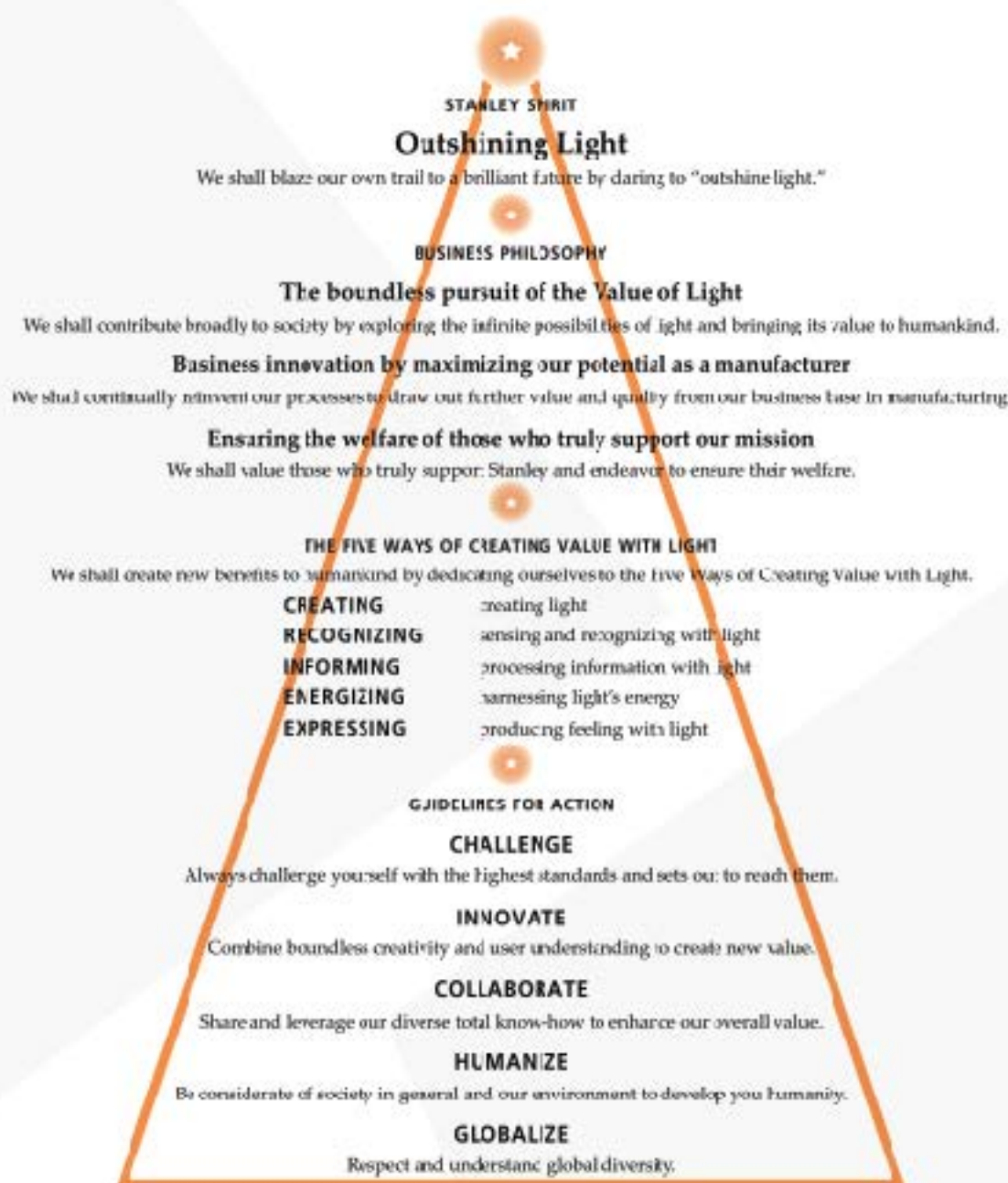


Thai Stanley Electric Public Company Limited
บริษัท ไทยสแตนเลย์ไฟฟ้า จำกัด (มหาชน)

ANNUAL REPORT 2016

รายงานประจำปี 2559
สำหรับปีสิ้นสุด 31 มีนาคม 2560
Fiscal Year Ended March 31, 2017

STANLEY GROUP VISION



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HIGHLIGHTS

For the year ended
31 March 2017
(Thousand)

For the year ended
31 March 2016
(Thousand)

Change
(%)

Operating Report

Sales	11,024,797	10,672,224	3.30
Total Revenues	11,210,771	11,109,524	0.91
Cost of Sales	9,087,201	8,929,410	1.77
Selling and Administrative Expense and other	799,007	774,854	3.12
Profit before income tax	1,580,284	1,622,612	(2.61)
Net Profit (Loss)	1,270,768	1,303,410	(2.51)

Financial Statement

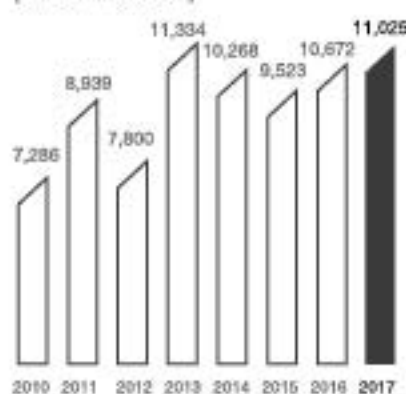
Current Assets	7,738,068	7,059,504	9.61
Total Assets	15,135,832	14,407,271	5.40
Current Liabilities	1,548,236	1,643,233	(5.78)
Total Liabilities	1,844,354	1,899,325	(2.89)
Equity	13,341,478	12,507,945	6.66

Financial Ratio

Net Profit Margin (%)	11.34	11.73
Return on Equity (ROE) (%)	9.83	10.94
Return on Total Asset (ROA) (%)	8.59	9.41
Debt to Equity (DE) (time)	0.14	0.15
Price Earning ratio (PE) time	12.12	9.91
Current Ratio (time)	5.00	4.30
Net Profit (Loss) per share	16.58	17.01
Par Value	5.00	5.00
Book Value per Share	174.11	163.24

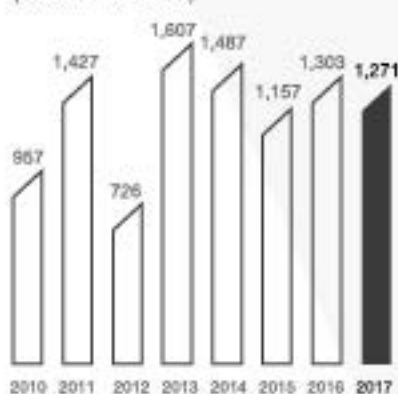
Net Sales

(Unit : million baht)



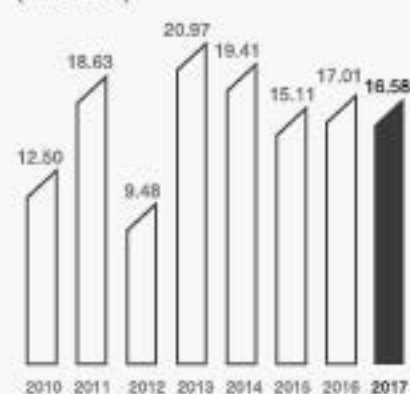
Net Profit

(Unit : million baht)



Net Profit (Loss) per Share

(Unit : baht)



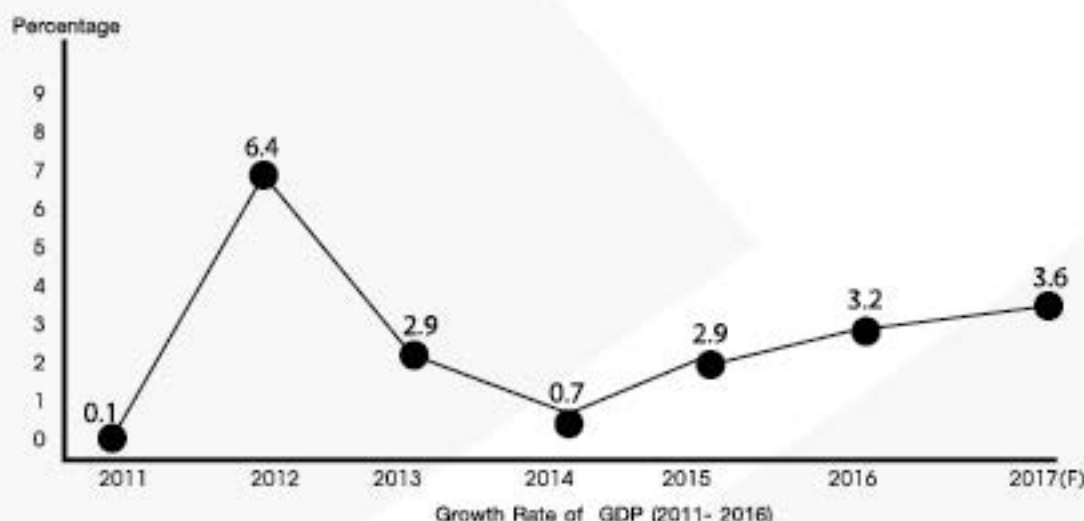
TO OUR SHAREHOLDER

1. General economic situation

The economy of Thailand in 2016 recovered slightly and appeared to be more stable.

The GDP growth rate in 2016 is 3.2%, slightly higher than in 2015, which is 2.9%. Quarterly GDP figures are as following: January - March 3.1%, April - June 3.6%, July - September 3.2%, and October - December 3.0% which reflects Thailand's economic stability.

The Ministry of Finance forecasts the Thai economy in 2017 to grow to 3.4%, but it may have risen to 3.6% due to the smooth export situation and government stimulus packages.



2. Automotive industry trends

The automotive industry is an industry related to the company. The domestic demand remains sluggish, while total domestic sales for 2016 were 769,000 units (decreased 3.9% from the previous year), but total production increasing to be 1,944,000 units (increased 1.6% from the previous year), that by the expanding export market.

Quarterly production figures are as following: January – March 507,000 units, April – June 486,000 units, July – September 483,000 units, and October – December 468,000 units.

The Federation of Thai Industries estimate the production of Thailand's automotive industry will pass 2,000,000 units in 2017 (increasing 2.9% from the previous year) which can be divided for domestic sale as 800,000 units (increasing 3.0% from the previous year) and for exports sale as 1,200,000 units (increasing 2.8% from the previous year).

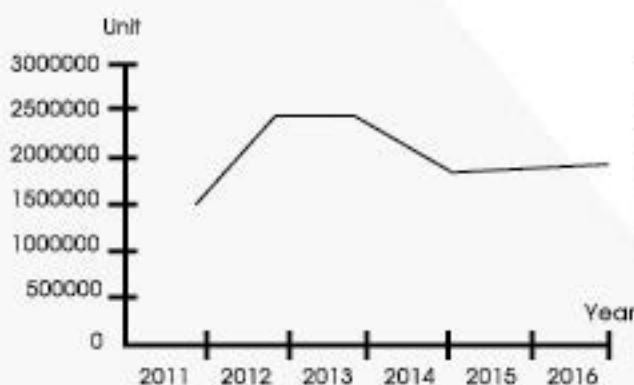
In 2017, the first-car buyer scheme are being unlocked after five years of ownership, stimulating buyers to replace them with new cars.

In addition, due to the oil price recovery, exports to Middle East countries are expected to rebound.

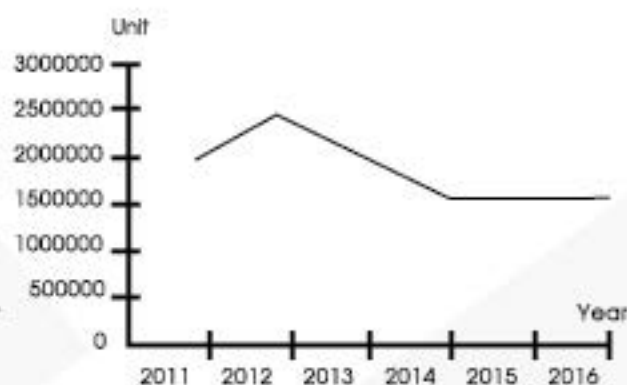
The market witnessed splendid growth of motorcycle industry in 2016 with the total domestic sales of 1,743,000 units (increased 4.0% from the previous year) and the total production of 1,820,000 units

(increased 0.7% from the previous year).

The Federation of Thai Industries estimate the production of Thailand's motorcycle industry will pass 2,100,000 units in 2017 (increasing 15.4% from the previous year) which can be divided for domestic sale as 1,800,000 million units (increasing 18.3% from the previous year) and for export sale as 300,000 units (increasing 0.3% from the previous year) .



Automobile Manufacturing Volume (2011-2016)
(Domestic + Export)
(Source Thailand Automotive Institute)



Motorcycle Manufacturing Volume (2011-2016)
(Source Thailand Automotive Institute)

3. The operation of the company

Due to the recovery of the Thai economic situation and the automotive industry in 2016, sales of the company increased by 3.30% compared to the previous year, as a result of business improvement activities which include upgrading productivity through the Stanley New Approach for Higher Productivity (SNAP), continuous improvement through zero waste goals, and improving customer confidence and company's performance through the company's revenue enhancement strategy

<Sales Structure>

The Company's main businesses are divided into 3 categories: "Automotive bulbs business" "Automotive Lamps business " and "Molding / Design business

Sales from Automotive Lamp business was 89.49% and sales from Automotive bulb business was 5.69% and sales from molding and design business was 4.82% respectively.

The Automotive Bulb business sells directly to the market and delivers supplies to the lighting business as components for lamp.

The molding business, it provided to shape up components of the lamp and sell to the companies in the Stanley group and other trading partners.

The design business , that designing our own lamps and are also shipped to Stanley and other trading partners

Sales

Values and proportion of sale volume structure by each business during 2016 as follows

Unit : Million Baht

	In 2016 (Apr.2016 – Mar 2017)		In 2015 (Apr.2015 – Mar.2016)		Inc./Dec. Rate
	Amount	Proportion	Amount	Proportion	
Automotive Bulb business	627.77	5.69%	641.97	6.02%	2.21%
Automotive Lamp business	9,865.91	89.49%	9,268.91	86.85%	6.44%
Mold and Design business	531.12	4.82%	761.34	7.13%	(30.23%)
Total	11,024.80	100.00%	10,672.22	100.00%	3.30%

* Automotive Bulb business and Mold and Design business do not include internal transfer

Investment

Investment in 2016 were as follow

Unit : Million Baht

	In 2016 (Apr.2016 – Mar 2017)	In 2015 (Apr.2015 – Mar.2016)	Inc./Dec. Rate
	Amount	Proportion	
Land	20.66	4.14	400.00%
Building	2.20	40.5	94.57%
Equipment, Machines and tools	574.48	191.64	200.00%
Mold and Jig	338.77	513.936	34.09%
Other	9.24	8.89	3.93%
Total	945.35	759.13	24.53%

Employment

Numbers of personnel at the end of 2016 were as follow

Unit : Person

	Personnel at the end of 2016	Personnel at the end of 2015	Inc./Dec.
Thai workers (Male)	1,556	1,636	(80)
Thai workers (Female)	1,313	1,392	(79)
Japanese workers	28	27	1
Total	2,897	3,055	(158)

4. Future Trends

With regard to the continuation of the government stimulus packages and the improving export conditions in 2017, the company expects the economy in the second half of the year to improve.

The operation of the ASEAN Community is likely to expand the economies of ASEAN countries. Thailand's automotive industry is promising as it is gearing towards the regional manufacturing hub.

In terms of production, there is fierce competition with ASEAN countries and BRICS which include China and India.

Conglomerates adapt to the changing business environment by using R&D as a capacity building tool for product development for ASEAN customers.

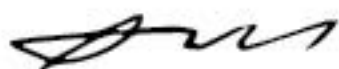
In the second half of 2017, the automotive and motorcycle industry are anticipated to continue to grow. The company will keep abreast of new updates and trend based on customer demand.

The company will synergize the intelligence and capabilities of the personnel within the company and its affiliates to overcome the competition under such circumstances. In addition, productivity enhancement will be done through SNAP (Stanley New Approach for Higher Productivity) in conjunction with technological and product development for sustainable growth.

The company strive to strengthen and improve work system in terms of quality, cost and delivery to gain customer trust.

For mutual prosperity, the company operates according to the principles of corporate responsibility where profits were shared to its primary stakeholders (shareholders, customers, employees, the communities, etc.)

The company will be fully committed to continuing with the efforts to achieve the goals of the above-mentioned measures in generating profits and creating satisfactory returns for all shareholders. The company would like to thank all the supporters who always embrace the company.



Mr. Apichart Leeissaranukul
Executive Chairman



Mr. Koichi Nagano
President

Thai Stanley Electric Public Company Limited

THE BOARD OF DIRECTORS & THE EXECUTIVES



1



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THE BOARD OF DIRECTORS

Mr. Apichart Lee-issaranukul
Director

Mr. Koichi Nagano
Director

Mr. Tadao Suzumura
Director

Mr. Thanong Lee-issaranukul
Director

Mrs. Pimjai Lee-issaranukul
Director

Mrs. Pornthip Sethiwan
Director

Mr. Toru Tanabe
Director

Mr. Katsutoshi Iino
Director

Mr. Krisada Visavateeranon
Independent Director

Mr. Chokechai Tanpoonsinthana
Independent Director

Mr. Suchart Phisitvanich
Independent Director

Mr. Picharn Sukparangsee
Independent Director

THE BOARD OF DIRECTORS & THE EXECUTIVES



3



4



5



6

THE EXECUTIVES

1.Mr.Apichart Lee-issaranukul
Executive Chairman

2.Mr.Koichi Nagano
President

3.Mr.Tadao Suzumura
Director

4.Mr.Koji Kobayashi
Executive General Manager

5.Mr.Hideki Matsui
Executive General Manager

6.Mr.Etsuya Kawashima
Executive General Manager

NEW PRODUCTS

Last year, Manufacturers have produced motorcycles and automobiles with new models as follow :

Motorcycles

HONDA



Scoopy i



Scoopy i

YAMAHA



QBIX



QBIX

RENUALT



Alaskan



Alaskan

Automobiles

HONDA



CITY

TOYOTA



Fortuner

HONDA



CRV



CRV

TOYOTA



VIOS

ISUZU



Mu-x



Mu-x

CSR REPORT

Thai Stanley Electric Public Company Limited is a fully integrated automotive lighting equipment manufacturer and distributor. The company has strategically developed a set of management policies to highly satisfy customers at large, as part of the intention to push forward effective development of all corporate departments, while recognizing the importance of having a concrete relationship with all parties involved in the industry earnestly and sincerely.

The company focuses on the evolution of quality products that genuinely meet international standards as well as various needs of customers. The company has recently advanced its brand-new production strategy known as SNAP (Stanley New Approach for Higher Productivity) , a corporate activity launched to generate further improvement in all business aspects that can substantially be measured by cost reduction.

In 2016, SNAP activities shifted from focusing on improving production capacity to fostering revolutionary innovation of products and services by broadening the scope of activities, emphasizing mainly on the improvement of productivity of manpower. Thai Stanley Electric had successfully established its SNAP Training Center to facilitate production training for new and transferred staff members to ensure the reduction of operational mistakes. Additionally, the company had advanced its Production Management System to promote the most modern production management, for instance, the QR code, tangibly resulting in greater manufacturing development and efficient cost reduction.

Other related activities, varying in stock control, linear improvement, and SNAP training, have also been promoted consistently following the previous year's remarkable achievement. The company is able to generate cost reduction, increasing profit, and value added per person efficiently and consistently and the company's high-ranking executives still remain firm in monitoring and supervising all related corporate activities via the so-called SNAP Patrol strategy on a monthly basis.



SNAP Training Center and SNAP Patrol activity conducted by high-ranking executives on a monthly basis

In addition to the significance of production, The Company also takes into account a sincere relationship of all stakeholders, which is implemented based on eight Corporate Social Responsibility (CSR) principles specified by the Stock Exchange of Thailand as follows:

1. Fair Business Operations

The Company always adheres to fair business conducts in an honest, transparent, and unbiased manner, while promoting the concept to employees at all levels. The company has developed its Code of Conduct for the Board of Directors and other staff members serving as a guideline to perform their duties with honesty and transparency, while taking into account the accuracy of operations, respect of related laws and regulations, and righteousness of working behaviors.

The Company has published and distributed the Code of Conduct guidebook for the Board of Directors and staff members, while disseminating all details in the company's internal media. Certainly, the Code of Conduct developed for the Board of Directors and staff members will be used as a compulsory orientation program for newly recruited employees on a yearly basis.

Furthermore, the aforementioned Code of Conduct has been promoted to all employees working for other Stanley groups to reflect the unity of business management and operations.

Fair Business Competition

The Company has always recognized the importance of fair competition rules that will never regulate market monopoly or cause biased competition to other business rivals.

The Company provides training for employees who are directly involved with this matter i.e. marketing , purchasing etc. whereas other general employees are informed via internal communication and the Office of Internal Audit are examined concerning these aspects on a yearly basis.

Respect of Other Businesses' Property Rights

The Company always takes into account the importance of customer confidentiality. As each product possesses its copyright to be owned by a certain customer, the company will assign a responsible person to take care of the product in every process, starting from the design and manufacturing to the delivery to the customer.

The company has issued its information security policy to facilitate the control and maintenance of corporate data including customer confidentiality. There is an Information System department established to manage and supervise the access to information and control the equipment and programs applied into the company's copyrighted computer-based programs and systems authorized by information technology business providers. Obviously, the information technology department is required to review its policy and

other requirements at least once a year, which will be proposed to the Risk Management Committee and the Board of Directors on a yearly basis.

In addition, the company has upgraded its confidentiality measures to rely more on physical controls, requesting for good collaboration from all visitors. Under the company's premises, no photography is allowed unless it is officially approved by the company. Meanwhile, recording of sound or image will never be accepted, particularly in restricted areas, for instance, the research and development department, the new product development department, and the production engineering department.

Social Responsibility Promotion towards Strategic Partners and Business Chains

The Company has efficiently collaborated with strategic partners, both customers and suppliers, via various CSR activities. Currently, those strategic partners have determined to pay closer attention to social responsibility activities such as environmental development and ISO14001 certification. The company will always be prepared to participate in CSR activities, while keeping its employees informed about the progress of such activities.

Responsible Political Involvement

The Company has policy to forbid political involvement, but will not limit its employees in exercising their political rights by law. As employees are required to be present for political election, they will be allowed to temporarily leave their tasks to exercise their rights without having to deduct their working hours and salary payment.

The company has never been prosecuted for any illegal conduct or regulatory violation regarding the importance of these requirements.

2. Anti-Corruption

The Company has set its anti-corruption policy considered the company's Code of Conduct stating that "The Board of Directors, executives, staff members, and other related parties are strictly prohibited to get involved in any form of corruption including offering, promising, soliciting, demanding, and giving or accepting bribes as well as request others to accept those corrupted practices on their behalf, related to the company's business operations".

For the review and evaluation of this requirement, each department manager is directly responsible for assessing risks in various areas prior to informing the Risk Management Committee at least once a year. Similarly, the Office of Internal Audit will be required to annually evaluate all corruption-related issues before proposing them to the Audit Committee and the Board of Directors, respectively.

For the penalty of misdemeanor, the company will consider the termination of employment contract without compensation payment. However, over the past years, there was no risk of corruption found.

The company has also announced its intention to join the Collective Action Coalition campaign developed by the Thai private sector aiming to promote the earnestness and sincerity of the company's anti-bribery and corruption policy, while preparing to file required documents into the consideration process of relevant agencies.

3. Respect of Human Rights

The Company has issued its labor management manual, considered an ultimate document of the labor management system according to the Thai Labor Standards explained below:

- Citizen Rights and Political Rights

Discrimination: The Company has expressed its intention not to support any discrimination action on employment, payment of wages and other financial supports, social welfares, training and development opportunities, promotion, employment termination, and retirement, which are due to the difference of nationality, race, religion, language, age, gender, marital status, sexual orientation, disability, HIV infection, preference of a political party, or personal concept and idea. The company will never hinder, interfere, or conduct any action deemed to have affected the employees' rights and their routine practices without causing any damage to the organization.

Child Labor: The Company will never approve, support, or get involved in employing a child labor whose age is under 15 years old. Also, the company has never encouraged the use of child labor in any business activity that may cause an impact on occupational health and safety.

Pregnancy: The Company will never allow any pregnant employee to work in inappropriate working conditions that will be harmful to her health and physical body. According to the relevant laws, pregnant ladies must be stationed in an appropriate working environment that will not affect their health and pregnancy. Similarly, there will be no termination of employment offered to pregnant employees, particularly during the pregnancy period. No diminution of position or benefits is always guaranteed due to pregnancy.

The company has cautiously evaluated this issue with its suppliers to promote the abolition of human rights in the Thai society.

Freedom of Business Association and Negotiation: The Company provides its employees with the right to join various committees in the company and fully possess the right of negotiation, selection, or election of corporate representatives. The company will never hinder or interfere with the exercise of employees' rights. At present, the company possesses authorized representatives elected to represent the Welfare Committee and the Occupational Health and Safety Committee. The election will be held in every two years.

Since the establishment, The Company has never been involved in any labor dispute and there is no labor union existing in the company.



- Economic, Social, and Cultural Rights

The Company takes into account the development of the quality of life of its employees to suit current economic conditions. To ensure the happiness of the work-life balance, the company has considered the increase of salaries for all employees on a yearly basis, while providing every personnel with appropriate organization-based welfares such as travel allowance, uniform, and laundry service. Employees will also be offered special presents for special occasions like birthday and the New Year festival. The company approves food expenses for diligent employees working overtime and outside the company. Furthermore, the company also remains alert in offering medical expenses to employees and their family members. These benefits will be considered and approved on a yearly basis.

The company organizes fun-filled activities to promote employees' good health, for example, sporting events and recreation activities. To foster greater awareness of Thai cultures for all employees, the company has launched its culture-based activities. Remarkable examples are the Buddha image bathing, Buddhist lent candle parade, dry-food almsgiving, and merit-making ceremony for special occasions.

In September 2016, the company was honored with the Outstanding Workplace Award for Labor Relations and Welfares by the Ministry of Labor for eleven consecutive years.



Employee engagement activities and award presentation

In October 2016, His Majesty King Bhumibol Adulyadej, the world's longest-reigning monarch passed away, plunging executives and employees into the most grief. In November the company held a religious ceremony in remembrance of His Majesty King Bhumibol Adulyadej and in March 2017 was honorably granted the most memorable opportunity to co-host the Buddhist merit-making ceremony to pay tribute to His Majesty. The Board of Directors, executives, and representatives of the Welfare Committee were present at the royal funeral ceremony held at Dusit Maha Prasat Throne Hall. In May 2017, the company encouraged the employees to make 10,000 flowers for the royal ceremony of His Majesty King Bhumibol Adulyadej that delivered to the Pathum Thani



4. Treatment of Labors

The Company has set its management standards to reflect the company's genuine social responsibility in the labor management aspect. The company is strictly committed to pursuing labor laws and other relevant requirements to generate greater development of employees' quality of life as well as working environment. Additionally, the company has been urged to regularly review its management policies as Thai labor standards are applied to all departments, covering suppliers and subcontractors.

The company has raised the issue of work respect according to the requirements of human rights and the protection of working conditions aiming to facilitate the labors at large.

The STARs Plan has been applied into the human resource management system to ensure effective development of manpower, which can be specified in six major categories.

1. Qualification

The company has set a hierarchy to demonstrate the level of employee performances used to determine fair and reasonable remuneration.

2. Position

The company has defined roles and responsibilities of each employee in the organization clearly.

Promotion will be evaluated according to the criteria set by the Promotion Committee.

3. Rotation

The company approves a change of affiliation by considering types of work to achieve greater development of competency, leading to the promotion to the ultimate level.

4. Evaluation

The company defines performance measurement criteria used in determining salaries, bonuses, promotions, and positions. Besides, this unveils weakness and strength of employees aiming for further development. The company's evaluation criteria are developed based on fair, reasonable, and acceptable principles.

5. Wage Payment

The company has set the structure of wages consisting of basic salary, specialist value, position value, and other financial aids paying for working overtime, working on holidays, working on shifts, food expenses, diligence allowance, and travel expenses. The company will consider the salary increase on a yearly basis, regarding the payroll index according to the government's approved minimum wage, inflation, and up-to-date industrial condition.

6. Skill Development

The company has reiterated its intention to enhance the ability of employees. The company develops a policy of skill development by means of sequential and on-the-job training programs. Strategic training and self-development programs are also introduced, where employees will be eligible to train with internal and external specialists, including experts from the Stanley Group in foreign countries.

In 2016, the company organized 44 in-house training sessions with 1,575 employees participated in the event, the average of 12 hours of training per person including 274 external training courses. Knowledge-based programs vary in culture of engagement, collaboration and team working, innovation development, and human capacity development based on the 70: 20: 10 learning model. Moreover, 26 employees were previously sent to Japan for overseas training.

The company has been certified with the Thai Labor Standard (TLS 8001 - 2010) of the complete version by the Ministry of Labor, which is audited on a yearly basis.



Occupational Health and Safety at Workplace

Thai Stanley Electric is concerned hugely about the employees' health and well-being. The company has decided to establish policies on occupational health and safety at the workplace in line with regular duties of employees since 2011. Also, the company has been certified with OHSAS18001 in the same year.

The Safety policies include:

1. The company is committed to ensuring that safety is the first priority in every employee's performance.
2. The company will always comply with all applicable laws, regulations, and standards related to occupational health and safety at the workplace.
3. The company will always support the improvement of appropriate working environment and continue to promote secure practices, ranging from using appropriate protective equipment to maintaining good health of all employees.
4. The company will encourage various safety-based activities that will stimulate greater awareness of safety among employees both inside and outside the workplace.
5. The company has requested all supervisors to be good role models, leaders, trainers, and motivators to encourage employees to produce excellent working performances in a secure way.
6. The company has urged all employees to consider their own safety, including security of colleagues and the company's assets at all times.
7. The company has promoted its occupational health and safety campaign to reflect the cleanliness, comfort, cleanliness, hygiene, and habit-forming in the workplace to prevent accidents and diseases due to operations.

8. The Company has motivated all employees to take part in the company's occupational health and safety program, where all employees will possess the right to offer productive comments and feedbacks on the improvement of working conditions and the development of operational safety.

9. The company has offered its firm support to the development of human resources and investment budgets allocated for the management of occupational health and safety at the workplace, ensuring the highest safety for all parties involved.

10. The company has promoted its Completely Check Completely Find Out (CCCF) program to achieve the goal of zero accident both inside and outside the workplace.

11. The Company regularly reviews its performances complying with the well-developed policies.

In 2016, The Company achieved the occupational health and safety campaign, reflecting zero serious accident, illness, death, strike, and fire case. The 8,000,000-working hour rate was achieved in the same year, decreased by 50% from the previous year.

The accident rate was developed to meet the target and the company has successfully increased its working hours to 12,000,000.

The company has announced the launch of its Safety Dojo Training Center to enhance greater safety awareness for both employees and outsiders aiming to support the zero accident campaign.

For other activities related to occupational health and safety at the workplace, the company also provides ongoing training, including security training, for all employees. The program includes the day and night evacuation drill, emergency preparedness, exhibition of occupational health and safety, energy conservation, Monday meeting, and several other knowledge-based activities.

In July 2016, the company was honored with the Outstanding Occupational Health and Safety Award for the thirteenth consecutive year.



Occupational health and safety activities

5. Consumer Responsibility

The Company always recognizes the importance of product research and development highlighted by its high-quality lamp of innovative design evolved to ensure great benefits for users, both riders and road users, reflecting the genuine quality and exceptional design based on the eco-friendly concept.

The company has established its Quality Assurance department to efficiently monitor product quality before and after the distribution, while acting as a central agency to be responsible for complaints from customers and users.

The company got the 2016 Quality Award from customers as Honda Access Asia & Oceania Co.,Ltd. and Siam Kubota Corporation Co.,Ltd.



Quality Award from customers

For the manufacturing of light bulbs, the company has collaborated with the Sittipol Group to organize the Dealer Meeting Day for authorized dealers from every corner of the country to meet and exchange their business insights, as part of the strategy to strengthen the light bulb market.

6. Conservation of Environment and Energy

Environmental Conservation

The Company has strategically determined its philosophical concept for the conservation of environment as follows:

"We are strictly committed to preserving the environment and making good use of natural resources through all corporate activities to preserve the fertile nature in the most sustainable way".

To comply with the aforementioned concept, environmental policies are described below:

1. The company will consistently introduce corporate activities related to environmental conservation and prevention of pollution to minimize the impact on the environment, while remaining firm in improving every working process varying in design, development, production, and waste management complying with relevant environmental laws and regulations.

2. The company will conduct effective communication programs based on basic philosophy, environmental policies and activities for all employees and related parties aiming to maximize knowledge and understanding on environmental conservation.

3. The company is always prepared to disclose its environmental policies and environmental activities to public.

In 2016, Thai Stanley Electric achieved its environmental conservation targets as follows:

1. Reduction of water consumption by 1% from 2015.

Operation : The company introduced its Water Recycle program to be applied into the development of light bulbs, sanitary wares, and lawn watering system. The program was promoted via the company's public announcement system, Monday meeting, and other knowledge-based activities.

Result: The result was highly satisfactory. It could reduce the use of water supply by 35,000 cubic meters per year.

2. Reduction of wastes by 1% from 2015.

Operation : The company conducted waste classification and introduced a new waste elimination method based on the reuse and recycle concepts. The company also launched an environment monitoring activity participated by the Environment Committee on a quarterly basis to boost greater environmental awareness among employees and other related parties.

Result: The result was achieved as planned. Wastes were classified prior to the recycling process. Additionally, employees appeared to focus more on the company's "5S" health and hygiene campaign.

3. Reduction of paper use by 1% from 2015.

Operation : The company had modified its consistency assessment method through the use of the Excel program, where the waste handling system has been implemented by the Information System department. The paper reduction campaign had been required to be pursued by all departments.

Result: The result was achieved according to plans. Executives and staff members had monitored the program developed in all areas.

In 2016, the measurement of pollution within the company, including noise, water, heat, and air were conducted by external agencies. All pollutions were maintained at acceptable rates complying with the required environmental standards.



Water recycling developed for internal use

Energy Conservation

Thai Stanley Electric has determined efficient energy conservation policies explained below:

1. Be committed to effective energy management and conservation, while strictly pursuing energy conservation laws and regulations.
2. Consider energy conservation to be the responsibility of top management and employees at all levels to cooperate in implementing the prescribed energy conservation measures, including the monitoring of outcomes to be reported to the Energy Conservation Committee on a regular basis. This reflects the company's passionate desire to continuously improve energy efficiency.
3. Allocate sufficient resources for energy conservation and management to ensure that the idea is in line with the company's objectives and goals.
4. Develop effective production process including activities related to energy consumption aiming for the achievement of energy conservation and management, considered part of the company's operations.
5. Improve energy efficiency to be in line with the nature and amount of energy used, where modern technology and good practices are applied in an appropriate and continuous manner.
6. Seek alternative energy to generate sustainable energy and environmental sustainability. It is highly appropriate to disclose the company's energy conservation activities to relevant stakeholders and the general public.
7. Reduce the use of CO₂ from 2015 by 1% = 1.7529 kgCO₂/Pc . (In year 2015 = 1.7706 kgCO₂/Pc)

In 2016, the company had approved three energy conservation policies described as follows:

1. Reduction of power consumption by 1% from 2015. The power and LPG consumption rates per 100 products were allocated for the production of lamps and light bulbs, indicated by working hours.

2. Limitation of power utilization via the computerized program. The company had installed the Power Meter Monitoring system to make efficient evaluation of power consumption and management.

3. Encouragement of collaborative power conservation.

Operation : The company had developed a strict policy on power conservation, requiring the company to power down its electricity on Sunday (once a month). Power conservation campaigns were introduced regularly via various internal media. Meanwhile, the company held its Energy Committee Patrol and Energy Holiday Patrol activities on a quarterly basis.

The company remains firm in pursuing its "Environmental and Energy Culture" stated below:

1. Don't pour oil or chemical waste into the drainage.
2. Turn-off machine and equipment after used.
3. Please consider and neatly check before printing.
4. Sorting waste before discard.
5. Reduce loss from air leak.
6. Thai Stanley commitment to reduce energy consumption.

To stimulate employees to have greater awareness on efficient use of resources, the company has reiterated its intention to promote its energy conservation campaigns via various internal communication media. Impressively, the results can be achieved as planned.



The Top management have recognized the importance of conducting regular follows-up on energy conservation activities on a quarterly basis. The company has constructed PQC building, a multipurpose building with canteen, library, gym, and spacious areas for engineering practices initiated to support production and on-the-job training prior to entering the production plant. Moreover, the innovative building is equipped with the Diming Switch system, natural lighting system, and LED lighting system complying with the energy conservation concept.

7. Social and Communal Development

The Company is located at Ban Klang , Pathumthani , and has been established outside the industrial estate location. The company is highly cautious of impacts that may possibly cause to the surrounding communities. Never having any dispute with the community, the Company is in collaboration with Ban Klang Municipality, representing communal people in organizing tradition-based activities, remarkable examples are the Buddha image bathing, Buddhist lent candle parade, dry-food almsgiving, and merit-making ceremony for special occasions.

For community development, the company has always relied on its unique employment model, where 80% of residents in Pathum Thani province and the nearby vicinity are employed. The company offers opportunities for students of local universities to visit factory for more knowledge and broader understanding on product manufacturing and management.

In 2016, Thai Stanley Electric organized a supportive activity to help farmers during the sluggish rice price period by joining forces with Pathum Thani Provincial Office to launch the "Rice Relief Distribution for Pathum Thani Farmers" project, considered a role model of rice purchase from farmers in Surin, Yasothon, and Roi Et provinces, totaling around 18.5 tons prompted for internal consumption. Local farmers were welcomed to take part in the weekly market activity as they could meet their customers directly.



In addition, to provide sustainable and concrete support to the Thai society, the company had generated its handful investment in Pracharath Rak Samakkee Pathum Thani (Social Enterprise) Company Limited, amounting 890,000 baht or 22.25% of the total investment complying with the government's policy to establish at least one government-based company in every province across the country. The idea was to support a gradual economic growth for people in the community, varying in agriculture, SME and OTOP business, and tourism.



8. Corporate Social Responsibility Culture towards the Society, Environment, and Stakeholders

As automotive lighting technology unveils the increasing demand for LED lights with energy-saving and long-lasting quality, the Stanley Group is poised to announce its leadership of the LED lighting market, particularly since various innovative products have been evolved to efficiently meet various requirements. The company has continued to promote the use of this modern technology to its customers, partners and people in general.

Corporate Social Responsibility Activities Following the Establishment of Stanley Thailand Foundation

The Stanley Group has established the Stanley Thailand Foundation since 1993, aiming to promote various CSR activities mainly in Pathum Thani province. Remarkable examples of CSR activities launched in 2016 can be described below:

1. Education Activity

1.1 The foundation had presented annual scholarships to 1,523 students from 24 schools in Pathum Thani province and 6 schools in Nakhon Ratchasima province.

For individualized scholarships, the foundation was consistently responsible for all education-related costs starting from the high school to Bachelor's Degree levels. In 2016, three outstanding students were selected to take part in the individualized scholarship program, where one of them was already graduated with a Bachelor's Degree. Currently, there are 28 students selected to join the program.

1.2 The foundation offered its concrete support to the science competition named the Stanley Science Project Contest held to encourage primary and secondary students to create excellent robotic devices. The competition was hosted by the Technology Promotion Association (Thailand-Japan).

Also, the foundation had sponsored the computer training program developed to provide greater information technology knowledge for school teachers as well as the non-soil vegetation project launched by Wat Bang Kudi School in Muang Pathum Thani district, Pathum Thani province.

1.3 The foundation donated educational equipment and 300 bicycles to 30 schools in Lat Lum Kaew, Thayaburi, Lam Luk Ka, and Nong Sua communities. Furthermore, the company had presents library books for another 83 schools in Pathum Thani and Nakhon Ratchasima provinces.

1.4 The foundation supported the construction of school building, purchase of playground equipment, and allocation of electrical appliances, books, and toys to Kukwang Child Development Center in Lat Lum Kaew , Pathumthani.

2. Environment Activity

The foundation had donated garbage to communities in Pathumthani such as Banklang Municipality , Kukwang Municipality and Suan Prik Thai Subdistrict Administrative Organization.

The foundation also renovated a flower garden for Wat Chin Wararam School.

3. Charity Activity

The foundation had donated other necessities for HIV-patient of Wat Phra Bat Nam Phu in Lopburi province and lame children of the Ruamphanya Person Lame Association in Nonthaburi province.



Stanley Thailand Foundation activities

The Company has remained firm in continuing activities in all aspects to achieve its organizational goals in terms of business growth and stability, together with the contribution to the Thai society and its environment, aiming for genuine business sustainability.

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Report of the Board to the Shareholders

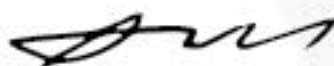
To Shareholders

The Board of Directors of Thai Stanley Electric Public Company Limited is responsible for the Financial Statements of the Company which have been prepared in accordance with generally accepted accounting standards in Thailand under the Accounting Act B.E.2543 , and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E.2535 . The accounting policies adopted are deemed appropriate and applied consistently with completely and adequate disclosure of significant information in the notes to the financial statements and information data that appears in the 2016 annual report and this was to ensure transparency and benefits to the shareholders and investors.

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

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

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



(Mr.Apichart Lee-issaranukul)
Executive Chairman



(Mr.Koichi Nagano)
President

Report of the Audit Committee

The Audit Committee of the Thai Stanley Electric Public Company Limited was appointed following a resolution at the Board of Directors Meeting on 29 July 2016. The Audit Committee's scope of responsibility was assigned in the "Audit Committee Charter", which was revised on 10 February 2017, according to the regulations of the Stock Exchange of Thailand.

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

In fiscal 2016, running from 1st April 2016 – 31st March 2017, the Audit Committee performed its duty according to the responsibility as delegated by the company's Board of Directors which corresponding to the regulations of the Stock Exchange of Thailand. There were 9 Audit Committee meetings, of which 4 meetings was a non-management meeting with an auditor and the other 5 meetings were performed with executives, auditors, and internal auditors attending as necessary. The Audit Committee members attended all the meetings. Major activities were as follows.

1. Reviewed the financial report. The Audit Committee reviewed the interim and annual financial statements of 2016 that were reviewed and audited by the auditor for propose to The Board of Director Meeting. The Audit Committee were questioning and listening to the executives' and auditors' clarifications concerning the correctness and completeness of the financial statements and the adequacy of information disclosure for the year 2016. The Audit Committee agreed with the auditors that the financial statements were correct and adhered to the general accepted accounting principles.

2. Reviewed the internal audit system by considering the scope of work, the responsibilities and independence of the Internal Audit and approved the annual internal audit plan, in which the Audit Committee was opinion that the Company conducts sufficient and appropriate internal audit control.

3. Reviewed the company's internal control system to evaluate the sufficiency, appropriateness and effectiveness of the internal control by considering the annual internal audit report according to the approved audit plan. It was found that there were no significant faults and there was appropriate, accurate, complete, and reliable of information disclosed. Auditor was no serious concerns about the internal control. In addition, the Audit Committee had considered the evaluation of internal control in accordance with the guidelines established by SEC. The Audit Committee had opinion that the internal controls system sufficient and appropriate and accordance to internal control framework of COSO.

4. Reviewed the Company's risk management of 2016 for its appropriateness and adequacy.

5. Reviewed compliance with the Securities and Exchange Acts, Regulations of the Stock Exchange of Thailand and other relevant laws, including compliance with the Company's requirement. The Audit Committee did not find any instance of significant non-compliance with the law, regulations.

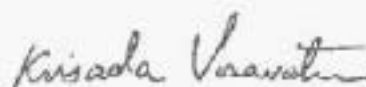
6. Reviewed and opined related transactions or transactions that may have conflicts of interest, and disclosure of such transactions to comply with regulation of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC). The external auditors opined that the

significant transactions with related persons were disclosed and shown in the Financial Statement and Notes to the Financial Statements. The Audit Committee had the same opinion as the external auditors and also considered that such transactions were reasonable and beneficial to the business of the company and were disclosed correctly and completely.

7. Considered appointing the external auditors and their remuneration for the year 2017 for propose their appointment to the Board of Directors for approval at the annual ordinary shareholder's meeting for the year 2017. The Audit Committee considered the performance, independence and remuneration and agreed to propose appointing Miss Varaporn Vorathitikul, Certified Public Accountant (Thailand) No. 4474 and/or Mrs. Unakorn Phruithithada, Certified Public Accountant (Thailand) No. 3257 and/or Mr. Prasit Yuengsrikul, Certified Public Accountant (Thailand) No. 4174 and/or Mr. Vichien Khingmontri, Certified Public Accountant (Thailand) No. 3977 in the name of the PricewaterhouseCoopers ABAS Co., Ltd. as the Company's auditors for 2015. The Audit Committee has the following opinions regarding the external auditors;

- They demonstrate a good work standard and expertise in auditing and have performed their duty efficiently.#
- The aforesaid audit company and auditors have no relationship or stakes with the Company/ executives/ major shareholders or persons related to those mentioned. Therefore there will be auditing independence and opinion in the Company's financial statement.
- The remuneration is deemed appropriate.

The Audit Committee fulfilled the responsibility of the Audit Committee Charter as approved by the Board of Directors and found that the Company's disclosed financial and operation in fiscal 2016, running from 1st April 2015 – 31st March 2016, had appropriate and effective internal control and audit, complied with laws, regulations and obligations, disclosed the connected transaction correctly, performed duties in compliance with the Good Corporate Governance principles with adequacy, transparency and reliability.



(Mr. Krisada Visavaeeranon)
Chairman of the Audit Committee

Auditor's Report

To the shareholders and the Board of Directors of Thai Stanley Electric Public Company Limited

My opinion

In my opinion, the financial statements in which the equity method is applied and the separate financial statements of Thai Stanley Electric Public Company Limited (the Company) present fairly, in all material respects, the financial position in which the equity method is applied and the separate financial position of the Company as at 31 March 2017, and its financial performance in which the equity method is applied and the separate financial performance and its cash flows in which the equity method is applied and the separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying financial statements in which the equity method is applied and the separate financial statements of the Company, which comprise the statement of financial position in which the equity method is applied and the separate statement of financial position as at 31 March 2017, and the statement of income in which the equity method is applied and the separate statement of income, statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income, statement of changes in equity in which the equity method is applied and the separate statement of changes in equity and statement of cash flows in which the equity method is applied and the separate statement of cash flows for the year then ended, and notes to the financial statements in which the equity method is applied and the separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements in which the equity method is applied and the separate financial statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements in which the equity method is applied and the separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements in which the equity method is applied and the separate financial statements of the current period. I determine one key audit matter: Valuation of inventories. This matter was addressed in the context of my audit of the financial statements in which the equity method is applied and the separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of inventories</p> <p>Refer to note 2.6 (accounting policies) and note 9 (inventories).</p> <p>The valuation of inventories is an area of focus because inventories are a significant part of the total assets and the allowances for obsolete and slow-moving inventories are subject to management's judgement. The appropriateness of the amount becomes subjective and is subject to potential bias in management's judgement, whether intentionally or unintentionally.</p> <p>The assessment for the allowances for obsolete and slow-moving inventories requires a degree of estimation from judgement. Management based their assessment on their experience and historical data. Inventories with no movement over 12 months are subject to 100% allowance. The level of the allowances is assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affect obsolete and slow-moving inventories.</p>	<p>I updated my understanding of the entity's assumptions used to develop the allowances for obsolete and slow-moving inventories and determined that the accounting policies are consistent with prior years.</p> <p>I assessed the reasonableness of management's assumptions used in developing the allowances for obsolete and slow-moving inventories by considering historical data and prior years' experience including key inventory ratios. I also challenged management's assumption of specific periods as to whether they were appropriate to be used in determining the valuation of inventory.</p> <p>I tested the reliability of the inventory aging report that was used to assess the valuation of inventory by tracing the last movement date of the inventory aging report to the supporting documents to confirm that inventories were assigned to the correct aging category by the system.</p> <p>I tested the mathematical accuracy of the allowances of the inventory balance derived from management's assumptions. No material variances arose from performing this work.</p> <p>I also assessed whether any obsolete and slow-moving inventories were omitted from the detailed analysis by examining the inventory aging analysis and tracing information obtained during inventory stock counts.</p> <p>Using the above procedures, I determined that management's assumption was properly applied. In addition, the estimation of the allowances for obsolete and slow-moving inventories was applied appropriately.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements in which the equity method is applied and the separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements in which the equity method is applied and the separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements in which the equity method is applied and the separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements in which the equity method is applied and the separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the financial statements in which the equity method is applied and the separate financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in which the equity method is applied and the separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements in which the equity method is applied and the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements in which the equity method is applied and the separate financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements in which the equity method is applied and the separate financial statements

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements in which the equity method is applied and the separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements in which the equity method is applied and the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements in which the equity method is applied and the separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements in which the equity method is applied and the separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the financial statements in which the equity method is applied and the separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Varaporn Vorathitikul
Certified Public Accountant (Thailand) No. 4474
Bangkok
18 May 2017

Thai Stanley Electric Public Company Limited
Statements of Financial Position
 For the year ended 31 March 2017

	Notes	Financial statements in which the equity method is applied		The Company only	
		31 March	31 March	31 March	31 March
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	6	1,085,634,900	1,839,887,555	1,085,634,900	1,839,887,555
Short-term investments held to maturity	7	3,836,983,912	2,120,000,000	3,836,983,912	2,120,000,000
Trade and other accounts receivable, net	8	2,052,024,750	2,262,189,201	2,052,024,750	2,262,189,201
Inventories, net	9	721,737,217	772,442,413	721,737,217	772,442,413
Current portion of loans to employees	10	33,874,533	20,695,496	33,874,533	20,695,496
Corporate income tax refundable		-	35,804,368	-	35,804,368
Other current assets		7,813,081	8,485,374	7,813,081	8,485,374
Total current assets		7,738,068,393	7,059,504,407	7,738,068,393	7,059,504,407
Non-current assets					
Loans to employees	10	36,891,950	14,858,090	36,891,950	14,858,090
Corporate income tax refundable		35,804,368	-	35,804,368	-
Investments in associates	11	1,048,232,284	931,423,285	57,176,689	57,176,689
Long-term investments, net	12	114,161,215	112,681,215	114,161,215	112,681,215
Property, plant and equipment, net	13	5,460,123,334	5,536,093,265	5,460,123,334	5,536,093,265
Intangible assets, net	14	720,008,805	731,687,189	720,008,805	731,687,189
Deferred tax assets, net	15	-	-	86,424,176	82,069,808
Other non-current assets, net		32,541,430	21,023,434	32,541,430	21,023,434
Total non-current assets		7,447,763,386	7,347,766,478	6,543,131,967	6,555,589,690
Total assets		15,185,831,779	14,407,270,885	14,281,200,360	13,615,094,097

The notes to the financial statements on page 44 to 72
are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Financial Position
 For the year ended 31 March 2017

		Financial statements in which the equity method is applied		The Company only	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable - other companies		457,449,854	515,856,412	457,449,854	515,856,412
- related parties	27	423,590,332	428,296,463	423,590,332	428,296,463
Other accounts payable - other companies		151,035,576	176,226,229	151,035,576	176,226,229
- related parties	27	129,660,328	141,173,810	129,660,328	141,173,810
Accrued corporate income tax		126,654,342	124,546,267	126,654,342	124,546,267
Accrued expenses	16	259,845,713	257,133,327	259,845,713	257,133,327
Total current liabilities		1,548,236,145	1,643,232,508	1,548,236,145	1,643,232,508
Non-current liabilities					
Deferred tax liabilities, net	15	111,796,943	92,779,512	-	-
Provision for post-employment benefits	17	184,330,737	163,313,497	184,330,737	163,313,497
Total non-current liabilities		296,117,680	256,093,009	184,330,737	163,313,497
Total liabilities		1,844,353,825	1,899,325,517	1,732,566,882	1,806,546,005
Equity					
Share capital					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each	18	383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital					
76,625,000 ordinary shares, par value of Baht 5 each	10	383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital	18	504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve	20	38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		12,512,887,321	11,624,962,354	11,618,257,978	10,879,356,592
Other components of equity		(97,076,067)	(42,704,106)	4,600,000	3,504,000
Total equity		13,341,477,954	12,507,945,368	12,548,633,478	11,808,548,092
Total liabilities and equity		15,185,831,779	14,407,270,885	14,281,200,360	13,615,094,097

The notes to the financial statements on page 44 to 71
are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Income
For the year ended 31 March 2017

	Notes	Financial statements in which the equity method is applied		The Company only	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Revenues from sales and services	5, 25, 27	11,024,796,625	10,672,223,586	11,024,796,625	10,672,223,586
Cost of sales and services		(9,087,200,921)	(8,929,409,699)	(9,087,200,921)	(8,929,409,699)
Gross profit		1,937,595,704	1,742,813,887	1,937,595,704	1,742,813,887
Other income					
- Dividend income	11, 12	23,417,685	9,375,743	92,882,941	63,088,653
- Gain on exchange rates, net		21,100,465	19,371,111	21,100,465	19,371,111
- Gain on sale of long-term investment		-	261,911,319	-	261,911,319
- Others	21	141,456,441	146,642,537	141,456,441	146,642,537
Profit before expenses		2,123,570,295	2,180,114,597	2,193,035,551	2,233,807,507
Selling expenses		(464,056,579)	(472,130,882)	(464,056,579)	(472,130,882)
Administrative expenses		(334,950,203)	(302,723,021)	(334,950,203)	(302,723,021)
Total expenses		(799,006,782)	(774,853,903)	(799,006,782)	(774,853,903)
Operating profit	22	1,324,563,513	1,405,263,694	1,394,028,769	1,458,953,604
Share of profit from investments in associates	11	255,720,107	217,351,555	-	-
Profit before income tax		1,580,283,620	1,622,612,249	1,394,028,769	1,458,953,604
Income tax	23	(309,515,723)	(319,172,008)	(272,264,753)	(286,440,279)
Net profit for the year		1,270,767,897	1,303,440,241	1,121,764,016	1,172,513,325
Basic earnings per share	24				
Net profit for the year		16.58	17.01	14.64	15.30

The notes to the financial statements on page 44 to 72 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited

Statements of Income

For the year ended 31 March 2017

	Note	Financial statements in which the equity method is applied		The Company only	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Net profit for the year		1,270,767,897	1,303,440,241	1,121,764,016	1,172,513,325
Other comprehensive income (expenses) for the year after tax:					
Items that will be reclassified subsequently to profit or loss					
Unrealised gain on change in fair value of available-for-sale investment	23	1,184,000	1,184,000	1,184,000	1,184,000
Exchange differences relating to investments in associates	23	(55,556,681)	31,775,838	-	-
Other comprehensive income (expenses) for the year - net of tax	23	(54,372,681)	32,959,838	1,184,000	1,184,000
Total comprehensive income for the year		<u>1,216,395,216</u>	<u>1,336,400,079</u>	<u>1,122,948,016</u>	<u>1,173,697,325</u>

Statements of changes in equity

For the year ended 31 March 2017

Financial statements in which the equity method is applied

	Other components of equity											
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Unrealised gain on change in fair value of available-for-sale investment	Exchange differences relating to investments in associates		Total other components of equity	Total equity		
				Legal reserve	Unappropriated retained earnings		Baht	Baht			Baht	Baht
Opening balance as at 1 April 2016		383,125,000	504,250,000	38,312,500	11,624,962,054	3,904,000	(46,208,185)	(42,704,186)	12,507,945,368			
Total comprehensive income for the year		-	-	-	1,270,767,897	1,164,000	(55,558,881)	(54,372,681)	1,216,380,216			
Dividends paid	19	-	-	-	(382,362,630)	-	-	-	(382,862,630)			
Closing balance as at 31 March 2017		383,125,000	504,250,000	38,312,500	12,612,867,321	4,568,000	(101,764,867)	(97,076,867)	12,541,477,364			
Opening balance as at 1 April 2015		383,125,000	504,250,000	38,312,500	10,639,307,893	2,320,000	(77,584,024)	(75,864,024)	11,539,331,369			
Total comprehensive income for the year		-	-	-	1,303,440,241	1,164,000	31,775,838	32,959,838	1,336,400,079			
Dividends paid	19	-	-	-	(367,786,030)	-	-	-	(367,786,080)			
Closing balance as at 31 March 2016		383,125,000	504,250,000	38,312,500	11,624,962,054	3,904,000	(46,208,185)	(42,704,186)	12,507,945,368			

The notes to the financial statements on page 44 to 72 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of changes in equity
For the year ended 31 March 2017

	The Company only									
	Other components of equity									
	Other									
	comprehensive income									
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings			Unrealised gain on change in fair value of available-for-sale investment			Total other components of equity	
	Baht	Baht	Legal reserve	Unappropriated retained earnings	Baht	Unrealised gain on change in fair value of available-for-sale investment	Baht	Baht	Baht	Total equity Baht
Opening balance as at 1 April 2016	383,125,000	504,250,000	38,312,500	10,373,358,592		3,504,000	3,504,000	5,504,000	11,808,543,092	
Total comprehensive income for the year	-	-	-	1,121,764,016		1,184,000	1,184,000	1,184,000	1,122,943,016	
Dividends paid	-	-	-	(382,662,630)		-	-	-	(382,662,630)	
Closing balance as at 31 March 2017	383,125,000	504,250,000	38,312,500	11,513,257,978		4,688,000	4,688,000	4,688,000	12,549,633,478	
Opening balance as at 1 April 2015	383,125,000	504,250,000	38,312,500	10,074,629,347		2,320,000	2,320,000	2,320,000	11,002,635,647	
Total comprehensive income for the year	-	-	-	1,172,513,325		1,184,000	1,184,000	1,184,000	1,173,697,325	
Dividends paid	-	-	-	(387,796,080)		-	-	-	(387,796,080)	
Closing balance as at 31 March 2016	383,125,000	504,250,000	38,312,500	10,373,356,592		3,504,000	3,504,000	3,504,000	11,808,543,092	

The notes to the financial statements on page 44 to 72 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of cash flows
For the year ended 31 March 2017

	Notes	Financial statements in which the equity method is applied		The Company only	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash flows from operating activities:					
Profit before income tax for the year		1,580,283,620	1,622,612,249	1,394,028,769	1,458,953,604
Adjustments to reconcile profit before income tax for the year to net cash provided by operations:					
- Depreciation	13	1,020,514,275	1,045,341,281	1,020,514,275	1,045,341,281
- Amortisation	14	177,654,757	181,969,304	177,654,757	181,969,304
- Interest income	21	(64,876,186)	(55,112,043)	(64,876,186)	(55,112,043)
- Gain on sale of long-term investment		-	(261,911,319)	-	(261,911,319)
- Share of profit from investments in associates	11	(255,720,107)	(217,351,555)	-	-
- Dividend income					
- Investments in associates	11	-	-	(69,465,256)	(53,692,910)
- Long-term investments	12	(23,417,685)	(9,375,743)	(23,417,685)	(9,375,743)
- Gain on disposal of property, plant and equipment, net	21	(989,039)	(3,623,089)	(989,039)	(3,623,089)
- Loss on write-off of intangible assets	14	1	21	1	21
- (Reversal of) Allowance for doubtful account		26,755,769	9,514,111	26,755,769	9,514,111
- (Reversal of) Allowance for slow moving inventories and net realisable value lower than cost of inventories	9	7,533,106	(3,001,853)	7,533,106	(3,001,853)
- (Reversal of) Provision for post-employment benefits	17	22,843,440	23,120,520	22,843,440	23,120,520
- Unrealised loss (gain) on exchange rates, net		374,385	(184,330)	374,385	(184,330)
Cash flows before changes in operating assets and liabilities		2,490,956,336	2,331,997,554	2,490,956,336	2,331,997,554
Changes in operating assets and liabilities					
- Trade and other accounts receivable		192,193,260	(407,075,559)	192,193,260	(407,075,559)
- Inventories		43,172,090	169,739,399	43,172,090	169,739,399
- Other current assets		672,293	1,805,886	672,293	1,805,886
- Other non-current assets		(11,517,996)	(1,346,884)	(11,517,996)	(1,346,884)
- Trade accounts payable - other companies		(58,406,558)	16,031,273	(58,406,558)	16,031,273
- Trade accounts payable - related parties		(4,706,131)	57,386,261	(4,706,131)	57,386,261
- Other accounts payable - other companies		(14,430,536)	2,499,355	(14,430,536)	2,499,355
- Other accounts payable - related parties		(11,072,707)	(7,383,079)	(11,072,707)	(7,383,079)
- Accrued expenses		2,712,386	39,793,151	2,712,386	39,793,151
- Payment for post-employment benefit obligation	17	(1,826,200)	(3,015,307)	(1,826,200)	(3,015,307)
Cash generated from operations		2,627,746,237	2,200,432,050	2,627,746,237	2,200,432,050
Interest received		19,142,653	19,452,008	19,142,653	19,452,008
Income tax paid		(274,807,045)	(329,895,683)	(274,807,045)	(329,895,683)
Net cash received from operating activities		2,372,081,845	1,889,988,375	2,372,081,845	1,889,988,375

The notes to the financial statements on page 44 to 72 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of cash flows
 For the year ended 31 March 2017

	Notes	Financial statements in which the equity method is applied		The Company only	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash flows from investing activities:					
Loans made to employees	10	(55,494,180)	(46,230,737)	(55,494,180)	(46,230,737)
Loans repayments from employees	10	20,281,283	29,785,424	20,281,283	29,785,424
Purchases of property, plant and equipment		(960,556,948)	(740,365,510)	(960,556,948)	(740,365,510)
Proceeds from disposals of property, plant and equipment		1,791,570	4,409,512	1,791,570	4,409,512
Interest received on short-term investments held to maturity		33,136,165	32,834,876	33,136,165	32,834,876
Cash receipts from sale of long-term investment		-	290,000,000	-	290,000,000
Dividends received					
- Investments in associates		73,278,046	59,880,120	73,278,046	59,880,120
- Long-term investments	12	23,417,685	9,375,743	23,417,685	9,375,743
Purchases of intangible assets		(161,967,194)	(279,920,300)	(161,967,194)	(279,920,300)
Cash receipts from short-term investments held to maturity	7	5,531,400,000	4,967,000,000	5,531,400,000	4,937,000,000
Cash payment on short-term investments held to maturity	7	(7,248,383,912)	(6,379,641,585)	(7,248,383,912)	(6,379,641,585)
Net cash used in investing activities		(2,743,097,485)	(2,032,812,257)	(2,743,097,485)	(2,032,812,257)
Cash flow from financing activity:					
Dividends paid	19	(382,862,630)	(367,786,380)	(382,862,630)	(367,786,380)
Net cash used in financing activity		(382,862,630)	(367,786,380)	(382,862,630)	(367,786,380)
Net decrease in cash and cash equivalents		(753,878,270)	(510,609,362)	(753,878,270)	(510,609,362)
Cash and cash equivalents at beginning of the year		1,839,887,555	2,350,313,187	1,839,887,555	2,350,313,187
Effects of exchange rate changes		(374,385)	184,330	(374,385)	184,330
Cash and cash equivalents at end of the year		1,085,634,900	1,839,887,555	1,085,634,900	1,839,887,555
Non-cash transaction:					
Outstanding liabilities arisen from purchases of plant, equipment and intangible assets		54,204,283	65,405,175	54,204,283	65,405,175
Accrued dividend income from investment in associate		-	3,812,790	-	3,812,790

Thai Stanley Electric Public Company Limited Notes to the financial statements For the year ended 31 March 2017

1 General information

Thai Stanley Electric Public Company Limited (the "Company") is a public limited company, incorporated in Thailand. The address of its registered office is 20/3 Moo 1 Bangpoen-Rungsoit Road, Bangkang, Amphur Muang, Pathumthanee, Thailand 12000. The Company is listed on the Stock Exchange of Thailand.

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

These financial statements have been approved by the Company's Board of directors on 10 May 2017.

2 Accounting policies

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

2.1 Basis of preparation

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

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

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

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

2.2 Revised financial reporting standards

a) Revised financial reporting standards which are effective from 1 January 2016 are as follows:

AS 1 (revised 2015)	Presentation of financial statements
AS 2 (revised 2015)	Inventories
AS 7 (revised 2015)	Statement of cash flows
AS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
AS 10 (revised 2015)	Events after the reporting period
AS 11 (revised 2015)	Construction contracts
AS 12 (revised 2015)	Income taxes
AS 16 (revised 2015)	Property, plant and equipment
AS 17 (revised 2015)	Leases
AS 18 (revised 2015)	Revenue
AS 19 (revised 2015)	Employee benefits
AS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
AS 21 (revised 2015)	The effects of changes in foreign exchange rates
AS 23 (revised 2015)	Borrowing costs
AS 24 (revised 2015)	Related party disclosures
AS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
AS 27 (revised 2015)	Separate financial statements
AS 28 (revised 2015)	Investments in associates and joint ventures
AS 29 (revised 2015)	Financial reporting in hyperinflationary economies

Thai Stanley Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2017

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards (Cont'd)

a) Revised financial reporting standards which are effective from 1 January 2016 are as follows: (Cont'd)

TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 36 (revised 2015)	Impairment of assets
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 11 (revised 2015)	Joint arrangements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2015)	Levies

The Company has applied the aforementioned financial reporting standards from 1 April 2016. However, the Company's management evaluated that the application of those financial reporting standards has no significant impacts to the financial statements.

Thai Stanley Electric Public Company Limited Notes to the financial statements For the year ended 31 March 2017

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards (Cont'd)

- b) Revised financial reporting standards which are effective from 1 January 2017 and the Company has not yet early adopted these revised standards are as follows:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 16 (revised 2016)	Property, plant and equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee benefits
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 34 (revised 2016)	Interim financial reporting
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment property
TAS 41 (revised 2016)	Agriculture
TFRS 2 (revised 2013)	Share-based payment
TFRS 3 (revised 2013)	Business combinations
TFRS 4 (revised 2013)	Insurance contracts
TFRS 5 (revised 2013)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2013)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2013)	Operating segments
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the recognition approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers

Thai Stanley Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2017

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards (Cont'd)

- b) Revised financial reporting standards which are effective from 1 January 2017 and the Company has not yet early adopted these revised standards are as follows: (Cont'd)

IFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
IFRIC 21 (revised 2016)	Lease
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

The Company's management evaluated that the revised financial reporting standards has no significant impacts to the financial statements.

2.3 Foreign currency translation

- (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

- (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.4 Cash and cash equivalents

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

2.5 Trade accounts receivable

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

2.6 Inventories

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

Thai Stanley Electric Public Company Limited
Notes to the financial statements
 For the year ended 31 March 2017

2 Accounting policies (Cont'd)

2.7 Investments in associates

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

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

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

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

A list of the Company's associates is disclosed in Note 11.

2.8 Other investments

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

- investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale, and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- investments in non-marketable equity securities are classified as general investments.

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

Held-to-maturity investments are carried at amortised cost.

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

General investments are carried at cost less impairment.

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

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. When disposing of part of the Company's holding of a particular investment in equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

Thai Stanley Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2017

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment

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

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

	Useful life (years)
Buildings	30
Land and building improvements	5 - 20
Machinery, equipment and factory tools	5 - 10
Molds	4
Motor vehicles	5
Furniture, fixtures and office equipment	3 - 5

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

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

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

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

2.10 Intangible assets

Computer software

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

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

Product design costs

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

Thai Stanley Electric Public Company Limited Notes to the financial statements For the year ended 31 March 2017

2 Accounting policies (Cont'd)

2.11 Impairment of assets

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

2.12 Employee benefits

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

- Defined contribution plan

Provident fund

The Company operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Company. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

- Defined benefit plan

Retirement benefit

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

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

2.13 Provisions

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

2.14 Revenue recognition

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

Revenue from rendering services is recognised when services are rendered.

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

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

Thai Stanley Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2017

2 Accounting policies (Cont'd)

2.15 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.16 Dividends

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

2.17 Financial instruments

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

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

Disclosures about financial instruments to which the Company is a party are provided in Note 28.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as "the board of directors" that makes strategic decisions.

Thai Stanley Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2017

3 Critical accounting estimates, assumptions and judgments

Accounting estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During the year ended 31 March 2017, the significant accounting estimates of the Company are as follows:

Allowances for obsolete and slow-moving inventories

The Company has estimated the allowances for obsolete and slow-moving inventories to reflect their impairment. The allowances are take into account inventory aging, recent sales experience and other factors that affecting obsolete and slow-moving inventories.

Plant, equipment and intangible assets

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

Post-employment benefits

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

4 Capital risk management

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

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

5 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors who makes strategic decision.

Business segment

The Company manufactures and sells auto bulbs, automotive lighting equipment, mold & dies and product designs. The Company does not prepare segment information of mold & dies and product designs business because the Company's management considers that the revenues, assets and profit of mold & dies and product designs segment do not meet quantitative thresholds of reportable segment. The chief operating decision-maker review operating results in the same dimension as presented on the financial statements.

Revenues by product group

During the year ended 31 March 2017 and 2016, the revenues by product group are as follows:

	2017 Baht	2016 Baht
Auto bulbs and automotive lighting equipment	10,493,677,557	9,910,883,009
Molds & dies and product designs	531,119,068	761,340,577
	<u>11,024,796,625</u>	<u>10,672,223,586</u>

Thai Stanley Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2017

5 Segment information (Cont'd)

Major customers

During the year ended 31 March 2017, the Company has revenues from 2 major customer groups which each of them contributed equal or over 10% of the Company's total revenues (2016 : 2 customer groups). The revenue from customer group no. 1 is Baht 4,037 million (2016 : Baht 3,890 million). The revenue from customer group no. 2 is Baht 2,000 million (2016 : Baht 2,070 million). The customers under common control are considered as one customer and referred to as the customer group.

6 Cash and cash equivalents

	2017 Baht	2016 Baht
Cash and cheques on hand	974,006	2,404,896
Current accounts with banks	73,942,342	75,823,471
Savings accounts with banks	89,219,552	81,659,788
Short term investments in bills of exchange	321,500,000	1,680,000,000
	<u>1,085,634,900</u>	<u>1,839,837,555</u>

Savings accounts with banks and short-term investments bear interest at the rates of 0.01% - 1.23% per annum (2016 : 0.01% - 1.58% per annum).

7 Short-term investments held to maturity

As at 31 March 2017 and 2016, short term investments held to maturity represent bills of exchange and fixed deposits which have original maturities over 3 months but not over 12 months.

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

	2017 Baht	2016 Baht
Opening book amount	2,120,000,000	727,358,415
Additions during the year	7,248,383,912	6,379,641,585
Redemptions during the year	(5,531,400,000)	(4,987,000,000)
Closing book amount	<u>3,836,983,912</u>	<u>2,120,000,000</u>

Short-term investments held to maturity bear interest at the rates of 1.23% - 1.65% per annum (2016 : 1.38% - 2.00% per annum).

8 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 31 March 2017 and 2016 are as follows:

	2017 Baht	2016 Baht
Trade accounts receivable - other companies	1,767,680,327	1,882,424,946
Less: Allowance for doubtful account	(24,256,403)	(11,972,190)
Trade accounts receivable - other companies, net	<u>1,743,423,924</u>	<u>1,880,452,748</u>
Trade accounts receivable - related parties (Note 27)	219,475,915	274,354,791
Prepaid expenses	47,525,692	42,929,076
Accrued income, net	25,669,254	29,618,917
Value added tax receivable	9,417,720	22,700,740
Other receivables	6,514,239	12,120,526
	<u>2,052,024,750</u>	<u>2,262,139,201</u>

Thai Stanley Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2017

8 Trade and other accounts receivable, net (Cont'd)

Trade accounts receivable as at 31 March 2017 and 2016 can be analysed as follows:

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current	1,734,347,477	1,852,861,451	217,547,362	203,115,095
Overdue:				
less than 3 months	7,806,621	9,512,405	1,655,383	69,944,903
3 - 6 months	9,070	3,946,286	253,485	616,223
6 - 12 months	-	52,478	20,685	687,970
more than 1 year	25,517,150	26,052,326	-	-
	<u>1,767,680,327</u>	<u>1,892,424,946</u>	<u>219,476,915</u>	<u>274,364,191</u>

9 Inventories, net

	2017 Baht	2016 Baht
Raw materials and packaging	259,443,568	217,430,648
Work in process	313,283,260	406,452,992
Finished goods	81,741,447	91,455,481
Goods in transit	94,086,378	79,387,622
	<u>751,554,353</u>	<u>794,726,743</u>
Less: Allowance for net realisable value lower than cost and obsolete and slow moving inventories		
- Raw materials and packaging	(15,702,705)	(14,837,725)
- Work in process	(3,169,432)	(1,221,984)
- Finished goods	(6,945,299)	(6,224,641)
Inventories, net	<u>721,737,217</u>	<u>772,442,413</u>

During the year ended 31 March 2017, the Company recognised allowance for obsolete and slow-moving inventories amounting to Baht 13,655,761 and reversed allowance for obsolete and slow-moving inventories amounting to Baht 3,122,655 as a part of cost of sales in the statement of income (2016 : the Company reversed allowance for obsolete and slow-moving inventories and recognised allowance for inventories cost in excess of net realisable value amounting to Baht 3,157,333 and Baht 155,480 respectively. Inventories value of Baht 1,492,480 are carried at net realisable value lower than cost).

10 Loans to employees

Movements in loans to employees during the year are as follows:

	2017 Baht	2016 Baht
Opening balance	35,553,586	19,108,273
Additions	55,494,180	46,230,737
Received during the year	(20,281,283)	(29,785,424)
Closing balance	<u>70,766,483</u>	<u>35,553,586</u>

Loans to employees bear interest rate at 1.90% per annum (2016 : 2.00% per annum). The repayment periods are between 2 months - 3 years.

Thai Stanley Electric Public Company Limited
Notes to the financial statements
 For the year ended 31 March 2017

10 Loans to employees (Cont'd)

The analysis of loans to employees is as follows:

	2017 Baht	2016 Baht
Current portion of loans to employees	33,074,533	20,095,490
Non-current portion of loans to employees	36,891,950	14,858,090
	<u>70,766,483</u>	<u>35,553,586</u>

11 Investments in associates

The details of investments in associates as at 31 March 2017 and 2016 are as follows:

				Equity method 2016			
Name	Business activity	Paid-up share capital	% of holding	2017		2016	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Associates							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	20,501,287	7,194,886	24,203,192	3,812,790
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	1,027,730,897	62,270,370	907,230,093	49,860,120
				<u>1,048,232,284</u>	<u>69,465,256</u>	<u>931,423,285</u>	<u>53,662,910</u>
				Cost method			
Name	Business activity	Paid-up share capital	% of holding	2017		2016	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Associates							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	3,132,500	7,194,886	3,132,500	3,812,790
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	54,044,189	62,270,370	54,044,189	49,860,120
				<u>57,176,689</u>	<u>69,465,256</u>	<u>57,176,689</u>	<u>53,662,910</u>

The Company has classified investment in Lao Stanley Company Limited as investment in an associate because the Company's voting right in Lao Stanley Company Limited is not more than 50% of the total voting right.

Movements in investments in associates are as follows:

For the years ended 31 March	Equity method		Cost method	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening book amount	931,423,285	728,044,842	57,176,689	57,176,689
Share of profit	255,720,107	217,351,555	-	-
Dividends received	(69,465,256)	(53,692,910)	-	-
Translation adjustments	(69,445,852)	39,719,798	-	-
Closing book amount	<u>1,048,232,284</u>	<u>931,423,285</u>	<u>57,176,689</u>	<u>57,176,689</u>

Thai Stanley Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2017

11 Investments in associates (Cont'd)

Summarised statement of financial position and statement of income of the associates:

	Lao Stanley Company Limited		Vietnam Stanley Electric Company Limited	
	As at 31 March		As at 31 March	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current assets	110,483,620	103,533,600	4,740,729,395	3,866,909,586
Non-current assets	17,508,898	21,761,477	1,146,043,382	1,272,300,050
Total assets	127,992,518	125,295,077	5,886,772,777	5,139,209,636
Current liabilities	86,040,492	75,645,363	714,441,716	586,570,720
Non-current liabilities	340,462	1,243,330	33,676,073	16,538,461
Total liabilities	86,389,944	76,888,693	748,117,791	603,109,171
	Lao Stanley Company Limited		Vietnam Stanley Electric Company Limited	
	For the year ended 31 March		For the year ended 31 March	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Revenues from sales and services	411,118,669	375,288,549	5,989,888,206	4,928,757,905
Net profit for the year	14,903,230	19,113,974	1,241,342,457	1,026,923,809

12 Long-term investments, net

Long-term investments, net as at 31 March 2017 and 2016 are as follows:

As at 31 March 2017

	Available- for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
- Related parties	9,240,000	104,921,215	114,161,215
- Other companies	-	-	-
Long-term investments, net	9,240,000	104,921,215	114,161,215

As at 31 March 2016

	Available- for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
- Related parties	7,760,000	104,921,215	112,681,215
- Other companies	-	-	-
Long-term investments, net	7,760,000	104,921,215	112,681,215

Thai Stanley Electric Public Company Limited
Notes to the financial statements
 For the year ended 31 March 2017

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

The details of long-term investments, net as at 31 March 2017 and 2016 are as follows:

Name	Business activity	Paid-up share capital	% of holding	2017		2016	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Related parties - available-for-sale							
Insee Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200 million	0.2	3,380,000	410,920	3,380,000	353,200
Change in fair value of investments				5,860,000	-	4,380,000	-
				9,240,000	410,920	7,760,000	353,200
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	16,183,642	60,000,000	-
Savit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting equipment	Baht 21 million	15.0	3,000,000	2,788,586	3,000,000	-
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.72	9,793,316	-	6,793,316	1,140,690
PT. Indonesia Stanley Electric	Manufacture of molds and automotive lighting equipment	USD 7.5 million	10.0	33,127,500	4,034,537	33,127,500	7,681,963
				104,921,215	23,006,765	102,921,215	9,622,543
Other companies - general investments (at cost)							
Top Hitech (Thailand) Company Limited	Manufacture of plastic products and molds	Baht 35.9 million	13.9	5,000,000 (5,000,000)	- (5,000,000)	5,000,000 (5,000,000)	- (5,000,000)
Less: Impairment of investments				-	-	-	-
				-	-	-	-
Total long-term investments, net				114,101,215	23,417,005	112,001,215	9,275,743

Thai Stanley Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2017

13 Property, plant and equipment, re:

As at 1 April 2015

Cost	1,173,482,237	1,879,518,753	Land and improvements	Buildings	Machinery, equipment and factory tools	Molds	Motor vehicles	Furniture, fixtures and equipment	Machinery under installation and construction in progress	Total
Less: Accumulated depreciation	-	(967,380,164)		(527,401,666)	(4,305,607,376)	(3,401,327,766)	(43,564,280)	(73,168,338)	352,056,090	15,378,787,874
Net book amount	1,173,482,237	912,138,589		852,117,113	1,485,653,917	694,934,285	21,245,221	25,349,238	352,056,090	(8,411,630,710)

For the year ended 31 March 2015

Opening net book amount	1,173,482,237	712,438,036		659,279,173	1,985,653,917	694,934,285	21,245,221	25,349,238	352,056,090	8,423,146,164
Additions	2,142,072	150,030		-	16,448,532	967,122	8,838,862	1,361,138	667,173,958	759,132,815
Disposals / write-offs, net	-	(36,932)		-	(702,561)	(87,403)	(1)	(19,456)	-	(846,423)
Transfers	-	72,547,072		45,808,325	241,063,217	370,668,002	(9,265,247)	11,264,142	(744,261,248)	(1,045,341,261)
Depreciation charge (Note 22)	-	(141,382,767)		(37,510,653)	(475,049,746)	(247,585,354)	20,838,825	27,526,719	277,938,800	5,535,393,265
Closing net book amount	1,177,324,309	643,706,852		845,575,045	1,823,613,459	718,488,246	43,639,289	42,875,173	277,938,800	15,837,780,707

As at 31 March 2015

Cost	1,177,324,309	1,751,873,323		1,431,278,164	6,487,018,434	4,536,968,196	63,639,289	111,862,132	277,938,800	15,837,780,707
Less: Accumulated depreciation	-	(1,108,166,461)		(534,701,119)	(4,663,404,975)	(3,813,170,250)	(42,792,464)	(84,135,473)	-	(10,331,687,442)
Net book amount	1,177,324,309	643,706,862		845,575,045	1,823,613,459	718,488,246	20,839,825	27,526,719	277,938,800	5,535,393,265

For the year ended 31 March 2017

Opening net book amount	1,177,324,309	643,706,862		845,575,045	1,823,613,459	718,488,246	20,839,825	27,526,719	277,938,800	5,535,393,265
Additions	20,006,000	1,168,030		-	17,357,537	-	6,877,987	2,359,737	842,917,330	945,346,570
Disposals / write-offs, net	-	(268,260)		-	(530,437)	(25)	14	(3,366)	-	(802,532)
Transfers	-	53,518,115		13,449,853	138,835,086	481,048,156	130,000	24,128,753	(700,167,893)	(1,020,514,275)
Depreciation charge (Note 22)	-	(130,321,211)		(36,724,031)	(475,230,749)	(322,470,743)	(9,243,874)	(12,307,267)	418,738,468	5,460,123,354
Closing net book amount	1,197,590,309	559,833,536		800,300,947	1,545,036,816	877,997,634	18,653,836	41,501,896	418,738,468	16,617,459,567

As at 31 March 2017

Cost	1,197,590,309	1,794,028,996		1,444,125,967	6,553,353,236	5,008,550,915	68,132,779	132,428,874	418,738,468	16,617,459,567
Less: Accumulated depreciation	-	(1,234,195,459)		(641,825,150)	(5,008,319,420)	(4,131,553,265)	(43,518,941)	(90,928,978)	-	(11,157,236,963)
Net book amount	1,197,590,309	559,833,536		800,300,947	1,545,036,816	877,997,634	18,653,836	41,501,896	418,738,468	5,460,123,354

Thai Stanley Electric Public Company Limited

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14 Intangible assets, net

	Computer software Baht	Product design cost Baht	Total Baht
As at 1 April 2015			
Cost	258,508,524	850,195,257	1,108,703,781
Less: Accumulated amortisation	(184,386,696)	(290,616,891)	(475,003,587)
Net book amount	74,121,828	559,578,366	633,700,194
For the year ended 31 March 2016			
Opening net book amount	74,121,828	559,578,366	633,700,194
Additions	935,220	279,021,100	279,956,320
Write-offs, net	(21)	-	(21)
Amortisation charge (Note 22)	(24,685,498)	(157,283,806)	(181,969,304)
Closing net book amount	50,371,529	681,315,660	731,687,189
As at 31 March 2016			
Cost	245,639,208	1,077,529,027	1,323,168,235
Less: Accumulated amortisation	(195,267,679)	(396,213,367)	(591,481,046)
Net book amount	50,371,529	681,315,660	731,687,189
For the year ended 31 March 2017			
Opening net book amount	50,371,529	681,315,660	731,687,189
Additions	9,948,400	156,027,974	165,976,374
Write-offs, net	(1)	-	(1)
Amortisation charge (Note 22)	(18,018,113)	(159,636,644)	(177,654,757)
Closing net book amount	42,301,815	677,706,990	720,008,805
As at 31 March 2017			
Cost	239,538,169	1,157,854,132	1,397,392,301
Less: Accumulated amortisation	(197,236,354)	(480,147,142)	(677,383,496)
Net book amount	42,301,815	677,706,990	720,008,805

Thai Stanley Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2017

15 Deferred tax

The analysis of deferred tax assets and liabilities is as follows:

	Financial statements in which the equity method is applied		The Company only	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred tax assets:				
Deferred tax assets to be utilised within 12 months	17,082,747	1,747,961	17,082,747	1,747,961
Deferred tax assets to be utilised more than 12 months	82,504,232	92,529,059	82,504,232	92,529,059
	<u>99,586,979</u>	<u>94,277,020</u>	<u>99,586,979</u>	<u>94,277,020</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(11,331,213)	(586,323)	(11,331,213)	(586,323)
Deferred tax liabilities to be settled more than 12 months	(200,042,709)	(186,470,209)	(1,831,590)	(11,620,889)
	<u>(211,373,922)</u>	<u>(187,056,532)</u>	<u>(13,162,803)</u>	<u>(12,207,212)</u>
Deferred tax assets (liabilities) (net)	<u>(111,786,943)</u>	<u>(92,779,512)</u>	<u>86,424,176</u>	<u>82,069,808</u>

The gross movement of the deferred tax is as follows:

	Financial statements in which the equity method is applied		The Company only	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	(92,779,512)	(59,977,352)	82,069,808	74,193,279
Credited/ (charged) to profit or loss (Note 23)	(32,600,602)	(24,562,200)	4,650,368	8,169,529
Credited/ (charged) to other comprehensive income (Note 23)	15,593,771	(8,239,960)	(296,000)	(296,000)
Closing balance	<u>(111,786,943)</u>	<u>(92,779,512)</u>	<u>86,424,176</u>	<u>82,069,808</u>

Thai Stanley Electric Public Company Limited
Notes to the financial statements
 For the year ended 31 March 2017

15 Deferred tax (Cont'd)

The movements in deferred tax assets and liabilities during the year are as follows:

	Financial statements in which the equity method is applied and the Company only					
	Inventories Baht	Equipment Baht	Intangible assets Baht	Employee benefit liabilities Baht	Others Baht	Total Baht
Deferred tax assets :						
As at 1 April 2015	5,057,236	34,106,603	15,381,589	28,641,557	1,268,694	84,458,779
Credited/(charged) to profit or loss	(800,370)	5,332,285	1,065,284	4,021,042	-	9,818,241
As at 31 March 2016	4,456,866	39,441,883	16,446,873	32,662,599	1,268,694	94,277,020
Credited/(charged) to profit or loss	1,506,621	(4,446,136)	1,152,312	4,203,448	2,893,714	5,309,559
As at 31 March 2017	5,963,487	34,995,752	17,599,185	36,866,047	4,162,408	99,586,879

Thai Stanley Electric Public Company Limited
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For the year ended 31 March 2017

15 Deferred tax (Cont'd)

	Financial statements in which the equity method is applied			
	Investments in associates Baht	Long-term investment Baht	Buildings Baht	Total Baht
Deferred tax liabilities :				
As at 1 April 2015	(134,173,631)	(580,000)	(9,682,500)	(144,436,131)
Credited/(charged) to profit or loss	(32,731,725)	-	(1,648,712)	(34,380,441)
Credited/(charged) to other comprehensive income	(7,943,960)	(296,000)	-	(8,239,960)
As at 31 March 2016	(174,849,320)	(876,000)	(11,331,212)	(187,056,532)
Credited/(charged) to profit or loss	(37,250,970)	-	(659,591)	(37,910,561)
Credited/(charged) to other comprehensive income	13,889,171	(296,000)	-	13,593,171
As at 31 March 2017	(198,211,119)	(1,172,000)	(11,990,803)	(211,373,922)

	The Company only		
	Long-term investment Baht	Buildings Baht	Total Baht
Deferred tax liabilities :			
As at 1 April 2015	(580,000)	(9,682,500)	(10,262,500)
Credited/(charged) to profit or loss	-	(1,648,712)	(1,648,712)
Credited/(charged) to other comprehensive income	(296,000)	-	(296,000)
As at 31 March 2016	(876,000)	(11,331,212)	(12,207,212)
Credited/(charged) to profit or loss	-	(659,591)	(659,591)
Credited/(charged) to other comprehensive income	(296,000)	-	(296,000)
As at 31 March 2017	(1,172,000)	(11,990,803)	(13,162,803)

16 Accrued expenses

	2017 Baht	2016 Baht
Accrued staff costs	189,255,369	185,528,621
Accrued electricity expense	26,660,971	29,778,158
Others	43,929,373	41,826,548
	<u>259,845,713</u>	<u>257,133,327</u>

Thai Stanley Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2017

17 Provision for post-employment benefits

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

	2017 Baht	2016 Baht
Present value of defined benefit obligations	184,330,737	163,313,197
Liability in the statement of financial position	184,330,737	163,313,197

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

	2017 Baht	2016 Baht
Opening balance	163,313,197	143,208,284
Current service cost	18,057,958	18,886,077
Interest cost	4,785,482	4,234,443
Benefits paid	(1,826,200)	(3,015,307)
Closing balance	184,330,737	163,313,197

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

	2017 Baht	2016 Baht
Current service cost	18,057,958	18,886,077
Interest cost	4,785,482	4,234,443
Total	22,843,440	23,120,520

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

	2017 Baht	2016 Baht
Cost of sales	20,215,560	20,734,560
Selling expenses	770,040	687,960
Administrative expenses	1,857,840	1,698,000
Total	22,843,440	23,120,520

The principal actuarial assumptions used are as follows:

Discount rate	3.01%	3.01%
Salary increase rate	5.00%	5.00%

Thai Stanley Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2017

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

Sensitivity analysis for each principal actuarial assumptions used were as follows

	Impact on defined benefit obligation - Post-employment benefits		
	Change in assumption %	Increase in obligation Baht	Decrease in obligation Baht
Discount rate			
Increase	1.00	-	18,537,940
Decrease	1.00	21,672,029	-
Salary growth rate			
Increase	1.00	21,921,763	-
Decrease	1.00	-	19,102,222

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Expected maturity analysis of employee benefit obligations:

	Employee benefit obligations		
	Less than a year Baht	Between 1-5 years Baht	More than 5 years Baht
Post-employment benefits	1,748,155	38,556,616	143,925,666
Total	1,748,155	38,556,616	143,925,666

18 Share capital and premium on share capital

	Number of shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
As at 31 March 2017 and 2016	76,625,000	383,125,000	504,250,000	887,375,000

The total authorised number of ordinary shares is 76,625,000 shares with a par value of Baht 5 per share (2016 : 76,625,000 shares with a par value of Baht 5 per share). All shares are issued and fully paid.

19 Dividends

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 8 July 2016, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2016 for 76,625,000 shares of Baht 5 per share, totalling Baht 383,125,000. There were 52,474 shares that were not entitled to receive the dividends, totalling Baht 262,370 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 382,862,630 in the financial statements. The Company paid the dividends to the shareholders on 29 July 2016.

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 3 July 2015, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2015 for 76,625,000 shares of Baht 4.8 per share, totalling Baht 367,800,000. There were 2,900 shares that were not entitled to receive the dividends, totalling Baht 13,920 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 367,786,080 in the financial statements. The Company paid the dividends to the shareholders on 29 July 2015.

Thai Stanley Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2017

20 Legal reserve

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

21 Other Income - others

	2017 Baht	2016 Baht
Scrap sales	36,680,716	46,626,851
Interest income	64,876,186	55,112,043
Tax rebate income	15,578,382	16,879,491
Royalty income	861,708	877,881
Gain on disposals of property, plant and equipment, net	989,039	3,623,089
Others	22,470,410	23,523,182
	<u>141,456,441</u>	<u>146,642,537</u>

22 Expenses by nature

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

	2017 Baht	2016 Baht
Changes in finished goods and work in process	99,883,766	166,634,900
Raw materials and consumables used	5,022,258,656	4,911,026,414
Staff costs	1,314,294,032	1,287,518,568
Depreciation of plant and equipment (Note 13)	1,020,514,275	1,045,341,281
Amortisation of intangible assets (Note 14)	177,654,757	181,969,304
Utility expenses	299,472,440	325,449,744
Subcontract service costs	210,904,279	228,863,487
Repairs and maintenance expenses	249,466,619	219,167,547

23 Income tax

	Financial statements in which the equity method is applied		The Company only	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current tax :				
Current tax on profit for the year	276,915,121	294,609,808	276,915,121	294,609,808
Deferred tax :				
Origination and reversal of temporary differences (Note 15)	32,600,602	24,562,200	(4,650,368)	(8,169,529)
Total income tax expense	<u>309,515,723</u>	<u>319,172,008</u>	<u>272,264,753</u>	<u>286,440,279</u>

Thai Stanley Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2017

23 Income tax (Cont'd)

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Financial statements in which the equity method is applied		The Company only	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit before income tax	1,580,283,620	1,622,612,249	1,394,028,769	1,458,953,604
Tax calculated at a tax rate of 20% (2016: 20%)	316,056,724	324,522,450	278,805,754	291,790,721
Tax effect of:				
Income not subject to tax	(3,876,630)	(70,640)	(3,876,630)	(70,640)
Expenses not deductible for tax purpose	2,583,578	1,950,683	2,583,578	1,950,683
Additional expenses deductible for tax purpose	(5,471,751)	(1,121,554)	(5,471,751)	(1,121,554)
Profit from BOI business	(3,716,998)	(9,636,799)	(3,716,998)	(9,636,799)
Under recorded prior year accrued corporate income tax	3,940,800	3,527,868	3,940,800	3,527,868
Tax charge	309,515,723	319,172,008	272,264,753	286,440,279
Average effective tax rate (%)	19.59	19.67	19.53	19.63

The tax credit/(charge) relating to components of other comprehensive income is as follows:

	Financial statements in which the equity method is applied					
	2017			2016		
	Before tax Baht	Tax credit (charge) Baht	After tax Baht	Before tax Baht	Tax credit (charge) Baht	After tax Baht
Unrealised gain (loss) on change in fair value of available-for-sale investment	1,480,000	(296,000)	1,184,000	1,480,000	(296,000)	1,184,000
Exchange differences relating to investments in associates	(69,445,852)	13,889,171	(55,556,681)	39,719,798	(7,943,960)	31,775,838
Other comprehensive income (expenses) for the year	(67,965,852)	13,593,171	(54,372,681)	41,199,798	(8,239,960)	32,959,838

	The Company only					
	2017			2016		
	Before tax Baht	Tax credit (charge) Baht	After tax Baht	Before tax Baht	Tax credit (charge) Baht	After tax Baht
Unrealised gain (loss) on change in fair value of available-for-sale investment	1,480,000	(296,000)	1,184,000	1,480,000	(296,000)	1,184,000
Other comprehensive income (expenses) for the year	1,480,000	(296,000)	1,184,000	1,480,000	(296,000)	1,184,000

Thai Stanley Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2017

24 Basic earnings per share

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

	Financial statements in which the equity method is applied		The Company only	
	2017	2016	2017	2016
Net profit attributable to shareholders (Baht)	1,270,767,897	1,303,440,241	1,121,764,016	1,172,513,325
Weighted average number of ordinary share in issue (Shares)	76,625,000	76,625,000	76,625,000	76,625,000
Basic earnings per share (Baht)	16.58	17.01	14.64	15.30

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

25 Promotional privileges

The Company has received promotional privileges from the Office of the Board of Investment for the production of molds, mold repairs and production of Eco-car lamps. Under these privileges, the Company will be exempted from corporate income tax for a period of 8 years from the date of commencement of earning revenue. As a promoted entity, the Company is required to comply with the terms and conditions as specified in the promotion certificates.

	2017		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	514,688,662	3,081,126,120	3,595,814,782
Domestic sales	386,886,397	7,042,095,452	7,428,981,843
	901,575,053	10,123,221,572	11,024,796,625
Domestic service income - mold repairs	3,908,636	-	3,908,636
	2016		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	494,793,453	2,547,633,223	3,042,456,676
Domestic sales	616,507,515	7,013,259,395	7,629,766,910
	1,111,300,968	9,560,922,618	10,672,223,586
Domestic service income - mold repairs	222,000	-	222,000

Thai Stanley Electric Public Company Limited Notes to the financial statements For the year ended 31 March 2017

26 Financial instruments

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

The objectives of using financial instruments are to reduce the uncertainty over future cash flows arising from movements in exchange rates, and to manage the liquidity of the cash resources. Foreign currency forward contracts are entered into to manage the currency risks. Decisions on the level of risk undertaken are confined to the management which has established limits by transaction type and by counterparty.

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

Fair value estimation

When a financial instrument is traded in an active market, its quoted market price provides the best evidence of fair value. The quoted market price for an asset held or liability to be issued is usually the current bid price and, for an asset to be acquired or liability held, it is the current offer or asking price. When the current bid and offer prices are unavailable, the price of the most recent transaction may provide evidence of the current fair value provided that there has not been a significant change in economic circumstances between the transaction date and the reporting date. When the Company has matching asset and liability positions, it may appropriately use mid-market prices as a basis for establishing fair values.

The fair values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

Information on the fair values of long-term investments is included in Note 12.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

a) Financial assets and liabilities

As at 31 March 2017 and 2016, the Company has outstanding foreign currency assets and liabilities as details below.

	2017		2016	
	Currency Million	Baht Million	Currency Million	Baht Million
Assets				
Japanese Yen	2.74	0.83	2.32	0.72
US Dollars	6.48	222.22	8.22	288.16
		<u>223.05</u>		<u>288.86</u>
Liabilities				
Japanese Yen	133.53	41.56	259.62	82.22
US Dollars	10.55	365.29	10.79	381.86
		<u>406.85</u>		<u>464.10</u>

Objectives and significant terms and conditions

The Company enters into financial instruments which are foreign currency forward contracts to manage the risks arising from fluctuations in foreign currency exchange rates.

Thai Stanley Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2017

26 Financial instruments (Cont'd)

a) Financial assets and liabilities (Cont'd)

Foreign currency forward contracts

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

At 31 March 2017 and 2016, the settlement dates on foreign currency forward contracts were ranged between 1 and 3 months from the statement of financial position date. The equivalent Thai Baht to be paid at the contractual exchange rates of the outstanding contracts were:

	2017 Baht	2016 Baht
USD 1 million at average rate Baht 35.14 = USD 1 (2016 : USD 1 million at average rate Baht 35.24 = USD 1)	35,135,000	35,235,000
JPY 50 million at average rate Baht 30.98 = JPY 100 (2016 : JPY 60 million at average rate Baht 31.28 = JPY 100)	15,490,000	18,769,500
	50,625,000	54,004,500

Fair values

The favourable (unfavourable) differences arising from fair value valuation of the derivative financial instruments at the statement of financial position date were:

	2017 Baht	2016 Baht
Differences - favourable (unfavourable)	(771,008)	46,289

The fair values of foreign currency forward contracts were calculated using the rates quoted by the Company's bankers which were based on market conditions existing at the statement of financial position date (Level 2).

b) Credit risk

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

c) Fair values

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

Thai Stanley Electric Public Company Limited
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27 Related party transactions

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

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

The Company had the significant transactions with its major shareholder, Stanley Electric Company Limited Group, incorporated in Japan which holds 31.88% interest in the Company's share capital. The Company also had significant transactions with a group of individual shareholders who are members of the Company's management who hold 29.08% interest in the Company's share capital. Stanley Electric Group comprises Stanley Electric Company Limited and related companies.

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

The following significant transactions were carried out with related parties:

For the years ended 31 March

	2017 Baht	2016 Baht
Sales		
Stanley Electric Group companies	591,412,576	694,942,634
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	175,393,207	171,307,785
Associates	373,921,605	358,982,779
	<u>1,140,727,388</u>	<u>1,225,233,198</u>
Dividend income		
Stanley Electric Group companies	20,218,179	9,022,543
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	3,199,506	353,200
Associates	69,465,256	53,692,910
	<u>92,882,941</u>	<u>63,068,653</u>
Purchases of goods and services		
Stanley Electric Group companies	1,825,882,987	1,707,994,305
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	361,469,221	343,820,286
Associates	274,972,233	195,137,665
	<u>2,462,324,441</u>	<u>2,246,952,256</u>

Thai Stanley Electric Public Company Limited
Notes to the financial statements
 For the year ended 31 March 2017

27 Related party transactions (Cont'd)

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

For the years ended 31 March	2017 Baht	2016 Baht
Royalty fees		
Stanley Electric Group companies	262,385,977	255,208,888
Design and development fee		
Stanley Electric Group companies	59,720,490	138,136,094
Technical fee		
Stanley Electric Group companies	8,381,395	6,430,674
Training fee		
Stanley Electric Group companies	13,768,883	14,371,150
Commission		
Stanley Electric Group companies	20,031,672	20,033,595
Directors' and managements' remuneration		
Short-term benefits	48,009,730	47,911,212

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

The amounts due to and from related parties are mainly denominated in foreign currencies and relate to purchases and sales transactions. The outstanding balances as at 31 March 2017 and 2016 are as follows:

	2017 Baht	2016 Baht
Trade accounts receivable - related parties		
Stanley Electric Group companies	88,612,128	158,338,651
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	45,641,910	43,214,874
Associates	85,222,877	72,810,666
	219,476,915	274,364,191
Trade accounts payable - related parties		
Stanley Electric Group companies	310,060,361	338,431,495
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	36,112,969	38,940,993
Associates	77,417,002	50,923,975
	423,590,332	428,296,463
Other accounts payable - related parties		
Stanley Electric Group companies	129,660,328	141,173,810

Thai Stanley Electric Public Company Limited
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 For the year ended 31 March 2017

28 Significant commitments

a) Bank guarantees

As at 31 March 2017, the Company has bank guarantees of Baht 34 million with respect to income tax payment and electricity supply of Baht 18 million and Baht 16 million respectively (2016 : income tax payment and electricity supply of Baht 18 million and Baht 16 million respectively).

b) Capital commitments

As at 31 March 2017, the Company has capital commitments of Baht 79 million (2016 : Baht 45 million). The capital commitment mainly comprises construction and machines for production expansion in the future.

29 Contingent liability

In 2015, the Company received a ruling letter from the Revenue Department stating that the Company had paid income tax for the accounting periods from 1 February 2003 to 31 January 2004, 1 April 2004 - 31 March 2005, 1 April 2005 - 31 March 2006, 1 April 2006 - 31 March 2009 and 1 April 2009 - 31 March 2010 incorrectly for the total amount of approximately Baht 18 million. The reason given was that the Company didn't average out the Company's net profit between BOI and non-BOI businesses before applying the income tax rate at 25% for the first portion of net profit of Baht 300 million, which is in accordance with the Royal Decree no. 387 B.E. 2544 and no. 475 B.E. 2551. However, the Company has objected to this letter and currently the case is being considered by the Central Tax Court of Thailand. The Company has asked the Revenue Department for tax payment relief until the central tax court has made a final resolution, and has asked the bank to issue a letter of guarantee for this tax amount as mentioned in Note 28 (a).

In 2016, the Central Tax Court of Thailand judged to dismiss the Company's plaint. The outcome of the judgment means the Company is liable to pay the additional tax to the Revenue Department. However, the Company has requested the Revenue Department to temporarily suspend the liability for the additional tax payment until a final judgment is issued. The Court granted the Company permission to extend time for filing an appeal to 1 June 2017. The Company is now preparing an appeal against the Court's judgment before submitting this to the Court of Appeal for Specialized Cases - Tax Case Division.

30 Subsequent event after the reporting period

At the Board of Directors' meeting held on 18 May 2017, the Board of Directors approved to propose the dividends payment in respect of the operating results for the year ended 31 March 2017 for a total 76,625,000 shares of Baht 5.00 per share totaling Baht 383.13 million to the Annual General Shareholders' meeting which will be held on 7 July 2017.

FINANCIAL STATISTICS IN 5 YEARS

(Unit : Thousand Baht Except For Figure Per Share)

	31 Mar 17	31 Mar 16	31 Mar 15	31 Mar 14	31 Mar 13
Report on Operation					
Sales	11,024,797	10,672,224	9,523,829	10,268,617	11,334,990
Cost of Sales	9,087,201	8,929,410	7,808,825	8,080,350	8,796,588
Net Profit (Loss)	1,273,768	1,303,440	1,157,648	1,487,512	1,607,085
Net Profit (Loss) per Share (Baht)	16.58	17.01	15.11	19.41	20.97
Net Profit Margin (%)	11.34	11.73	11.80	14.00	13.88
Return on Equity (%) (ROE)	9.83	10.84	10.36	14.39	17.56
Return on Total Assets (%) (ROA)	8.59	9.41	8.97	12.27	14.77
Debt to Equity (time) (DE)	0.14	0.15	0.15	0.15	0.19
Current Ratio (time)	5.00	4.30	3.83	3.55	2.71
Dividend per Share (Baht)	*	5.00	4.80	6.00	6.75
Dividend Ratio (%) ***	*	32.68	34.53	32.51	33.72

Assets & Liabilities and Equity

Current Assets	7,733,068	7,059,504	5,947,007	5,261,970	4,738,336
Property, Plant and Equipment, Net	5,460,123	5,536,093	5,823,148	5,975,284	5,905,057
Total Assets	15,185,832	14,407,271	13,293,905	12,506,076	11,744,183
Current Liabilities	1,545,236	1,643,233	1,551,388	1,484,284	1,750,458
Non-Current Liabilities	293,118	256,093	203,186	189,956	158,148
Equity	13,341,478	12,507,945	11,539,331	10,831,836	9,835,576
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)	174.11	163.24	150.59	141.36	128.36
Number of Shares**	73,625	76,625	76,625	76,625	76,625
Par Value (Baht)	5.00	5.00	5.00	5.00	5.00

* It will be Approved From The Ordinary Shareholders' Meeting

** Calculated Using The Weighted Average Method

*** Calculated from Financial Statement - The Company Only

General corporate information

1. Company Information

1.1 General Information

- (1) Name : Thai Stanley Electric Public Company Limited
Public Registered No. 0107536000765
- Address : 29/3 M.1 Bangpoon-Rungsit Road, Bangklang, Muang Pathumtharee 12000
Homepage: www.thaistanley.com
- Type of Business : Manufacturer of automotive lighting equipment and mold
- Paid up capital : 383,125,000 Baht (Three hundred eighty-three million and one hundred twenty-five thousand baht)
Common share 76,625,000 share par value 5 Baht

(2) Details of Investment in other companies exceed of 10%

No	Name/Address/Type Of Business	Capital Registered	Amount Of Number Of Share Hold	Investment Ratio(%)
1.	Lao Stanley Co.,Ltd. KM.7 Luangprabang Road, Vientiane, Laos - Manufacturer of automotive lighting equipment Telephone : 85621 222171-3 Facsimile : 85621 222174	USD 500,000	USD 250,000	50
2.	Vietnam Stanley Electric Co.,Ltd. Hanoi, Vietnam - Manufacturer of automotive lighting equipment Telephone : (044) - 0 534546 Facsimile : (844) - 8 531337	USD 8 300,000	USD 1,660 000	20
3.	Top Highrech (Thailand) Co Ltd Saha Ratana Nakorn Industrial Park, Ayutthaya - Manufacturer, sell, assemble plastic goods and Assemble light resolution molds Telephone : (035) 364-051 Facsimile : (035) 364-052	35.9 Million baht	5 million baht: common stock 5,000 shares	13.93

No	Name/Address/Type Of Business	Capital Registered	Amount Of Number Of Share Hold	Investment Ratio(%)
4.	Asian Stanley International Co.,Ltd 48/1 M.1 Kukwang Ladlumkaew , Patumthani - Manufacturer of lighting emitting diodes (LED) and camera flashes. Telephone :0-2599-1260 Facsimile : 0-2599-1263	400 Million baht	60 million baht common stock 600,000 shares	15
5.	Sirvit Stanley Co.,Ltd 182 M.3 Tambol Cokagluad Muang , Nakhonrachasima - Manufacturer of automotive lighting equipment and electronic components Telephone : (044) 291-411-3 Facsimile : (044) 291-414	40 Million baht	6.00 million baht (paid – up 3.00 million baht) common stock 600,000 shares	15
6.	P.T. Indonesia Stanley Electric Jakarta, Indonesia - Production and Sales of Automotive lamps for motorcycle and motorcar, Die & Molde Telephone : (021) 59404510 Facsimile : (021) 59404508	USD 7,500,000	USD 750,000	10

(3) Reference

Registrar

Thailand Securities Depository Co.,Ltd.
The Stock Exchange of Thailand Building
93 Ratchadapisek Road, Dindang Bangkok 10400
Telephone : 0-2009-9000 Facsimile : 0-2009-9991

Auditor

Ms.Varaporn Vorathitikul
Certified Public Accountant (Thailand) No.4474
PricewaterhouseCoopers ABAS Limited.
15th Floor Bangkok City Tower , 179/74-80
South Sathorn Road, Bangkok 10120
Telephone : 0-2286-9999 Facsimile : 0-2286-5050

Law Consultant

Bangkok Global Law Offices Co. Ltd.
20th Floor, Ratchanakorn Building
3 South Sathorn Road, Yannawa , Sathorn Bangkok 10120
Telephone : 0-2676-6667-8 Facsimile : 0-2676-6188-9

1.2 Other data

- None

2. Policy and Business Overview

2.1 Vision Objective Goal / Business Strategies

Thai Stanley Electric Public Company Limited is a manufacturer of automotive lighting equipment with international quality. The goal is committed to producing quality products and value added products that the importance and value to all related group with the company sincerely.

Management Policy is to consider customer satisfaction as the first priority by improving every function; quality control, costing, delivery, development, safety, and relationship through Planning – Doing – Checking process cycle.

2.2 Background

The Company was first registered as a limited company on 30 May 1980. It manufactured, imported and distributed automotive light bulbs and lighting equipment. That was founded by a Thai-Japanese joint venture between Seng Nguan Hong (Sittipol) Company Limited (currently known as The Sittipol 1919 Company Limited) and Stanley Electric Co., Ltd. of Japan. The Company operates three separate plants, producing auto bulbs, dies and molds, and auto lamps.

During year 1980 - 1990 the company invested Bulb factory, Lamp1 factory and Die & Mold factory, has been investment promoted from BOI for every plant and has registered capital of 10 million baht to 153 million baht

During year 1991 - 2001, the Company was listed on the SET, and the Company's shares began being traded on the SET under the abbreviation 'STANLY'. In the same year, the Company founded own research and development center with promotional support from the Board of Investment (BOI). This center is mainly engaged in researching and developing products for the Company. In July 1993, the Company was converted into a public limited company.

The company entered into a joint venture in establishing new companies Lao Stanley Co., Ltd. and Vietnam Stanley Electric Co., Ltd. Stanley Electric Engineering India PVT Ltd. PT. Indonesia Stanley Electric. that also took shares in various companies, such as Inoue Rubber (Thailand) Public Company Limited, Sum Hitechs Co., Ltd. (in 2015 the company sold shares to major shareholder of Sum Hitechs Co., Ltd.) Sivvit Stanley Co., Ltd., Tcp Hightech (Thailand) Co., Ltd. and Lumax Industries Limited of India. In addition, the Company formed a technical support alliance with Electro Polymers (PVT) Ltd. of Pakistan and Unitech Machines Limited of India.

The company has registered capital to 383,125 million baht and continued investment in Land around for new factory and new machinery and equipment for business expansion.

During years 2002 - 2010 the company has invested Lamp4 factory at Nava Nakorn Industrial Estate, Klong Luang, Pathumthani (In 2014, the Company sold land and buildings to the company that in the side area from not any operation and damaged by flooding in 2011) and Lamp 5 in the main area Muang, Pathum Thani

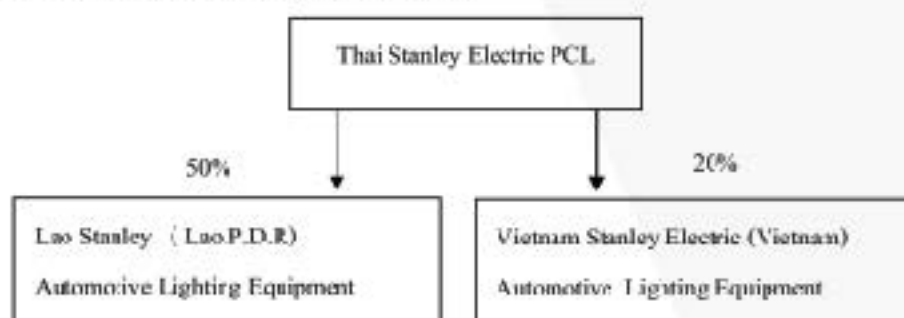
During year 2011 – 2013 Thailand's auto industry development and growth, respectively, but in the years 2011 have fluctuated dramatically from mega flooding in the central of Thailand impact on the automotive manufacturers and parts suppliers, the production and interruption and in 2012 from the needs of consumers returning to the policy of the government to make the first car sales and auto production record high. The company as a manufacturer of automotive parts has been ordered by customers many car manufacturers. As a result, the company is higher and opening of a new plant (Lamp7) to produced lamps for ECO Car, that selling are affect to growth of the automotive market.

During year 2014 – 2016 the automotive industry fell again after delivery of the car from the first car out. The demand for automotive consumer that was used prior to the year 2012, making the auto industry downturn and the decline continue, Agricultural crops production less so the public revenue less and to spending was less than normal. Only Exports and motorcycle market have continued to grow slightly. the automotive manufacturers including companies as part manufacturers have tried hard to remedy the situation and results of operations.

Management: Since the Company's initial establishment and subsequent listing on the SET, the original management team has continued in office without any significant change in management policy.

2.3 Company group holding structure

The company has 2 related company that manufacture of Lighting Equipment are Lao Stanley Company Limited and Vietnam Stanley Electric Company Limited which is in the business of lighting equipment. The operations and management based on the consideration of the Board of Directors of each company based on the policy of Stanley group.

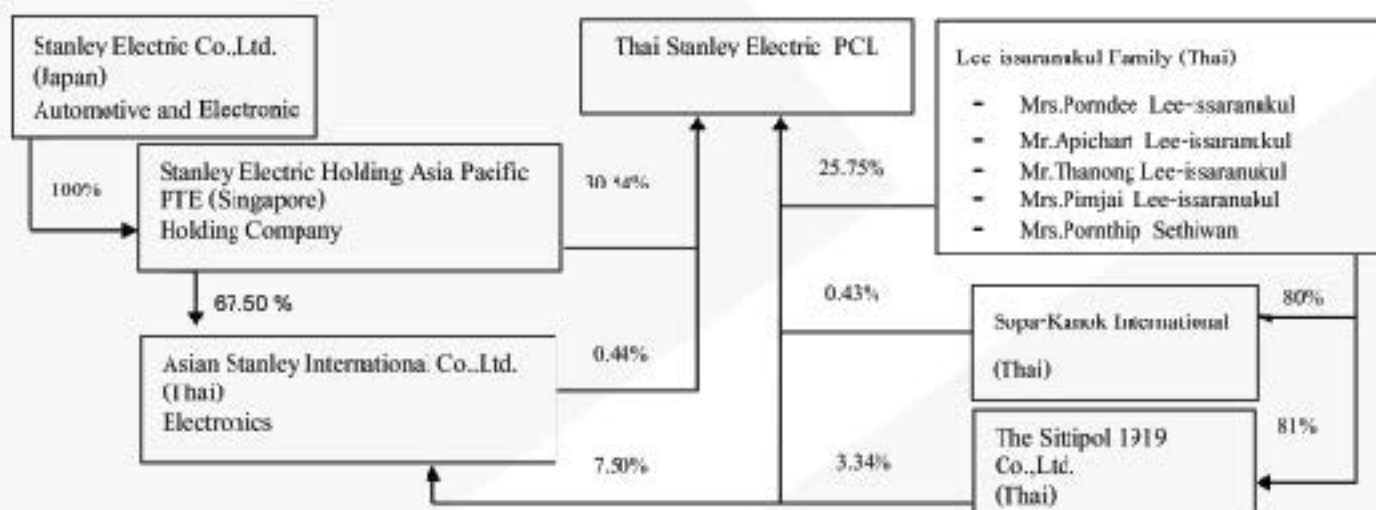


2.4 Major shareholder group Relationship

Major shareholder of the company is a group company Stanley Electric Co. Ltd. Japan and the Lee-issaranukul family, who is the founder of the company before listing on the SET. Each group has a representative on the board for the company.

Business operations in accordance with company policy accordance with the Stanley group policy.

The Company and Stanley group are relying on technical assistance, production and product design.



3. Conduct of business

The company currently manufactures and market auto bulb, automotive lighting equipment and dies & molds. The business segment information for dies & molds and design business, which is different from auto bulb, automotive lighting, has not been separately reported as the sales of this segment represent only 4.82% of total sales.

Income Structure

(The Equity Method)

Revenues	31 March 2017		31 March 2016		31 March 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic Sale Revenues	7,428.98	64.79	7,628.77	67.36	7,128.31	71.41
Export Sale Revenues	3,595.82	31.36	3,042.45	26.86	2,395.52	24.00
Total Sale Revenues	11,024.80	96.15	10,672.22	94.22	9,523.83	95.41
Dividend Income	23.24	0.20	9.37	0.08	10.85	0.11
Gain on Exchange Rate	21.10	0.18	18.37	0.17	22.47	0.23
Gain on sale of long term investment	-	-	261.91	2.32	-	-
Other Income	141.46	1.23	146.64	1.29	255.92	2.56
Share of profit from investment in Associate	255.72	2.23	217.35	1.92	168.53	1.69
Total revenues	11,466.50	100.00	11,326.86	100.00	9,981.60	100.00

2.1 Nature of products

The Company's core business is to manufacture and sell products in a single sector, both domestic and export, namely lighting equipment for use in motorcars, motorcycles and other vehicles. There are 2 core products:

- Auto Bulb the company manufactures bulbs for automobiles, such as Bulb T19, G18, RP30, S25 to assemble a collection of various types of automotive lamps are available sales through local dealers and sale export to Stanley group company and for supporting to production and assembly a set of automotive lamps.
- Lighting Equipment Lamps, the company manufacturing in the automotive parts such as Head Lamp, Rear Combination lamp or Tail lamp, Stop lamp, Signal Lamp and Room Lamp that jointly developed with automotive manufacturer in specific models.

In addition to the core products, the Company also manufactures all kinds of

- Dies & molds in support of the core business and for sale to other industrial operators. The details of the dies & molds and design segment are not identified in this filing because their sales account for only 4.82% of the Company's total sales.

Certificate of Promotion

The company received investment promotion from The Board Of Investment total 18 certificates of promotion as follows :

- | | |
|--|--|
| (1) Manufacture Automotive Bulbs | (Certificate of Promotion No. 1038/Sor. Aor./2533) |
| (2) Manufacture Automotive Lamps | (Certificate of Promotion No. 1044/2527) |
| (3) Manufacture Die & Mold | (Certificate of Promotion No. 1214/Sor. Aor./2530) |
| (4) Manufacture Die & Mold | (Certificate of Promotion No. 1078/Sor. Aor./2533) |
| (5) Manufacture of Automotive Lighting Equipment and parts | (Certificate of Promotion No. 1279/Sor. Aor./2533) |
| (6) Research & Development of Automotive Lighting Equipment | (Certificate of Promotion No. 1178/2534) |
| (7) Manufacture Die & Mold | (Certificate of Promotion No. 1161/2538) |
| (8) Manufacture of automotive Lighting Equipment, Machine or Electrical | (Certificate of promotion No. 5675/2539) |
| (9) Manufacture Electronic Bulbs | (Certificate of promotion No. 1016/2541) |
| (10) Manufacture Engineering Plastic parts | (Certificate of Promotion No. 1017/2541) |
| (11) Manufacture of automotive Lighting Equipment, Machine or Electrical | (Certificate of Promotion No. 4290/2541) |
| (12) Manufacture of automotive Lighting Equipment, Machine or Electrical | (Certificate of promotion No. 4573/2541) |
| (13) Manufacture Die & Mold | (Certificate of Promotion No. 1096/2543) |
| (14) Electronic Design | (Certificate of promotion No. 1294 (2)/2545) |
| (15) Manufacture and repair Die & Mold | (Certificate of promotion No. 1539 (2)/2545) |
| (16) Manufacture of Automotive Parts | (Certificate of Promotion No. 1545 (2)/2546) |
| (17) International Standard Lamp for economic car | (Certificate of Promotion No. 1631(2)/2012) |
| (18) Manufacture and repair Die & Mold | (Certificate of promotion No. 2216(2)/2013) |

Now the company have right from received investment promotion from The Board Of Investment total 2 certificates of promotion as follows :

1. Certificate of Promotion No. 1631 (2)/2012 , was issued on 22 May 2012 to engage in the international standard Lamp economic car , category 4.10 vehicle part production . The privileges and benefits under Certificate of Promotion No. 1631(2)/2012 include the following: Certificate

1. Be exempted from Import duty on machinery as approved by the BOI
2. Has been a reduction of 90% of the incoming rate to import raw material or necessary material required for use in the production of distributors in the country for 1 year from the first day of imported. The

raw and necessary material must not be same as made in a similar quality to the imports, and a sufficient quantity to supply them and in term and conditions in the time of the BOI to stipulate.

3. Be exempt the income tax , net profit from operations that have been promoted but not exceed 100% of the total investment , excluding land and current capital for 8 years from the date of the income from the operation. In the calculation of net income that including income from the sale of defect from productions.

The loss of business during the income tax exemption , that losses can be deducted from the net profit after the period of exemption from income tax that for a period not exceeding five years from the date of expiration of the period , by deducting from net income of any year or many year.

4. The dividend from the promoted has exempted that to not calculation for the income tax , duration the period of exemption right in income tax.

5. Be exempted from import duties on raw and necessary materials that imported for use in production to export in a period of 1 year from the first date of imported.

6. Be exempted from import duties for the imports to exports for a period of 1 year form the first date of import.

2. The certificate of promotion No.2216(2)/2013 dated September 4, 2013 to engage in the manufacture of molds and mold repair category 4.2 Manufacture of machinery. Equipment and parts , the rights and privileges as follows:

1. Be exempted from import duty on machinery as approved by the BOI

2. Be exempt the Income tax . Net profit from operations that have been promoted but not exceed 100% of the total investment, excluding land and current capital for 8 years from the date of the income from the operation.

In the calculation of net income that including income from the sae of defect from productions.

The loss of business during the income tax exemption , that losses can be deducted from the net profit after the period of exemption from income tax for a period not exceeding 5 years from the date of expiration of the period , by deducting from net income of any year or many year.

3. The dividend from the promoted has exempted that to not calculation for the income tax , duration the period of exemption right in income tax.

4. Be exempted from import duties on raw and necessary materials that imported for use in production to export in a period of 1 year from the first date of import.

5. Be exempted from import duties for the imports to exports for a period of 1 year from the first date of import.

The general conditions and project conditions as follows:

General Condition

1. Use land that is permitted to engage in activities that promote only.
2. The machine that has approved the exemption or reduction of import duty in accordance with privileges.
3. Raw and necessary material to apply preferences in promote activities only ,and must be submitted for approval to import not less than 2 months.
4. Must provide Income – expenses statement for the promoted business separately from the other business for the purpose of calculating other net income that is exempted from income tax.
5. Raw materials and necessary material must be a specific product or assembly that is used to export product and product from promoted business.
6. Shall provide and protection system to prevent environmental damage or a danger or nuisance to the neighboring .
7. Quality of products from manufactured or assembled. Must be in accordance with international standards.

Project Conditions

1. Machinery for the promoted business must be a new machine and purchasing within March 4 ,2016.
2. The operation must be completed within 36 months from the date of the promotion.
3. The implementation of significant projects have been promoted in the following.
 - 3.1 Kind of product : Mold and Mold Repair .
 - 3.2 Size of the business. The production capacity for Mold , about 100 sets and Mold repair 50 sets per year.
(Working time 16 hours / day : 300 days / year) , outgrowth is defect from productions
4. Minimum investment (Excluding land and current capital) not less than 1 million Baht
5. Income tax exemption worth up not over than 190,000,000 baht

2.2 Market and competition

a. Policy and marketing

Because of the limited competition in this industry, the Company's strategy is to manufacture high-quality products at a reasonable price. The pricing policy is based on the cost of manufacturing with a standard profit margin. The Company also has a policy of expanding additional lines of automotive products to meet the demand in the automotive market.

The Company's customers include manufacturers and distributors of motorcycles and motorcars (passenger cars and commercial vehicles). The Sittipol 1919 Co., Ltd. is the Company's dealer in automotive spare parts that The Company has not paid any compensation to dealers.

Distribution channels and customer base

1. Local channels

1.1 Original equipment market: The products are sold directly to local assembly plants in Thailand. Usually, they are used in the manufacturing process or kept as spare parts.

1.2 Replacement equipment market: The products are sold through the Company's dealer, The Sittipol 1919 Co., Ltd. In this market, the products are as replacements.

2. International channels

2.1 Original equipment market: The products are sold directly to local assembly plants abroad. Usually, they are used for manufacturing or kept as spare parts.

2.2 Inter-member market: The products are export sold to each international member of the Stanley Group which engages in automotive assembly. This is to enable those members to assure the availability and quality of their stock. Deliveries are made on their orders from time to time on the basis of a single source. That means the Company is the sole manufacturer and distributor of these kinds of products for the Stanley Group worldwide. This creates economies of scale and efficient cost control. For some members in the Stanley Group, if only a few items are required and it is not cost-effective to order them directly from another manufacturer, an occasional delivery from the Company is a better alternative.

In 2016, The company had domestic sale approximately 67.38% of the company total sale, decreased 2.63% from the previous year which was the automotive industry in stagnation of economic conditions and export sales approximately 32.62% of the company's total sales, decreased 18.19% that sale to foreign customers are in Asia Europe and the USA.

b. Competition situation

The Company's policy in competitive to practice under the rules of the competition. Not take any action as a monopoly or reduce competition or limited competition

In the local automotive lighting equipment industry, the competition is limited with very few market players. Basically, there are only three manufacturers in Thailand, i.e. the Company, Thai Koito Co., Ltd and Ichikoh Industry (Thailand) Co., Ltd. However, the Company is the larger manufacturer and in terms of competition, the Company definitely has the edge over its competitor because the Company's business integrates research and development, design, moulding, manufacturing, assembly and quality control. As

regards cost, the Company can take advantage of its being a listed company by obtaining lower cost financing through the Stock Exchange of Thailand, compared with its competitor.

The barriers to entry are high for the following reasons:

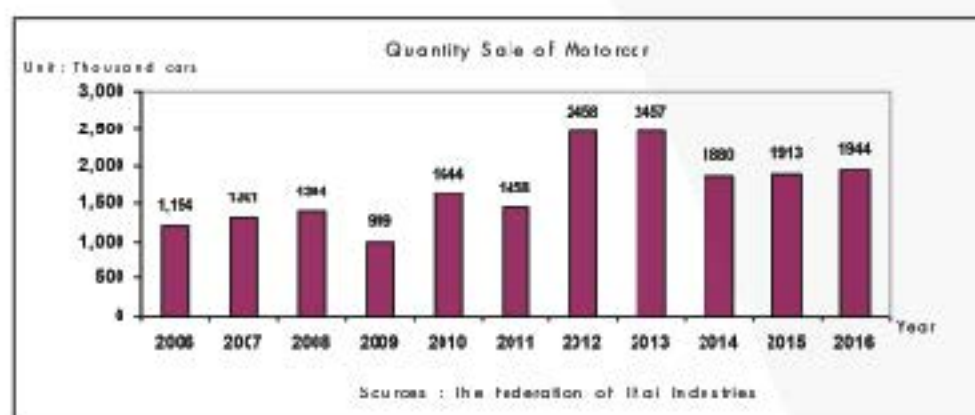
1. Significant investment is needed to acquire the costly machinery, tools and devices, including the equipment for quality testing.
2. The specialist training for workers is expensive and time-consuming.
3. The business naturally relies on specialised technology and must conform strictly to each country's safety standards.
4. The Company benefits greatly from the modern technology and valuable experience transferred from its joint venture partner, Stanley Electric Co., Ltd. of Japan, thereby increasing customers' confidence in the Company.

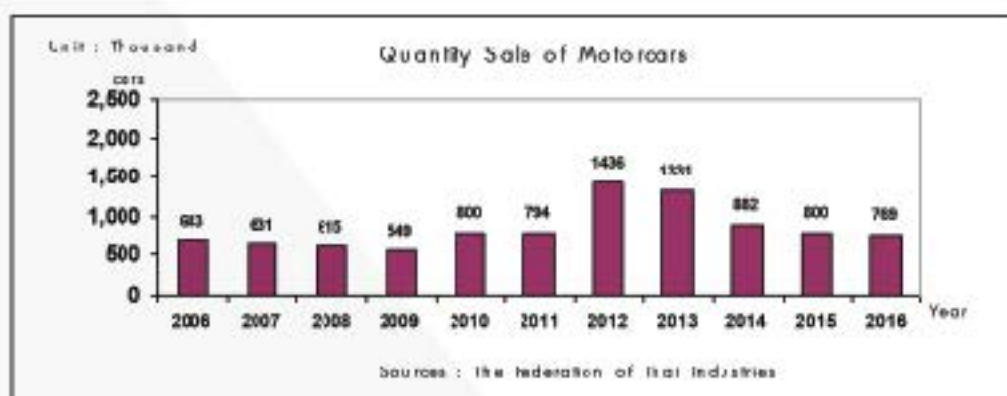
Because there are so few operators in this industry, the Company has the bargaining power over its customers at a particular level. However, the course of business is still based on the facts, especially, the basis of the actual cost of manufacturing plus standard profit.

Despite the limited number of operators in this industry, there are many suppliers. The Company has a non-monopoly policy with suppliers so that it can negotiate for the lowest price possible.

The automotive industry plays an essential role in the country's overall industrial development. Structurally, the automotive industry is linked to a wide range of other industries. That starts with basic materials, such as steel, plastic, rubber, glass and animal hides and the manufacture of automotive parts. The final process ends with assembly.

Over the past decade, Thailand's automotive industry has improved substantially, making Thailand the largest manufacturer of vehicles and component parts in Asian. The growth of the automotive industry over the past decade can be classified by types of vehicles: motorcars and motorcycles, details as follows





Remark : Not shown graph of motorcycle production data because production and sale are same level

In 2016 the automotive industry , sales continued to decline due to the overall economy in the doldrums but there are good prospects from motorcycle sale increase as few from the previous year.

Naturally, the Company's business aims at the OEM market while the replacement market is its secondary channel. Therefore, the growth of the Company's business over the past decade has been in line with the direction of the country's automotive industry.

3.3 Supplies and services

a. Manufacturing and raw material

The Company has three manufacturing plants as follows:

1. Automotive bulb plant : capacity = 113 million pieces per year

All production from customers' orders and the other portion supplies the Company's lamp plant.

2. Automotive Lamp plant : capacity = 40 million pieces per year

All production from customers' orders

3. Die and mould plant: Production = 400 pieces per year

All production from customers' orders and the other portion supplies the Company's lamp plant.

The Company currently acquires 38% of materials from local suppliers and 32% import from foreign suppliers. That their price has not changed significantly over the years. Details of local and foreign acquisition of materials over the past three years are as follows

Unit : Million Baht

Sources	31 March 2017		31 March 2016		31 March 2015	
	Amount	%	Amount	%	Amount	%
Local	3,397.57	67.95	3,233.56	63.37	2,843.71	68.15
Foreign	1,602.63	32.05	1,638.56	33.63	1,329.05	31.85
Total	5,000.20	100.00	4,872.12	100.00	4,172.76	100.00

The majority of materials are supplied by Stanley Electric Co., Ltd. of Japan and other company members in the Stanley Group for the following reasons:

1. The material has characteristic features and can be acquired in large quantities from a single source to save costs. Conversely, it is not cost-effective for the Company itself to manufacture the material in Thailand because of the low demand.

2. A large order is necessary for cost-effectiveness. However, local demand is not large enough. In other words, a small order increases the cost. The Company has therefore opted to buy only essential material locally out of the total quantities obtained from Stanley Electric Co., Ltd. of Japan. This is to reduce the cost of procurement and the risk of dead stock.

3. A single source provides the material on the basis of the alliance among the members of the Stanley Group, resulting in economies of scale. The material is distributed to all other members worldwide.

The price of material provided by Stanley Electric Co., Ltd. of Japan and the Stanley Group is fixed at a reasonable and favourable level. The pricing formula is the actual cost plus administrative expenses. If some kinds of general material can be acquired from other suppliers on favourable conditions, the Company has absolute discretion to proceed with that procurement without abiding by any commitments within the Stanley Group.

b. Environmental impacts

In every production process, The Company realized the effective to do not adversely affect the environment. For the painting process, a water shield and sludge disposal system are in place to prevent dust in the air. In this regard, the Company has engaged to the company which holds a waste disposal licence, to dispose of and treat the waste. Consequently, no pollution is emitted outside the Company's facilities. That means the environment suffers no impact from the Company's operations.

Now the company has completely Waste Water Treatment, the waste water from all factory will be sent in for proper treatment whose water level can be measured for the standard, that can be brought back for reused in production process and other activity such as toilet flushing, water plant and Lamp7 factory has reuse it in painting process and flushing water for toilet, and other factory are adjusting this water for appropriate use. Therefore, the company have not any affect to environment.

In all circumstances, the Company recognises the importance of environmental conservation. It has campaigned for environmental management and was awarded ISO14001 certification. The company have designed our products to be environmentally friendly (green products) by relying on chemical-free substances or reducing the use of poisonous chemicals such as mercury (Hg), lead (Pb), chromium 6 (Cr6+), cadmium (Cd) and flame retardants (PBB & PBDE).

In addition, we also provide a green space project in the company, by providing a tree Planting activity on the last working day of the year, Enhancing the green space in the company and create a habit of environmental importance to employees.

The company has no disputes or litigation regarding environmental issues from local communities.

3.4 Undelivered Projects

- None -

4. Risk factors

The Company's risk management policy is,

The Company must ensure safety of life and body of employees by considering as the highest priority and must maintain process property and to cope with risk by coordinate with local and government offices, make a relationship with other industries as well as provide suggestions of necessary and adequate information for risk management measures

The Company structure of risk management systems, as follows

- The Executive General Manager of Administration Division is response for the oversight of risk management.

- Appointment of Risk Management Committee Responsible for risk and crisis response. Include consideration and review of risk management policy. As defined in the risk management requirements, the structure as follow:

Chairman of the Committee is President

Vice Chairman of the Committee is Vice President

Members are executive directors and appointed executives.

In case of crisis, The Risk Management Committee will consider establishing the Business Continuity Plan (BCP), which will act as a centralized response to the crisis so that it can continue its operations. The structure is as follows.

The Director is the President.

Deputy Director is the Vice President

Membership is the board of directors. Executives from each division and person appointed by the director as necessary.

The Business Continuity Plan (BCP) must coordinate with the Risk Management Committee of Stanley Electric Co., Ltd., Japan, and to continue to operate.

The Company has determined the relevant risks in accordance with the risk control requirements. The main responsibility for regulating people is identifying risks and assessing risks, categorized into 3 types, covering both internal and external factors.

1. Operation Risk, Risk arising from failure of work procedures, strategies and management policies. The job does not comply with the organization's policy / vision (strategic risk), system or equipment is damaged, including operational personnel expected damage may cause damage, inadequacy of financial budgets, disruption in disbursement liquidity foreign exchange risk (Financial Risk) Risk from competition, competitor or the risk of a partner and the suppliers.

2. Crisis Risk and Economic / Political Risk, Risk that need for emergency response measures due to severe impacts, such as natural disasters, epidemics, and economic and political risks.

3. Compliance / Regulatory Risk, Risk arising from the laws, regulations, regulations of the government, use of penalties or indemnities for breach of contract, noncompliance with each type of contract, such as laws, etc., that are expected to cause damage.

Risk assessment , The company evaluates how severely the severity and likelihood of occurrence is by taking the risk very violent , can cause a lot of damage or high chance to accelerate the management of control measures. The risk is not severe and less likely will consider appropriate management.

In 2016 , the company have performed simulations flood crisis. Start from the implementation of management responsible for risk oversight ,the Risk Management Committee 's operation and establishment of the Business Continuity Plan and various operations to normal levels. So that all departments understand the role and the simulation results to improve the risk management plan of each agency accordingly with the cooperation of the Stanley Electric Co., Ltd. Japan to advise such simulations.

Furthermore of such measures , in the other departments have responsible for risk control that have been prepared terms and measures in case that crisis. Such as conflagration, substances chemical leak. Including preparation of training plans. Simulation Evaluation of a record, and monitoring the safety of the facility and has established the TOP GUN and training as a special case to as a team supplement in helping prevent and suspend conflagration preliminary to reduce the damage that may occur.

From company Risk Assessment in business risk has not significant effect on investment of the investors. There are only business risk in general and in middle level , that to risk reduce by cost of protection which must be carefully considered. In the budget and must take measures to reduce risk within the fixing date as follows ,

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

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

2. Risk caused from foreign exchange rate and loan

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

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

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

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

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

4. Risk of a major shareholder group of more than 25%

The company has shareholder of more than 25% of two groups: Stanley Electric, Japan holding 33% and Lee-issaranukul family holding 30% of the shares, by each group assign their representative to be the Executive Director of the Company.

Stanley Electric is the master of the production of all products. The company must rely on technology to produce materials designed by Stanley Electric assistance, which payment the remuneration for each type of transactions in normal business base.

5. Infrastructure and Infrastructure Risks

The company is a manufacturing industry which requires utilities such as electricity, water supply and water supply. The company has set up preventive measures by planning maintenance. Increased power purchase from private sector and insurance to transfer risk and mitigate damage.

6. Computer System Risks

The company has a large collection of information using computer systems, both production data, employee information. If the system is damaged, lost or stolen as well as the threat of the virus (Cyber Terrorist) will damage the company. The company has a system of backup and storage, Review of major software security updates, the virus detection software is installed and the right to access the information is properly controlled.

Since the company established, no any major changes in the shareholder structure, or business policy. The company has had no impact on issues of major shareholders and management.

5. Structure of Securities holding and management

5.1 Securities of Company

(1) The Company has paid up capital of 333.125 million Baht and fully paid up, divided into 76,625,000 ordinary shares each of baht 5 per share.

(2) Other Share

- None

5.2 Shareholders

(1) Major shareholder list

(A) Top ten shareholders as at the last closing book date July 15, 2016.

Shareholder Name	Number of Share (Share)	% of holding
1. Stanley Electric group	24,767,576	32.33
- Stanley Electric Holding Asia-Pacific PTE	24,433,076	31.89
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,520,496	29.52
- Mrs.Pomdee Lee-issaranukul	7,695,876	10.04
- Mr.Apichart Lee-issaranukul	4,500,036	5.87
- Mr.Thanong Lee-issaranukul	3,208,920	4.19
- Mrs.Pimjai Lee-issaranukul	2,170,670	2.83
- Mrs.Pornthip Sethiwan	2,162,670	2.82
- The Sittipol (1919)	2,556,074	3.34
- Sopa-Kanok International Co.,Ltd.	326,250	0.43
3. Aberdeen Small Cap Fund	1,975,600	2.58
4. Nortrust Nominee Ltd-CL AC	1,973,100	2.58
5. Tha NVDR Co.,Ltd.	1,924,210	2.51
6. BNP Paribas Securities Service , London Branch	1,805,000	2.36
7.Aberdeen Long Term Equity Fund	1,783,900	2.33
8. Aberdeen Growth Fund	1,580,700	2.06
9.AIA Company Limited , AIA-D-Plus	1,540,000	2.01
10.Mr.Kenneth Rudy Kamon	1,303,800	1.70

The currently shareholders list , the investor can see in company website (www.thaistanley.com) before the Annual General Meeting.

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

Shareholder Name	Number of Share (Share)	% of holding
1. Stanley Electric group *	24,787,576	32.33
- Stanley Electric Holding Asia-Pacific PTE	24,433,076	31.89
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,620,496	29.52
- Mrs.Pomdee Lee-issaranukul	7,695,876	10.04
- Mr.Apichart Lee-issaranukul	4,500,036	5.87
- Mr.Thanong Lee-issaranukul	3,208,920	4.19
- Mrs Pimjai Lee-issaranukul	2,170,670	2.83
- Mrs.Pornthip Sethiwan	2,162,670	2.82
- The Sittipol (1919)	2,556,074	3.34
- Sopa-Kanok International Co.,Ltd.	326,250	0.43

* Stanley Electric , Japan holding 100% in Stanley Electric Holding Asia-Pacific PTE , Singapore and holding 67.50% in Asian Stanley International Co.,Ltd

** Lee-issaranukul Family is the major shareholder and executive management in Sittipol 1919 (holding 81%) and Sopa Kanok International (Holding 80%)

5.3 Other Securities

-None

6. 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. (The Company Only)

Fiscal Year	2011	2012	2013	2014	2015
Earning Per Share (Baht)	9.48	21.18	19.41	15.11	17.01
Dividend Per Share (Baht)	3.00	6.75	6.00	4.80	5.00
Dividend Ratio (%)	36.61	33.72	32.51	34.53	32.68

7. Management Structure

7.1 Board of Director and Meeting

Name	Position	Board of Director Meeting	
		Number of Meeting	Number of Attend the Meeting
Mr. Apchart Lee-issaranukul*	Executive Chairman	5	5
Mr. Kochi Nagano *	President	5	5
Mr. Thanong Lee-issaranukul *	Director	5	5
Mr. Tadao Suzumura * ***	Director	5	4
Mrs. Pimjai Lee-issaranukul	Director	5	5
Mrs. Pornthip Gethiwan	Director	5	5
Mr.Krisada Visavareeranon	Independent Director and Chairman Audit Committee	5	5
Mr. Chokechai Tanpoonsinthana	Independent Director and Audit Committee	5	5
Mr. Suchart Phisitvanich	Independent Director and Audit Committee	5	5
Mr. Picharn Sukparangsee	Independent Director	5	5
Mr.Katsutoshi Iino **	Director	5	4 (by TV Conference)
Mr. Toru Tanabe **	Director	5	3 (by TV Conference)
Mr Katsumi Sumiya ***	Director	5	1

Remark * Authorized directors , condition is Mr.Apichart Lee-issaranukul or Mr.Thanong Lee-issaranukul sign with Mr.Koichi Nagano or Mr.Tadao Suzumura and company seal

** Director worked at Japan. *** Director resigned and appointed during the year

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

Meeting schedule and key agenda have been set for the whole year in advance in order to make sure the adequacy of time and the availability of the board members. The invitation letter is sent out at least 14 days in advance both in Thai and in English. TV conference is also set up for the board member who is on overseas business trip to join the meeting from abroad.

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

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

Total numbers of Board of Directors meetings held in 2010 are 5 times. At every meeting, adequate details in the form of supplementary documents will be sent out to the board members to study in advance. According to attendance record, 10 out of 12 members that working in Thailand had attended meeting every time (100%) 10 person or 83% , attended meeting 4 time (80%) are 1 person (25%) , attend the meeting 3 times (40%) are 1 person (8%) that who stay in oversea had attended the meeting via TV Conference .

7.2 The Executive Board

The executive directors meeting will be held 4 times a month and there might be additional meeting if necessary. Management or involved person might be invited to give information directly to the meeting . On March 31,2010 the executive board name list are 6 persons as follows

Name	Position
1. Mr. Apichart Lee-issaranukul	Executive Chairman and Executive General Manager Administration Division
2. Mr. Koichi Nagano	President
3. Mr. Tadao Suzumura	Director and Executive General Manager Lighting Equipment Division
4. Mr. Hideki Matsui	Executive General Manager - Marketing Division
5. Mr. Koji Kobayashi	Executive General Manager - R&D Center
6. Mr. Etsuya Kawashima	Executive General Manager - Die & Mold Division

7.3 Company Secretary

The Board of Directors has appointed Mrs. Sudjai Sri'uengfong. Held the position of company secretary Since July 4, 2008 by the properties of the incumbent secretary of the Company is as follows

Company Secretary Practice requirements as set out in Section 89/15 and 89 /16 of the Securities and Exchange Act (No. 4) Act 2551 which comes into force on 31 August 2551 with responsibility, caution And honesty Including compliance with the legal regulations of the company's objectives . Board of Directors The resolution of the shareholders of the Company Secretary are required by law .

1. Establish and maintain the following documents.

A .register of directors

B. Director Meeting Notice letter , Minutes of the Board meeting and company annual report

C. Notice of the annual general meeting of Shareholders. And the minutes of the shareholders meeting

2. Keeping report on interest filed by a director or executive and deliver a copy of the report

Stakeholders under Section 89/14, the Chairman of the Board and Chairman of the Audit Committee within 7 days from the date we receive the report.

3. Carry other According to the Commission the notification .There is also the Company Secretary of the Company and other duties as assigned .

- Advise on the laws and regulations related . And best practices in governance and in the activities of the Commission in accordance with the law.
- Served on the Board of Directors' meetings and shareholders meeting.
- Contact with other departments within the company. To comply with the resolutions of the Board of Directors and shareholders.
- Contact with regulatory agencies such as the SEC , the Stock Exchange of Thailand , and overseeing the disclosure and reporting information to the regulatory agencies and the public
- Provide orientation Advises directors to be appointed new.
- Other duties as assigned by the company

List of Directors, Managers, and experience

1.Name – Surname	Mr. Apichart Lee-Issaranukul
Position	Executive Chairman and Executive General Manager Administration Division.
Date of Appointment	Year 1988
Age	54
Education	Honorary Doctor of Engineering (Industrial Engineering) ,
Degree	Rajamangala University of Technology Thanyaburi Master of Business Administration Oklahoma City University, USA. Bachelor of Administration The University of the Thai chamber of commerce.
Training	Certificate Directors Certification program from Thai Institute of Director (IOD) Certificate Executive Business and Investment Development Institute of Business and Industrial Development (IBID)
% of Holding	5.87%
Relations	Son Mr.Yitya Lee-Issaranukul and Mrs.Porndee Lee-Issaranukul Brother Mr.Thanong Lee-Issaranukul,Mrs. Pinyai Lee-Issaranukul and Mrs. Pornthip Sotniwan
Working Experience	1991-Present Director Insue Rubber (Thailand) Public Co.,Ltd. 1992-2013 Executive Vice President Thai Stanley Electric PCL 2013-Present Executive Chairman Thai Stanley Electric PCL 1992-Present President Scpa-Kanck International Co.,Ltd 1993-Present Director Pacific Industries Co.,Ltd. 1993-Present Deputy Chairman Stanley Thailand Foundation 1995-Present Director Sungold Holding Limited 1996-Present Executive Vice President Asian Stanley International Co.,Ltd 1997-Present Director Sirvit Stanley Co.,Ltd. 1997-Present Director Daido Sittod Co.,Ltd. 1999-Present Chairman Lac Stanley Co.,Ltd. 2000-Present Director Vietnam Stanley Electric Co.,Ltd. 2002-Present Director Investor Club Association 2004-Present Executive Director Investor Club Association 2005-2016 Director Listed Companies Association 2006-Present Director PI Indonesia Stanley Electric 2006-Present Director Total Oil (Thailand) Co.,Ltd. 2010-Present Independent Director and Nomination and Remuneration Committee Leo Globa Logistic PCL

2.Name – Surname Mr. Koichi Nagano

Position President

Date of Appointment July 3, 2009

Age 57

Education Degree Bachelor of The Faculty of Engineering , Hosei University , JAPAN

% of Holding 0.00%

Relations None

Working Experience

2009-Present	Director	Thai Stanley Electric PCL.
2013-Present	President	Thai Stanley Electric PCL.
2010-Present	Director	Srivit Stanley Co.,Ltd.
2011-Present	Deputy Chairman	Stanley Thailand Foundation
2013-Present	Director	Top Hightech Co.,Ltd
2013-Present	Director	PT Indonesia Stanley Electric
2013-Present	Honorary Chairman	Lao Stanley Co.,Ltd.

3.Name – Surname Mr. Thanong Lee-issaranukul

Position Director

Date of Appointment Year 1983

Age 57

Education Degree Bachelor of Business Administration – Commercial , Nanzan University, JAPAN

Training Certificate Director Accreditation Program Thai Institute of Director (IOD)

% of Holding 4.19%

Relations Son Mr.Vitaya Lee-issaranukul and Mrs.Porndee Lee-issaranukul
Brother Mr.Arichart Lee-issaranukul, Mrs. Pimjai Lee-issaranukul and Mrs. Pomthip Sethiwa

Working Experience

1983 - Present	Director	Thai Stanley Electric PCL.
1986 - Present	Managing Director	The Sittipol 1919 Co.,Ltd.
1986 - Present	Director	Inoue Rubber (Thailand) PCL.
1993 - Present	Director	Sopa-Kanok International Co.,Ltd.
1995 - Present	Executive Director	Total Oil (Thailand) Co.,Ltd.
1995 - Present	Director	Surgold Holding Co.,Ltd.
1995 - Present	Director	Toei Inoac Co.,Ltd.
1995 - Present	Director	IRC (Asia) Research Co.,Ltd.
1996 - Present	Vice Chairman	Daido Sittipol Co.,o. Ltd.
1996 - Present	Executive Director	Seng Ngun Hong Co.,Ltd.
1996 - Present	Chairman	Elke Clinic Co.,Ltd.
1998 - Present	Director	The Studio Production Co.,Ltd.
2001 - Present	Chairman	Smart Sport Promotion Co.,Ltd.
2001 - Present	Chairman	Kanok-Sopa Foundation
2003 - Present	Director	SK Rubber Co.,Ltd.

4.Name – Surname	Mrs. Pmjai Lee-issaranukul
Position	Director
Date of Appointment	Year 1983
Age	58
Education Degree	Master of Business Administration operation Management, Drexel University, USA. Bachelor of Engineering Chulalongkorn University
Training	Certificate Directors Certification program Thai Institute of Director (IOD) Capital Market Academy Leadership Capital Market (CMA)
% of Holding	2.84%
Relations	Daughter Mr.Vitya Lee-issaranukul and Mrs.Porrdee Lee-issaranukul Sister Mr.Apichart Lee-issaranukul , Mr.Thanong Lee-issaranukul and Mrs.Pornthip Sethiwan
Working Experience	1983-Present Director Thai Stanley Electric PCL. 2013-Present Chairman Inoue Rubber (Thailand) PCL 2007-2013 President Inoue Rubber (Thailand) PCL 1986-2007 Executive Vice President and Managing Director Inoue Rubber (Thailand) PCL 1993-Present Director Sopa-Kanok international Co.,Ltd. 1995-Present Chairman Toei - Inoac Co.,Ltd. 1995-Present Director IRC Asia Reseach Co.,Ltd. 1995-Present Director Sungold Holding Co.,Ltd. 2001-Present Director Kinno Hoshi Engineering Co.,Ltd. 2003- Present Director S.K. Rubber Co.,Ltd. 2006- Present Director Dido Gittipol Co.,Ltd. 2010- Present Global Advisory Board Member Babson College , Ma, U.S.A 2010- Present Executive Board as External Advisory Expert Faculty of Engineering Chulalongkorn University

5.Name – Surname	Mrs. Pornthip Sethiwan
Position	Director
Date of Appointment	Year 1990
Age	50
Education Degree	Bachelor of Commerce and Accountancy, Commerce major Chulalongkorn University.
Training	Certificate Director Accreditation Program Thai Institute of Director (IOD)
% of Holding	2.82%
Relations	Daughter Mr.Vitya Lee-issaranukul and Mrs.Porrdee Lee-issaranukul Sister Mr.Apichart Lee-issaranukul, Mr. Thanong Lee-issaranukul and Mrs. Pimjai Lee-issaranukul

Working Experience

1980 - Present	Director	Thai Stanley Electric PCL.
1985 - Present	Director	Seng Ngun Hong Co.,Ltd.
1990 - Present	Executive Director	The Sittipol 1919 Co.,Ltd.
1990 - Present	Director	Pacific Industries (Thailand) Co.,Ltd.
1991 - Present	Director	Inoue Rubber (Thailand) PCL.
1993 - Present	Director	Sopa-Kanok International Co.,Ltd.
1993 - Present	Director	Bike Clinic Co.,Ltd.
1996 - Present	Director	Daido Sittipol Co.,Ltd.
2003 - Present	Director	SK Rubber Co.,Ltd.
2006 - Present	Director	IRC Asia Research Co.,Ltd.

6.Name – Surname

Mr. Tadao Suzumura

Position

Director and Executive General Manager Lighting Equipment Division

Date of Appointment

June 1 , 2016

Age

57

Education Degree

Bachelor Faculty of Engineering , Tokai University , JAPAN

% of Holding

None

Relations

None

Working Experience

1983 - 2003	Quality Control Section , Hadano Plant , Stanley Electric Co.,Ltd.
2003 – 2007	Section Manager , Development and Management Section Hadano Plant , Stanley Electric Co.,Ltd.
2007 – 2009	Section Manager , New Model Control Section , Hadano Plant , Stanley Electric Co.,Ltd.
2009 – 2015	Department Manager New Model Development Control Department Thai Stanley Electric PCL.
2015 – 2016	Deputy Executive General Manager , Lighting Equipment Division Thai Stanley Electric PCL.
2016 - Present	Director and Executive General Manager Lighting Equipment Division Thai Stanley Electric PCL.

7.Name – Surname

Mr. Toru Tanabe

Position

Director

Date of Appointment

June 26 , 2012

Age

58

Education Degree

Bachelor Faculty of Electric Engineering , Hosei University , JAPAN

% of Holding

None

Relations

None

Working Experience

2010 – 2011	Director Integrated Components Division Superintendent Stanley Electric Co.,Ltd.
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2010 – Present	Director , Research & Development & Technology Superintendent Stanley Electric Co.,Ltd.
2012 – Present	Director Thai Stanley Electric PCL
2012 – Present	Director SL Lighting Corporation
2012 – Present	Director Tianjin Stanley.Co.thd
2012 – Present	Director Stanley Electric U.S.Co.,Inc
2012 - Present	Director II Stanley Co.,Inc
2014 – Present	Director Asian Stanley International Co.,Inc.
2014 – Present	Director Stanley Electric Sales of India PVT.Ltd.
2014 – Present	Director Stanley Electric Trading (Shenzhen) Co.,Ltd.
2014 – Present	Director Stanley Electric Holding Asia-Pacific PTE .Ltd.
2014 – Present	Director Stanley Electric Korea Co.,Ltd.
2014 – Present	Director Stanley Electric (Asia Pacific) Ltd.
2014 – Present	Director Vietnam Stanley Electric Co., Ltd.
2014 – Present	Director Lumax Industrial Ltd.
2014 – Present	Director PT.Indonesia Stanley Electric Co., Ltd.
2015 – Present	Director Tianjin Stanley Electric Technology Co.,Ltd.

8.Name – Surname

Mr. Katsutoshi Iino

Position

Director

Date of Appointment

July 4 , 2014

Age

56

Education Degree

Bachelor of Economy Industrial Management , Nihon University , Japan

% of Holding

None

Relations

None

Working Experience

1985 – 2005	Department Manager , Accounting Department Stanley Electric Co.,Ltd.
2008 - Present	President Stanley Electric PAL Co.,Ltd. President Stanley Electric Holding of America , President Stanley Electric Holding Europe Co.,Ltd. President Stanley Electric Holding Asia-Pacific PTE . Ltd President Stanley Electric (China) Investment Co.,Ltd.
2009 – Present	Director and Chief Corporate Management Officer Stanley Electric Co.,Ltd.
2014 - Present	Director Thai Stanley Electric PCL

9.Name – Surname	Mr. Krisada Visavateeranon	
Position	Independent; Director and Audit Committee Chairman	
Date of Appointment	October 15 , 1996	
Age	67	
Education Degree	Master of Engineering Kyoto University, JAPAN Bachelor of Engineering Kyoto University , JAPAN	
Training	Certificate - Directors Certification program , Audit Committee Program Thai Institute of Director (IOD)	
% of Holding	None	
Relations	None	
Working Experience	1975 - 2007 Associate Professor Chulalongkorn University 1997 – 2014 Executive Director Technology Promotion Association (Thailand-Japan) 1999 - Present Independent Director and Audit Committee Chairman Thai Stanley Electric PCL. 2007 – 2014 Chancellor Thai-Nichi Institute of Technology 2009 – Present Audit Committee Textile Prestige PCL 2012 – Present Director Wazeda Education (Thailand) Co.,Ltd.	
10.Name – Surname	Mr.Chokechai Tanpocnsinthana	
Position	Independent; Director and Audit Committee	
Date of Appointment	March 31, 2000	
Age	69	
Education Degree	Master of Business Administration (Quantitative Analysis & Finance) University of Wisconsin (Madison Campus) Master of Civil Engineering University of Wisconsin at Madison, U.S.A. Bachelor of Civil Engineering (Structure)Chulalongkorn University	
Training	Certificate Director Certification Program , Monitoring Fraud Risk Management , Audit Committee Program ,Monitoring the Internal Audit Function , Monitoring the system of Internal Control and Risk Management , Monitoring the Quality of Financial Reporting Thai Institute of Director (IOD)	
% of Holding	None	
Relations	None	
Working Experience	2000-Present Independent Director and Audit Committee Thai Stanley Electric PCL. 2003-Present Independent Director and Audit Committee Chairman Advance Information Technology PCL. 2013 – Present Independent Director and Audit Committee Witcorp Co.,Ltd.	

11.Name – Surname	Mr.Suchart Phisitvanich
Position	Independent Director and Audit Committee
Date of Appointment	June 7 , 2010
Age	71
Education Degree	Master of Electrical Engineering Louisiana Tech University USA, Bachelor of Electrical Engineering Chulalongkorn University
Training	Certificate - Director Certification Program , Audit Committee Program , Financial Statements for Director - Thai Institute of Director. (IOD)
% of Holding	None
Relations	None
Working Experience	1968 – 1970 Electrical Engineer Electricity Generating Authority of Thailand 1972 – 2006 Engineer in Project Monitor Division Director of BOI unit for Industrial linkage Division Director of Electronic and Electrical Division Director of Textiles and other Light Industry Division Assistant Secretary General of BOI Investment Advisor Office of the Board of Investment (BOI) 2006-Present Executive Advisor for the Board Navanakorn PCL. 2006-Present Director Investor Club Association 2010-Present Independent Director and Audit Committee Thai Stanley Electric PCL. 2011 – Present Monitoring and Evaluation Committee Ministry of Industry
12.Name – Surname	Mr.Picharn Sukparangsee
Position	Independent Director
Date of Appointment	June 7, 2010
Age	56
Education Degree	Master of Faculty of Law University of Warwick , ENGLAND Master of Faculty of Law University of London , ENGLAND Bachelor of Faculty of Law Thammasart University
Training	Certificate Director Certification Program Thai Institute of Director. (IOD)
% of Holding	None
Relations	None
Working Experience	1987 – 2005 Associate / Partner International Legal Counsellors Thailand 2005 – 2015 Director Siam City Law Offices Limited 2010 – Present Independent Director Thai Stanley Electric PCL. 2015 – Present Managing Director Bangkok Global Law Offices Limited

13.Name – Surname	Mr. Hideki Matsu
Position	Executive General Manager Marketing Division
Date of Appointment	May 22, 2015
Age	53
Education Degree	Bachelor Department of Mechanical Engineering , Nihon University , Japan
% of Holding	None
Relations	None
Working Experience	<p>2000 – 2006 General Manager of Sale 1 , Marketing Division Thai Stanley Electric PCL.</p> <p>2006 – 2011 Manager of Sale Department 1 , Motorcycle Division Stanley Electric Co.,Ltd.</p> <p>2011 – 2015 General Manager of Sale Department 1 , Motorcycle Division Stanley Electric Co.,Ltd.</p> <p>2015 – Present Executive General Manager , Marketing Division Thai Stanley Electric PCL.</p>
14.Name – Surname	Mr.Etsuya Kawashima
Position	Executive General Manager Die&Mold Division
Date of Appointment	February 1 , 2017
Age	50
Education Degree	Bachelor Department of Mechanical Engineering , Nihon University , Japan
% of Holding	None
Relations	None
Working Experience	<p>1990 - 1999 Die & Mold Division , Production Technology Research Office , Physical & Chemistry Research Office , Stanley Electric Co.,Ltd.</p> <p>1999 – 2010 Chief of Section , Die & Mold Division , Research & Development Center Stanley Electric Co.,Ltd.</p> <p>2010 – 2013 Advisor , Die & Mold Division , Thai Stanley Electric PCL.</p> <p>2013 – 2015 Department Manager , Die & Mold Division , Thai Stanley Electric PCL.</p> <p>2015 – 2017 Senior Advisor , Die & Mold Division , Thai Stanley Electric PCL.</p> <p>2017 – Present Executive General Manager , Die&Mold Division Thai Stanley Electric PCL.</p>

15.Name – Surname	Mr.Koji Kobayashi
Position	Executive General Manager R&D Center
Date of Appointment	July 5 , 2013
Age	54
Education Degree	Bachelor of Mechanical Engineering Meisei University , Japan
% of Holding	None
Relations	None
Working Experience	1986 - 2011 Engineering Technology Center Division Stanley Electric Co.,Ltd. 2011 –2013 Manager Engineering Technology Center Division Stanley Electric Co.,Ltd. 2013 - Present Chief of Center R&D Center Thai Stanley Electric PCL
16.Name – Surname	Mrs.Gudjai Grifuengfong
Position	Company Secretary
Date of Appointment	July 4 , 2008
Age	53
Education Degree	Bachelor of Accountancy Thammasart University
Training	Effective Minute Taking (EMT) Corporate Secretary Development Program –Chulaongkorn University Company Secretary Program - Thai Institute of Director (IOD) Registration system of listed companies FTI Business Administration FIBA# 1 The Federation of Thai Industries
% of Holding	None
Relations	None
Working Experience	1999 – 2002 Department Manager Accounting & Financial Department Thai Stanley Electric PCL. 2002 – 2015 Deputy Executive General Manager Administration Division Thai Stanley Electric PCL. 1999 – 2008 Board of Director Secretary Thai Stanley Electric PCL. 1999 – 2013 Audit Committee Secretary Thai Stanley Electric PCL. 2008 – Present Company Secretary Thai Stanley Electric PCL. 2002 – Present Director Lao Stanley Co.,Ltd. 2015 – Present Advisor Administration Division Thai Stanley Electric PCL.

Shareholding Proportion of The Board of Directors and Top Management

Name	Position	Amount of Shares As March 31,2016	Amount of Shares As March 31,2017	Trading during the fiscal year 2016	Shareholding Proportion (%)
Mr.Apichart Lee-issaranukul	Executive Chairman and Executive General Manager Administration Division	4,500,036	4,500,036	-	5.87
Mr.Koichi Nagano	President	1,000	1,000	-	0.00
Mr.Thanong Lee-ssaranukul	Director	3,208,920	3,208,920	-	4.19
Mr.Tadao Suzumura	Director and Executive General Manager Lighting Equipment Division	-	-	-	-
Mrs.Pimjai Lee-issaranukul	Director	2,175,670	2,175,670	-	2.84
Mrs.Pornhip Sethiwan	Director	2,162,670	2,162,670	-	2.82
Mr.Krisada Vissavateeranon	Independent Director and Audit Committee Chairman	-	-	-	-
Mr.Chuechai Tanpoussinlana	Independent Director and Audit Committee	-	-	-	-
Mr.Suchart Phisitvanich	Independent Director and Audit Committee	-	-	-	-
Mr.Pichai Sukparangsee	Independent Director	-	-	-	-
Mr.Katsutoshi Iino	Director	-	-	-	-
Mr.Toru Tanabe	Director	-	-	-	-
Mr.Hideki Matsui	Executive General Manager Marketing Division	-	-	-	-
Mr.Etsuya Kawashima	Executive General Manager Die & Mold Division	-	-	-	-
Mr.Koji Kobayashi	Executive General Manager R & D Center	-	-	-	-

Remark Amount of shares includes holding by spouse and minor children

7.4 Remuneration for the company's management

(1) Remuneration in cash

The company setting the remuneration policy for director on the appropriate consideration and comparing with the remuneration for the directors paid by the companies listed in Stock Exchange of Thailand with the same size of business or the same industry, and approved by shareholders' meeting.

The policy of remuneration for executives shall be considered from their roles and responsibilities as well as performance

(A) The Board of director remuneration for 2016 , details as follows

Name	Position	Director Fee (Baht)		
		Director	Audit Committee	Total
Mr.Apichart Lee-issaranukul	Executive Chairman	205,000		205,000
Mr.Koichi Nagano	President	205,000		205,000
Mr.Thanong Lee-issaranukul	Director	205,000		205,000
Mr.Tadao Suzumura	Director	170,000		170,000
Mrs.Pinjai Lee-issaranukul	Director	205,000		205,000
Mrs.Pornthip Sethiwan	Director	205,000		205,000
Mr.Krisada Vissavateeranon	Independent Director and Audit Committee Chairman	205,000	405,000	610,000
Mr.Chekeochai Tanpoonsinthana	Independent Director and Audit Committee	205,000	285,000	490,000
Mr.Suchart Phisitvanich	Independent Director and Audit Committee	205,000	285,000	490,000
Mr.Picham Sukparangsee	Independent Director	215,000***		215,000
Mr.Katsutoshi Iino *	Director	195,000		195,000
Mr.Toru Tanabe	Director	200,000		200,000
Mr.Katsumi Sumiya	Director	125,000		125,000
Total		2,545,000	975,000	3,520,000

Remark Company only has Audit Committee

* Director resigned during the year ** Director appointed during the year

*** Including meeting allowance with Audit Committee

The executive board remuneration

In year 2016 the company paid the remuneration for executive board as salary and bonus to 6 person amount 44.49 million baht

(2) Other remuneration

-None

7.5 Personal

Total employees as at March 31st, 2017 were 2,897 persons. The company paid for employee's remuneration in year 2016 were 1,342.29 Million Baht as salary, bonus, provident fund and other welfare such as Public transportation, Shift expense and Medical expense, details as follows:

Division	Male	Female	Total
Administration	49	52	101
Marketing	15	24	39
Production	1,492	1,237	2,729
Japanese	28	-	28
Total	1,584	1,313	2,897

The number of employees decreased 5% from last year, during 3 year the number of employee are in this level that no: any significant changing.

Policy of personal 's development

The company policies in employee training and development plans to all levels of employees about knowledge and skills to work, Foreign language, Mind development, and internships to study abroad, such as Japan, U.S.A and other country regularly.

That for 3 years ago, the Company does not have any conflict or dispute with employees and the company was awarded the Outstanding Labor and Welfare Labor 10 years continuously since 2007 – 2016 certification system and standard of Thai workers. (MRT. 8001-2546) complete level from the Ministry of Labor.

8. The Corporate Governance

8.1 The corporate governance policy

The board has developed the corporate governance policy with details as follows:

1. Develop Business Ethics or Ethics and Code of Conduct for the board and employees to comply with, ensure the compliance, together with review and update it.
2. Define structure, role and responsibility of the board and the executive clearly and appropriately
3. Require the board conduct performance self-evaluation
4. Create, maintain, and review the control system in respect with finance and operation, ensure the operational effectiveness and compliance with law and ethics, and manage risks by paying attention to red flag warning and unusual transaction.

5. Ensure that disclosure information is accurate, complete, in time, and in equitable manner for shareholders and stakeholders.

6. Develop reliable financial reporting procedure and inspection process, and assess the sufficiency of internal control, risk management, and effective monitoring system

7. Assure that the rights of shareholders and stakeholders are protected and treated in an equitable manner.

8. Resolve the conflict of interest with discretion and transparency

9. Develop environmental and social care system

8.2 Director

(1) Director Structure . The company has had director 3 groups as follows

The Board of Directors

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

Board of Directors as of 31 March 2017 consists of 12 members as follows:

1. Executive Directors: involving in managing day to day operations or have authority to sign and bind the company, total 4 peoples or 33.33% of total members.

2. Non-Executive Directors including independent directors totaling 8 people accounting for 66.67% of the total Directors. Four independent directors are accounted for one-third of the Board's total numbers which is in accordance with the provision of Securities and Exchange Act (No. 4) B.E. 2006.

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

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.

The Executive Board of Directors

Consist of 3 directors and 3 executives , The role and responsibility is to develop policy and direction and inspect the implementation

Authority of the Executive board

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

Audit Committee

Consisting of 3 independent directors; one of those has enough knowledge and adequate experience to review the reliability and accuracy of financial statement. Role and responsibility is clearly stated in the audit committee charter, amended for additional roles on 10 February 2017 to be in accordance with the notice from Stock Exchange of Thailand subject: Qualification and scope of work for audit committee B.E.2551.

Authorities of audit committee are as follow

1. To verify and assure that the Company's financial report is accurate and sufficiently disclosed
2. To verify and assure that the Company shall have an appropriate and effective internal control and internal audit systems. To consider the independence of the internal audit agency, as well as provide an approval for an appointments, transfer, termination of the chief of the internal audit agency or any other agencies responsible for the internal audit.
3. To Review that the Company has acted compliance with the company's anti-corruption policy.
4. To verify and assure that the Company has acted in compliance with the law on Securities and Exchange, requirements of the Stock Exchange of Thailand, and other laws in relation to the Company's business
5. To consider, select, propose to appoint an independent person(s) to perform the duty as the Company's auditor. To propose remuneration for that person(s) and to participate in a meeting with the auditors without the management involvement at least once a year.
6. To consider connected transactions and any transaction that may have a conflict of interests by referring to the requirements of laws and the Stock Exchange of Thailand, to assure that such transactions are reasonable and resulted in maximum benefits to the Company.
7. To prepare a report of the Committee as disclosed in the Company's Annual Report which must be signed by the Chairman of the Audit Committee and must consist of the information as follows (at least);
 - An opinion(s) about an accuracy, completion and reliability of the Company's financial report.
 - An opinion(s) about the adequacy of the Company's internal control systems
 - An opinion(s) about an action in compliance with law of Securities and Stock Exchange, provisions of the Stock Exchange of Thailand or any related laws regarding the Company's business.
 - An opinion(s) about an appropriateness of the auditors.
 - An opinion(s) about any financial transaction that may have a conflict of interests.
 - A total number of the Committee's meetings and each member's meeting participation.
 - An overall opinion(s) or an observation(s) obtained by the Committee from the operation as required in this charter.
 - Other essential information or transactions as deemed to be acknowledged by shareholders and investors under the scope and responsibilities assigned to them by the Board of Directors.
8. Any other operation as assigned by the Board of Directors with an approval by the Committee.

(2) The Audit Committee who adequate expertise and experience to audit creditability of the financial reports

Mr.Chokechai Tanpoonsinlhana

2003 - Present Independent Director and Audit Committee Chairman

Advance Information Technology PCL.

2013 - Present Independent Director and Audit Committee Witcorp Co.,Ltd.

2004 - 2008 Independent Director and Audit Committee United Securities PCL.

2008 - 2011 Audit Committee Chairman United Securities PCL.

2007 - 2011 Independent Director, Audit Committee Nomination and Remuneration Committee Thai Agro Energy PCL.

Audit committee performs its duty by having the support from internal audit as an operation unit and report to audit committee. Also, the committee can asks for advices from independent advisor its expense is absorbed by the company.

The audit committee meeting must be held at least once every 3 months and there might be additional meeting if necessary. Executive or involved person might be invited to give information directly to the meeting. Meeting with auditor without executive attending must be held at least once a year.

Total numbers of audit committee meetings held during fiscal year 2016 are 9 times. Details of meetings are as follows:

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

Name	Position	Board of Director Meeting	
		Number of Meeting	Number of Attend the Meeting
Mr.Krisada Visavareeranon	Chairman Audit Committee	9	9
Mr. Chokechai Tanpoonsinlhana	Audit Committee	9	9
Mr. Suchart Phioivanich	Audit Committee	9	9

8.3 Nomination and appointment of directors and Top management

(1) Independent Director

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

1. Hold not more than 1% of the voting shares in the company, its subsidiaries, associates, or related companies, major shareholder or person with controlling power over the company, whilst the number of shares held by any related person of such an independent director must also be counted.

2. Have not been or are not involved in the management, employees, wage earners, advisors on the payroll of the company, its subsidiaries, associates, or equivalent companies, major shareholder or person with controlling power over the company except when such qualifications have ended for more than two years, provided that such restriction or prohibition shall not apply to an independent director who has been a government authority, which is the major shareholder of the company or the person having controlling power over the company.

3. Are not related by blood or registration as parents, spouses, siblings, or children, spouses of any of the children to members of the management, major shareholders, those exercising control, or those about to be nominated as members of the management or those exercising control over the company or subsidiaries.

4. Do not have and have not any business relationship with the company, subsidiaries, associated companies, major shareholders or those exercising control over the company in the manner in which independent discretion might be affected, and not be and have not been a substantial shareholder of or a person having power to control the person that has business relationship with the company subsidiaries, associated companies, major shareholders or those exercising control over the company unless such an independent director has not been a person referred to above for at least two years.

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

5. Is not and has not been an auditor of the company, subsidiary, associated company, major shareholder or those with controlling power over the company and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any auditing firm or office in which the auditor of the auditor of the company, subsidiary, associated company, major

shareholder or those with controlling power over the company unless such an independent director has not been a person referred to above for at least two years.

6. Is not and has not been a professional advisor , including legal or financial advisor who obtains fee more than 2 million baht a year from the company , subsidiary , associated company , major shareholder or those with controlling power over the company and is not and have not been a substantial shareholder of , a person having controlling power over , or a partner of any of such professional service provider firm or office , unless such an independent director has not been a person referred to above for at least two years.

7. Is not a director appointed as a representative of a director of the company , a representative of a major shareholder of the company , or a representative of a shareholder of the company which is a related person of the major shareholder of the company.

8. Does not engage in any business with similar nature as that of the company and is competitive with the business of the company , subsidiary or is not a substantial partner in a partnership , a director participating in any management role , an employee or officer , an advisor obtaining regular salary from , or a shareholder holding more than one per cent of the voting shares of accompany engaging in any business with similar nature to the company or subsidiary

9. Does not have any characteristics which will inept the ability to provide independent comment or opinion on the operation of the company.

Process of recruiting independent directors

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

Business relationship of independent directors - Have . 1. The company paid for law service to Bangkok Global Law Offices that Mr.Picham Sukparangsree be director in amount 1.48 million baht , this transaction was not over than the company 's definition .

(2) The Nomination of Directors and top management

The election of directors through at the shareholders meeting , as follows

1. Provide that shareholders vote for the election of directors by shareholders or other person who is not a shareholder. Each shareholder shall have one vote for each share

2. Each shareholder shall exercise all votes applicable under (1) for the appointment of one or more Director, provided that the votes of any shareholder shall not be divisible and shareholder voted one by one for one director.

3. Persons who obtain the highest vote and the next highest vote appoints (in descending order) shall be appointed as directors in order to fill the number of position of director required to be appointed

at that time. In the case where more than one person obtains equal votes , and the number of directors with such vote exceeds the remaining number of directors positions to be appointed, the chairman shall have a casting vote in respect of those with equal votes.

4. In the case there is vacancy among the Directors which has occurred other than a retirement by rotation, the Board of Directors shall elect a person who is qualified and not being prohibited by the Public Company Law to fill the vacancy in the next Board of Directors' meeting except in the event that the period of time the Director is entitled to remain in office is less than 2 months.

The person who is elected shall remain in office only for such period of time as the Director he replaces was entitled to remain in office.

The resolution of the meeting of the Board of Directors as specified in the first paragraph shall consist of votes of not less than three-fourth of the remaining Directors.

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 the number of listed companies that each director to be director not more than 5 companies 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.

8.4 The operations of the subsidiaries and associates company control.

(1) To corporate governance in subsidiaries and associates company .

The company appoint representatives to the company's executives are directors of subsidiaries, associates and the company holds. The policies acknowledge involvement in the management of these companies . Counseling and assistance as appropriate and approved by the Board of Directors. Not intended to interfere with or dominate these affairs.

(2) An agreement with other shareholders in the management of subsidiaries and associated companies.

- None

8.5 Internal information controlling

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

The company announced the information system security policy. To control the company's information that cover on customer information. Information System Department, is response to control all information, equipment and license computer programs and all department manager to review, checking and evaluation at least 1 time per year and report to the risk management committee and the executive board meeting and the office of internal audit will annual audit too.

The Company increased its information security by prohibiting the visitors to the Company from photographing within the Company's premise without approval. Furthermore, no audio recorders, communication devices, and cameras shall be allowed in tight security areas such as Research and Development Department, New Product Development Department, and Production Engineering Department

8.6 Auditor's remuneration

A. Audit fee

The last year company paid for the audit fee 2.05 million baht.

B. Other service fee

Reviewing compliance with conditions of BOI promotion certificate amount 0.12 million baht.

8.7 Other practice from the corporate governance

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

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

1. Rights of Shareholders

The company is committed to ensuring that the basic right of the shareholders is protected and treated in an equal manner as regulated by law. The company gives the right to shareholders to independently buy, sell, or transfer the securities that they are holding. The shareholders are eligible to receive dividend, participate in the shareholder meeting, freely express opinion in the meeting, and can take part in making key decision such as board election, key business transaction approval, and key company letters amendment. In addition, the company promotes the right of shareholders and facilitates as follows:

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

Individual shareholder shall be provided with necessary and adequate information about the Shareholders' meeting which includes the date, time, venue, and agenda, together with supplementary details for each agenda in advance. The company posts such information on the company's website 1 month before distributing the documents.

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

The Invitation Letter

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

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

Facility

The company will arrange commuting transportation as facilitation for shareholders.

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

For institutional shareholders facilitate to checking number of shareholding and a name list of the various funds in advance.

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

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

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

In the competition , The Company has policies and practices to fair competition and on normal business.

3.2 Suppliers , Supplier is one of business partners. The company have policy that strictly complies with agreement or contract made with the suppliers by adhering to operating business with integrity to self and to other parties in accordance with law and related rules and regulations. The supplier selection is according to purchasing policy that consider cover to company documents , performance , environmental , employee practical and human rights.

Meeting with business partner is also held with the purpose to keep partner updated about the company movement and to hear opinions; for example, for bank or creditor; the company will invite them to the meeting together with securities analyst so as to be informed about the company quarterly performance, or for the case of suppliers; supplier meeting is held every year through purchasing department in order to inform about annual purchasing policy and confer QCD award to the suppliers who delivered the good products and being punctual.

For construction contractor, a separate meeting will be held by occupational health and safety officer and invite the staff who is responsible in the field of repairing, construction, or expansion of the company properties to the meeting in order to ensure that safety measure is extended to the involved parties.

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

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

2. **Supplier Improvement Project** , The company will choose the suppliers to help them to identify problems and give advices on manufacturing efficiency.

The company also provides customer support and encourage vendors to be certified to international standards as quality assessment to provide a quality of supply chain.

3.3 Employees , The company realizes that the company is growing because of the cooperation of every employee so the employees are valuable resource of the company. The company policy are cover employee sustain in respect with safety, welfare, privilege for employees and the company have certified for Thai Labor Standard, TLS800-2003 (since June 2008 until present) from Ministry of Labor and Social Welfare.

3.4 Shareholders

The company policy is to protect shareholders' rights in an equitable manner as required by law. The policy is set that dividend paid to shareholders will not be less than 30% of net profit (Financial

Statement - The company only), and allow shareholders to visit the company after finishing Shareholders' Meeting or the next available time

3.5 Society and Community

The company recognizes the importance of society and local communities that the company have become a part of society , so from founding to the present the company has met with representatives of local communities, Bankiang Municipality and participation in support of local activities regularly

The company has been doing social activities under the name of Stanley Thailand Foundation. And reported the foundation activities on Annual Report

In addition, the company has developed the policy about the right of stakeholders and put in corporate governance policy and code of conduct for directors and employees of the company. Stakeholders can communicate or complain with the company via the company website. The company has set the specific process and section for these matter and the company always focuses on social and community activities and strictly complies with laws and regulations.

4. Disclosure and Transparency

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

4.1 Information Policy

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

4.2 Communication

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

Company information is available for customers, shareholders, investors, or interested persons or requesting for more information via the company website (<http://www.thaistanley.com>).

In addition, the company has appointed Investor Relations officer; in charge of providing general news and respond to inquiries, coordinating with staff or involved person to provide news and answer to inquiries, monitoring financial and information reporting system notified to various regulatory agencies. To contact Investor Relations, please call 02 581 5462 ext.1164 or info@thaistanley.com.

4.3 Communication Standard and Channel

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

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

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

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

5. Board Responsibilities

5.1 Directors and Executives Development

The board of directors set the policy to provide an orientation course for new director in order to educate them about role and responsibility, business operation so as to efficiently support the company.

In case of new directors, the company will take orientation course on the date of appointment; the content provided in the class such as the company's regulations, vision, governance policy, code of conduct for directors and employees, as well as rules and regulations of the Stock Exchange of Thailand and SEC about roles of director and code of conduct for the listed companies. The directors had visited the factory for better understanding about the company operation.

The existing members of the Board are also educated by attending the training courses arranged by each function. Any change of information or rules will also be informed to the board in the board of directors meeting. In 2016 our 2 directors attend to training from Thai Institute of Director (IOD):

1. Mr.Thanong Lee-issaranukul - Director Accreditation Program
2. Mr.Suchart Phisitvanich - Financial Statement for Director

5.2 Self-evaluation of the Board of Directors.

In 2014, the board has done self- performance evaluation, in overall, covering all roles and responsibilities of the committees, since 2007 until end of accounting period as of 31 March 2017, based on May 2017 evaluation, the result is Very good and the result, notices, and suggestions shall be taken into account to improve the performance of the board in the future.

9. Social Responsibility

9.1 Policy Overview

The Company's policy is to achieve business goals effectively, be the entrepreneurship to the society by one of the company's vision is to be a priority and uphold the values that support complementary Stanley sincerely. The Company considers that the underpinning and is involved in all aspects of the employees, shareholders, customers, suppliers, sellers, local community and society.

Each year the company targets including the implementation of environmental and social. The top management will monitor and evaluate the various monthly continuously.

9.2 Operation and report

In social responsibility of the company, each division is involved in environmental and social issues to focus and perform with caution and evaluate the impact by the operational and top management, such as product design to using materials that are environmentally friendly, produced with carefully in security and impact of other pollutants.

The company disclose Social Responsibility report from eight principles of sustainability and social responsibility guidelines of the Company that issued by the Stock Exchange of Thailand. The issues revealed through consideration of the management that show on this annual report page 3 - 26 and company website www.thaistanley.com

10. Internal Control and Risk Management

10.1 The board of director comment on internal control

The three members of Audit committee has meeting with the Board of Directors meeting No. 2/2017 on 18th May 2017. The Board of Directors have evaluated for the internal control system from Office of Internal report and reviewing the progress of internal control of Working System that approved in the past year as follow :,

- Reviewed the financial report , that were reviewed and audited by the auditor.
- Reviewed the company's internal control system in accordance with the guidelines established with the Securities and Exchange Acts, Regulations of the Stock Exchange of Thailand and other relevant laws
- Reviewed the internal audit system
- Reviewed the Company's risk management for its appropriateness and adequacy.
- Reviewed and opined related transactions or transactions that may have conflicts of interest, and disclosure of such transactions , reviewed risk management to concern with Internal Control system
- Considered appointing the external auditors and their remuneration for the year 2017

In fiscal year 1st April 2016 – 31st March 2017 , there were 9 audit committee meeting that with auditor but without management 4 times and meeting with the auditor , the management and Internal Audit 5 times.

The Audit Committee has reviewed the internal audit system and had considered the evaluation of Internal control in accordance with the guidelines established by The Securities and Exchange Commission (SEC), it was found that there were no significant faults and there was appropriate attention and maintenance of the activities and accurate ,so the audit committee has the opinion that the company's activities in fiscal year 1st April 2016 – 31st March 2017 has been according to the appropriate internal control system and accordance to internal control framework of CCSO , the finance report is accurate , complete and reliable. Operations are concordant with adequate , transparent and reliable Corporate Governance standards and there is continuous improvement for better quality of the business operating system report and the disclosure information were care in accordance with the appropriate internal control of the company.

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

10.2 The opinion of the Audit Committee in the event of a different opinion of the board of the activities of the company.

The audit committee not any different opinion with the Board of Directors. There was also a report of the Audit Committee. As Attachment 3-1 in the report 56-1

10.3 Chief of Office of Internal Audit

(1) The Executive Board has appointed Mrs.Nongyao Apirum was the chief of office of interna audit in year 2012 that has experience working in Accounting and Finance department for 18 years and used to attend the training course related to the audit such as Fundamentals for New Internal Audit course 1 and 2 from The Federation of Accounting Professions – Under the Royal Patronage of His Majesty the King , Audit Report Writing , Risk Based Audit , Certified Professional Internal Auditor of Thailand (CPIAT-18), The Corporate risk management - COSO-ERM , Internal controls on financial reporting from The Institute of Internal Auditor of Thailand

Chief of Internal Audit have an understanding of the operations of the company as well. It is appropriate and sufficient to perform such duties.

(2) The Audit Committee 's opinion that taking care of the Chief Audit qualification experience with adequate training and proper operation.

(3) The appointment, removal and transfer of the incumbent Chief of Office of internal audit according to the personnel management system of the company. Through the approval of the Executive Board and acknowledged and approved by the Audit Committee.

11. The related transactions

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 27 Page 69 - 70 of the financial statement on 31st March 2017. 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:

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 2017	The reasonable of transactions
1. Stanley Electric Co.,Ltd.	1. Major shareholder of Stanley Electric Holding Asia-Pacific PTE, holding 31.89% 2.Common Director 2 person - Mr.Katsutoshi Iino - Mr.Toru Tanabe	1. Purchasing in raw materials , goods and equipment 2. Selling goods, 3.Royalty Fee is charged at 3% of sales less materials cost imported from the related party in accordance with the agreement 4. Designed and Development Fee is charged in case design and development product for Thai Stanley's products 5. Technical Fee is charged for the specialist come for assistance in production techniques.	Purchased 762.00 million baht Balance 170.40 million baht Sold amount 51.42 million baht Balance 4.12 million baht Amount 262.39 million baht Amount 57.37 Million baht Amount 8.38 million baht	Specifically products or materials and material which are manufactured on a large scale at one source for cost saving benefit. Pricing are charged in the normal course of business and same practice with the outsider. Specifically products or materials and material which are manufactured on a large scale at one source for cost saving benefit. 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.

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2017	The reasonable of transactions
		<p>6. Training fee is charged for send Thai Stanley ' employee to training and practice.</p> <p>7. Commission is charged for an agent to connected with customers</p> <p>8.Other Income</p>	<p>Amount ' 3.77 million baht</p> <p>Amount 20.03 million baht</p> <p>Amount ' .03 million baht</p>	<p>In the normal course of business and same practice in Stanley Group</p> <p>In the normal course of business and same practice in Stanley Group</p> <p>In the normal course of business and same practice in Stanley Group</p>
2 .Lao Stanley Co.,Ltd.	<p>1. Thai Stanley holding 50%</p> <p>2 Common Director 2 persons</p> <p>- Mr.Apichart Lee-issaranukul</p> <p>- Mr.Koichi Nagano</p>	<p>1. Selling goods</p> <p>2.Other Income</p> <p>3.Royalty Income</p>	<p>Sold amount 362.29 million baht</p> <p>Balance 33.25 million baht</p> <p>Amount ' .47 million baht</p> <p>Amount 0.88million baht</p>	<p>Specifically products Pricing are charged in the normal course of business and same practice with the outsider.</p> <p>In the normal course of business and same practice in Stanley Group</p> <p>In the normal course of business and same practice in Stanley Group</p>
3 Vietnam Stanley Electric Co.,Ltd.	<p>1.Common major shareholders as Stanley Electric Co.,Ltd. Holding 50%</p>	<p>1. Purchasing goods</p>	<p>Purchased amount 274.97 million baht</p> <p>Balance 77.42 million baht</p>	<p>Specifically products Pricing are charged in the normal course of business and same practice with outsider.</p>

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2017	The reasonable of transactions
	2. Common director 2 persons as - Mr. Apichart Lee-issaranuku - Mr. Toru Tanabe 3. Thai Stanley holding share 20%	2. Selling goods 3. Designed and Development Fee	Sold amount 11.63 million baht Balance 1.97 million baht Amount 0.04 million baht	Specifically products Pricing are charged in the normal course of business and same practice with the outsider. Specifically products Pricing are charged in the normal course of business and same practice with outsider.
4 Asian Stanley International Co., Ltd	1. Common major shareholder as Stanley Electric Holding Asia-Pacific PTE Holding 67.5% 2. Common Director 2 persons - Mr. Apichart Lee-issaranukul Mr. Toru Tanabe 3. Thai Stanley holding 15% 4. Holding Thai Stanley 0.44%	1. Purchasing raw material 2. Selling goods 3. Designed and Development Fee	Purchased amount 671.94 million baht Balance 71.98 million baht Sold amount 2.49 million baht Balance 0.09 million baht Amount 0.11 million baht	Specifically products Pricing are charged in the normal course of business and same practice with the outsider. Pricing are charged in the normal course of business and same practice with the outsider. Specifically products Pricing are charged in the normal course of business and same practice with the outsider.
5 PT. Indonesia Stanley Electric	1. Common major shareholder as Stanley Electric Co., Ltd. Holding 60 %	1. Purchasing raw material	Purchased amount 10.89 million baht Balance 0.19 million baht	Specifically products Pricing are charged in the normal course of business and same outsider.

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2017	The reasonable of transactions
	2. Common director 3 person as - Mr.Apichart Lee-issaranukul - Mr.Koichi Nagano - Mr.Toru Tanabe 3.Thai Stanley holding 10%	2.Selling goods 3.Other Income 4. Designed and Development Fee	Sold amount 332.11 million baht Balance 41.65 million baht Amount 0.26 million baht Amount 0.10 million baht	Pricing are charged in the normal course of business and same practice with the outsider. In the normal course of business and same practice in Stanley Group Specifically products Pricing are charged in the normal course of business and same outsider.
6. Sirvit Stanley Co.Ltd.	1.Thai Stanley holding 15% 2.Common director 2 persons as -Mr.Apichart Lee-issaranukul - Mr.Koichi Nagano	1. Purchasing raw material 2. Selling raw material 3. Designed and Development Fee	Purchased amount 347.75 million baht Balance 33.96 million baht Sold amount 11.35 million baht Balance 0.13 million baht Amount 0.10 million baht	Specifically products Pricing are charged in the normal course of business and same outsider. Pricing are charged in the normal course of business and same outsider. Specifically products Pricing are charged in the normal course of business and same outsider.
7. Inoue Rubber (Thailand) Public Company Limited	1.Thai Stanley holding 0.02% 2.Common director 4 person as - Mr.Apichart Lee-issaranukul	1. Purchasing raw material	Purchased amount 13.72 million baht Balance 2.16 million baht	Pricing are charged in the normal course of business and same practice with the outsider.

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2017	The reasonable of transactions
	- Mr.Thanong Lee-issaranukul - Mrs.Pirnjai Lee-issaranukul - Mrs.Pornthip Sethiwan			
8. The Sittipol 1919 Co.,Ltd.	1.The shareholders holding 3.34% 2.Common director 2 persons as - Mr.Thanong Lee-issaranukul - Mrs.Pornthip Sethiwan	1. Selling goods,	Sold amount 164.05 million baht Balance 45.51 million baht	Pricing are charged in the normal course of business and same practice with the outsider.
9. Lumax Industries Co.,Ltd.	1.Thai Stanley holding 1.73% 2. Common major shareholder as Stanley Electric Co.,Ltd. Holding 26.31 % 3.Common Director 1 person - Mr.Toru Tanabe	1. Purchasing goods 2. Selling goods 3. Designed and Development Fee	Purchased amount 0.10 million baht Balance 1.19 million baht Sold amount 68.43 million baht Balance 37.41 million baht Amount 2.14 million 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 In the normal course of business and same practice in Stanley Group
10. Bangkok Global Law Offices Limited	1. Common director 1 person as - Mr.Fichan Sukparsangsee	1. Law service	Purchased amount 1.48 million baht Balance 0.11 million baht	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 of Stanley Electric Holding Asia Pacific PTE , LTD (holding 100%) major shareholder of the company, 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 2016	Balance as at 31 March 2017
1. Guangzhou Stanley Electric (China)	Purchased amount: 155.35 million baht Sold amount: 4.61 million baht Other Income amount: 0.07 million baht	39.38 million baht; 0.42 million baht; 0.17 million baht;
2. Stanley Electric (Asia Pacific) (Taiwan)	Purchased amount: 0.18 million baht Sold amount: 0.83 million baht	- million baht 0.05 million baht;
3. Shenzhen Stanley Electric Co.,Ltd.	Purchased amount: 76.86 million baht Sold amount: - million baht	14.20 million baht; - million baht
4. Stanley Electric US Inc. (U.S.A)	Purchased amount: 1.05 million baht Sold amount: 105.69 million baht Other income: 0.09 million baht	0.02 million baht; 0.50 million baht; 0.14 million baht;
5.Tianjin Stanley Electric Co.,Ltd. (China)	Purchased amount: 0.79 million baht Sold amount: 0.33 million baht	0.19 million baht; 1.21 million baht;
6. Stanley Co.,Inc (America)	Purchased amount: - million baht Sold amount: 0.02 million baht	- million baht - million baht
7. Shanghai Stanley Electric	Purchased amount: 4.95 million baht Sold amount: - million baht	0.50 million baht; - million baht
8. Stanley Electric Hungary	Purchased amount: - million baht Sold amount: 0.05 million baht	- million baht 0.01 million baht;
9.Stanley Electric Do Brazil LTDA	Purchased amount: 0.14 million baht Sold amount: 6.64 million baht	- million baht - million baht
10.Stanley Iwaki Works Ltd.	Purchased amount: 0.03 million baht Sold amount: 3.08 million baht	- million baht million baht
11.Stanley Electric (Asia Pacific) HongKong	Purchased amount: 0.11 million baht Sold amount: - million baht	0.02 million baht; - million baht
12.Wuhan Stanley Electric Co.,Ltd.	Purchased amount: 1.20 million baht Sold amount: 12.86 million baht	- million baht 2.21 million baht;
13.Chongqing Hua Yu Stanley	Purchased amount: - million baht Sold amount: - million baht	- million baht - million baht
14.Tianjin Stanley Electric Technology Co.,Ltd.	Purchased amount: 0.93 million baht Sold amount: 0.81 million baht	- million baht - million baht

The approval for the related transactions

In Year 2016 , 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 based 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 2016, that have transaction may cause conflict of interest, that transaction with related parties company and normal course of business.

12. Financial Statement

In this annual report The company disclosed financial statement for fiscal year 2016 and the financial information ratio at page 35 - 72

13. Management Analysis and explanations

13.1 Overview results operations

In 2016, the Company's all revenues were increased slightly and operating profit decreased from the previous year , sale increased 3.30% and other income decreased 57.47% from gain on sale of long term investment – Sum Hitach Co.,Ltd. The company's operating profit was decreased 5.74%, following the direction of the automobile and domestic economy, which has continued to slump since 2013, with domestic car sales decreased 4% and export sales decreased 1%. Motorcycle sales slight increase of 4% from last year.

Operating result and profitability

In 2016, The total sale and services were 11,024.80 million baht, increased on the previous year 352.57 million baht or increased 3.30%, detail as follows.

Domestic sale was 7,428.98 million baht or 67.38% of total sale and decreased 2.63% from the previous year same as trend of automotive industry and export sale was 3,595.82 million baht or 32.62% of total sale and increased 18.19% from the previous year.

Sale by product as Automotive Bulb was 5.69% decreased 2.21% from the previous year and Lamp was 89.49% of total sale and increased 6.44% from the previous year , Die & Mod and design

sold was 4.82% of total sale and decreased 30.23% from the previous year that sold to Stanley group companies by sales each year, depending on the needs of the Stanley group Company

Other Income total 185.97 million baht, decreased 57.47% from the previous year, in gain on sale of long term investment (Sum Hitech Co., Ltd.) amount 261.91 million baht. Other income such as Dividend income, Gain on Exchange rate.

Expense – Cost of sale was 9,087.20 million baht or 82% of total sale and increased 1.77% from the previous year, the cost of sale increased less than sale because of many new products launch during the year and price rate too better and the company continue control cost in every department so gross margin was 1,937.60 million baht or 18% of total sale and increased 1.18% from the previous year

Selling and Administration expense was 799.01 million baht or 7.25% of total sale, increased 3.12% from the previous year.

Operation profit was 1,324.56 million baht or 12.01% of total sale and decreased 5.74% from the previous year.

Net profit was 1,270.77 million baht or 11.53% of total sale and decreased from the previous year 2.51%. The overall decrease was due to a decrease in total revenues from other income.

Asset Management

Total Assets

As at 31 March 2017, total assets were 15,185.83 million baht increase from the last year 5.40%. The main item as follows:

- Current assets were 7,738.06 million baht or 50.96% of total assets, increased 9.61% from Short-term investment held to maturity 3,836.96 million baht increased 80.99% that from bills of exchange and fixed deposit which have original maturities over 3 months but not over 12 months, and Current portion of loan to employees 33.87 million baht increased 63.68% that bear interest rate at 1.90% per annum and the repayment periods are between 2 months – 3 years

Inventories net were 721.74 million baht, decreased 6.56% also due to production, main inventory from work in process was 43.82%, raw material and packaging 35.95% and finished goods 11.33%. The company have policy to production as customer order not more stock for inventory control cost, the company have inventory provision 29.81 million baht main in expired raw material and packaging.

- Non-current assets were 7,447.76 million baht, or 49.04% of total assets, increased 1.36% from Investment in associates 1,048.23 million baht increased 12.54% and Property, plant and equipment net were 5,460.12 million baht decreased 1.37%, that the company slow down to investment in equipment and machinery due to automotive industry trend decreasing. The company ratio for return on asset was 8.59% decreased from the previous year that ratio was 9.47%, fixed asset return ratio was 41.67% decreased from the previous year that ratio was 47.69% and asset turnover ratio was 0.76 times increased from the previous year that ratio was 0.80 times.

Total Liabilities

Total liabilities of the company were 1,844.35 million baht decreased from last year 2.39% which comes from the shift from overseas purchases to more domestic purchases. (Localization), resulting in a significant exchange cost and related costs. so the company account payable turnover ratio was 7.50 time , nearly the previous year ratio was 7.74 times

Equity

Total equity was 13,341.48 million baht increased 6.66% from the previous year and return on equity ratio was 9.83% decreased from the previous year that ratio was 10.84%

Cash flow structure

The company had cash and cash equivalents, net 1,065.63 million, decreased 40.99 % that current ratio was 5.00 times that high ratio and to classified as cash flows from operating activities amount 2,372.08 million baht used in investing activities was 2,743.10 million baht and financing activities for dividend by 382.86 million baht .

The company continues to invest in building improvements, machinery and equipment but lower investment by the automotive industry trend and increased investment for Die & Mold part that for support to new model production that continuing launch .

Debt servicing obligations and management of off-balance sheet obligations.

The Company adopts the policy to use cash flow to invest and spend in the company. Do not focus on lending , the company has no outstanding debt and interest expense. There are only account payable liabilities and commercial liabilities as usual , the company has a debt to equity shareholders ratio was 0.14 times nearly as last year that ratio was 0.15 times , which is very small because the company has very little debt.

13.2 Factors or events that could affect the financial position or operations significantly in the future.

The Economic and automotive industry are the main factors that affect the operation of the company directly and current political situation affects the economy and the automotive industry. The production and sales decrease drastically. The Company need to take measures to reduce costs and slow down investment to comply with this a situation

The company continues to make a significant contribution to research and development. Customers still have plans to launch new models constantly, the company continues to gain the trust of getting to Lamp products throughout.

The investor can found more data of Thai Stanley Electric Public Company Limited in the annual report (Form 56-1) as at www.sec.th.or or www.thaistanley.com

Milestone

1994 October	- Participated of equity for Sum Hitech Co.,Ltd., Sirivit Stanley Co.,Ltd. and Lumax Industries Limited.
1995 May	- Signed Joint Venture agreement of establishment of Top Hightech (Thailand) Co.,Ltd.
June	- Increased capital to 383.125 million baht.
	- Received investment promotion from The Board of Investment to expanding Die & Mold factory.
September	- Completion of Welfare building.
November	- Completion of new factory for Lighting Equipment for Automobiles (Lamp2).
1996 May	- Signed Joint Venture agreement of establishment of Vietnam Stanley Electric Co.,Ltd. in Hanoi, Vietnam.
October	- Completion of new factory for Lighting Equipment for Automobiles (Lamp3).
1999 January	- To certified quality system ISO 9002 in manufacturer of Automotive bulb and Die & Mold.
July	- To certified quality system ISO 9001 in manufacturer of Die & Mold.
2000 May	- Completion of expansion factory for Automotive bulb and Die & Mold.
	- Signed technical assistance agreement with Unitech Machines Limited in India to produce Automotive Lighting Equipment.
2001 September	- QS 9000 Quality System has been acquired for Automotive bulb and Lighting Equipment Division.
2002 September	- To certified environmental management ISO 14001.
2003 July	- Received The Best Performance Award in Industrial category on "SET AWARD 2003" from The Stock Exchange of Thailand.
October	- Completion of new factory in Navanakorn Industrial Estate for Plastic Injection Parts and Lighting Equipment for vehicle.
2004 May	- Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2004 " from Ministry of Labour
July	- Received The Best Performance Award in Industrial category on "SET AWARD 2004" from The Stock Exchange of Thailand.
2005 April	- Received " Best Corporate in Social Security Cooperation Award" from Office of Social Security, Pathumthanee Province.
May	- 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.

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| 2006 March | - To certified quality system ISO/TS 16949. |
| May | - Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2006 " from Ministry of Labour for the third year in a row. |
| July | - Received The Best Performance Award in Industrial category on "SET AWARD 2006" from The Stock Exchange of Thailand |
| August | - Received the Copper Trophy for achievement in The National Zero Accident 1,000,000 office hours without accident Campaign from Ministry of Labour for the first year. |
| September- | Received " An Outstanding Establishment in the year 2006 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour. |
| 2007 March | - Completion of Lamp 5 construction new factory for lighting equipment manufacturer for automobile. |
| May | - Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2007 " from Ministry of Labour for the forth year in a row. |
| September- | Received the Copper Trophy for achievement in The National Zero Accident 1,000,000 office hours without accident Campaign from Ministry of Labour for the second year in a row. |
| 2008 May | - Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2008" from Ministry of Labour for the fifth year in a row. |
| | - Received Best Employer of Pathumthani and Best Employer of Safety in Working Place |
| June | - Received The Thai Labour Standard Certificate Completion Level (TLS.8001-2003) from The Department of Labour Protection and Welfare, Ministry of Labour |
| August | - Received the Copper Trophy for achievement in The National Zero Accident 1,000,000 office hours without accident Campaign from Ministry of Labour for the third year in a row. |
| September- | Received " An Outstanding Establishment in the year 2008 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the third year in a row. |
| 2009 May | - Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2009" from Ministry of Labour for the sixth year in a row. |
| | - Received Best Employer of Pathumthani and Best Employer of Safety in Working Place |
| August | - Received the Copper Trophy for achievement in The National Zero Accident 1,000,000 office hours without accident Campaign from Ministry of Labour for the forth year in a row. |
| September- | Received " An Outstanding Establishment in the year 2009 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the forth year in a row. |

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| 2010 May | - Received Best Employer of Pathumthani and Best Employer of Safety in Working Place |
| July | - Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2010" from Ministry of Labour for the seventh year in a row. |
| September | - Received "An Outstanding Establishment in the year 2010 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the fifth year in a row. |
| 2011 July | - Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2011" from Ministry of Labour for the eighth year in a row. |
| September | - Received "An Outstanding Establishment in the year 2011 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the sixth year in a row. |
| 2012 June | - Completion Lamp7 construction new factory for lighting equipment manufacturer for eco car. |
| July | - Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2012" from Ministry of Labour for the ninth year in a row. |
| September | - Received "An Outstanding Establishment in the year 2012 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the seventh year in a row. |
| 2013 March | - Received "Skill Development Promotion Award 2012 from Department of Skill Development, Ministry of Labour. |
| July | - Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2013" from Ministry of Labour for the tenth year in a row.
- Received a certificate of green industry in level 3 from Pathumthani Industrial Office. |
| September | - Received "An Outstanding Establishment in the year 2013 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the eighth year in a row. |
| October | - Received "Waste Management by using 3Rs Award" from Department of Industrial Works. |
| 2014 July | - Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2014" from Ministry of Labour for the eleventh year in a row. |
| August | - Received "An Outstanding Establishment in the year 2014 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the ninth year in a row. |
| 2015 July | - Received "The Best Performance Company of Safety, Occupational Health and Working Environment Award 2015" from Ministry of Labour for the twelfth year in a row. |
| September | - Received "An Outstanding Establishment in the year 2015 for achievement on Labour Relations and Welfare Relations Award" from Ministry of Labour for the tenth year in a row. |

- 2016 July - Received "The Best Performance Company of Safety , Occupational Health and Working Environment Award 2016" from Ministry of Labour for the thirteenth year in a row.
- September - Received "An Outstanding Establishment in the year 2016 for achievement on Labour Relations and Welfare Relations Award"
from Ministry of Labour for the eleventh year in a row.
- Participated of equity for Pracharat Rak Samakkee Pathumthani (Social Enterprise)
Company Limited



บริษัท ไทยสแตนเลย์การไฟฟ้า จำกัด (มหาชน)

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Be Friendly to the Environment

Thai Stanley Electric Public Company Limited