

*The Infinite of Opportunity*  
*New plant Lamp*

8

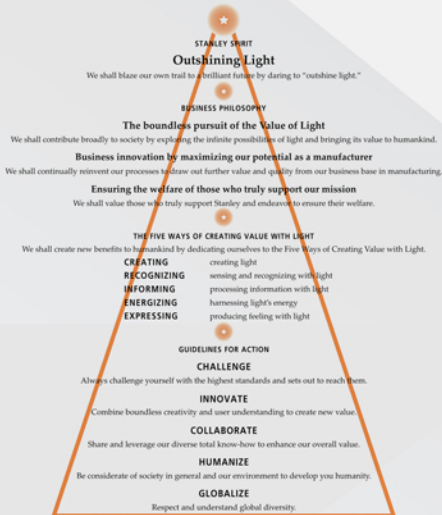


**STANLEY**

**ANNUAL  
REPORT  
2 0 1 9**

รายงานประจำปี 2562  
สำหรับปีสิ้นสุด 31 มีนาคม 2563  
Fiscal Year Ended March 31, 2020

## STANLEY GROUP VISION



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## HIGHLIGHT

	For the year ended 31 March 2020 (Thousand)	For the year ended 31 March 2019 (Thousand)	Change (%)
<b>Operating Report</b>			
Sales	15,150,090	14,634,621	3.52
Total Revenues	15,413,818	14,907,068	3.40
Cost of Sales	12,339,312	11,864,535	4.00
Selling and Administrative Expense and other	947,581	927,798	2.13
Profit before income tax	2,445,764	2,430,915	0.61
Net Profit (Loss)	1,997,497	1,977,762	1.00
<b>Financial Statement</b>			
Current Assets	7,990,144	9,033,803	(11.55)
Total Assets	20,369,930	19,254,504	5.79
Current Liabilities	2,469,898	2,883,108	(14.33)
Total Liabilities	3,048,115	3,287,944	(7.29)
Equity	17,321,815	15,966,559	8.49
<b>Financial Ratio</b>			
Net Profit Margin (%)	12.96	13.27	
Return on Equity (ROE) (%)	12.00	12.97	
Return on Total Asset (ROA) (%)	10.08	10.93	
Debt to Equity (DE) (time)	0.18	0.21	
Price Earning ratio (PE) time	4.74	8.80	
Current Ratio (time)	3.24	3.13	
Net Profit (Loss) per share	26.07	25.81	
Par Value	5.00	5.00	
Book Value per Share	226.06	208.37	

**Net Sales**

(Unit : million baht)

**Net Profit**

(Unit : million baht)

**Net Profit (Loss) per Share**

(Unit : baht)



# TO OUR SHAREHOLDER

## 1. Economic Overview

The Thai economy in 2019 was affected by the world's economic weakening due largely to the trade war between the US and China, ongoing slump of Thai exports due to the strong Thai Baht and falling public consumption. As a result, the GDP during the past year was sharply declined to remain at 2.4% compared to 4.1% a year earlier, which was the historically low drop during the past five years. On a quarterly basis, the GDP was broken down to 2.9% between January and March; 2.4% between April and June; 2.6% between July and September and 1.6% between October and December.

Office of the National Economics and Social Development Council expects the 2020 economic growth will be -5.5%\* as a result due to the spread of the Covid-19 virus. Disrupting economic activities both the global situation and Thailand. At present, estimates of the world's economic condition are highly unpredictable and at the time the future seems increasingly uncertain.



(\* Source: <https://thestandard.co/tag/gdp/> dated May 18, 2020)

## 2. The Auto Industry Outlook

In our auto industry, the worldwide economic slump means both domestic and international sales were down. About 1,008,000 cars were domestic sold in 2019 (decrease 3.3% from the previous year) and export sold were 1,054,000 cars (decrease 7.6% from the previous year), while manufactured were 2,014,000 cars (decrease 7.1% from the previous year).

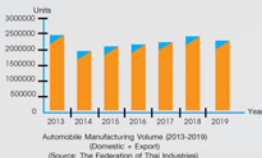
Regarding the quarterly based production, a total of 561,000 cars were manufactured between January and March and another 504,000 between April and June. During the period between July and September and October and December, a total of 507,000 cars and 441,000 cars were manufactured, respectively.

The Federation of Thai Industries predicted that a total of 2 million cars would be produced in 2020 (representing decrease 0.7%). Of this, 1 million cars will be made for domestic sales (increase 2.4%) while another 1 million will be destined for export (increase 3.6%). Yet, the figure was adjusted downward in mid March where total future production was reduced to 1.9 million (representing decrease 5.7%), of which 950,000 cars would be destined for local markets (decrease 2.7%) and 950,000 cars would be exported (decrease 8.4%).



Meanwhile, the motorcycle market saw 1,719,000 motorcycles being domestic sold in 2019 ( decrease 3.9%) while 1,948,000 CBU (completely built unit) motorcycles were manufactured (decrease 5.6%). Parts made for local assembly accounted for 585,000 motorcycles (representing increase 13.5% ).

The Federation of Thai Industries expected the 2020 motorcycle production to reach 2.1 million units (increase 7.8%). Of this, 1.7 million motorcycles will be produced for domestic distribution (representing increase 7.3%) while 400,000 motorcycles will be exported (representing increase 9.9%). Yet, like automobiles, the figure is likely to be further adjusted downward



### 3. Our Operation

As a result of this vulnerable economic condition and the overall situation in the auto industry as described earlier, total production of auto vehicles is down. However, as the production of added-value parts increased thanks to the switching to LED lamp, our sales in 2019 were increase 3.52% from the previous year .

We improved our production process by introducing the SNAP process to enhance production efficiency. We continued to improve our quality with a goal to reduce defect to zero and to gradually transform our business into a manufacturer of auto lamp, create a better customer trust and enhance our performance.

#### Sales Structure

Thai Stanley Electric Public Company Limited's main activities are in three businesses, namely, light bulbs, lamps and molding/design.

Sales from the Automotive Lamp business accounted for 91.73% while those from the Auto Bulb business totaled 2.97%. The remaining 5.30% came from sales from the Molding&Design business.

Aside from direct sales to the market, our Auto Bulb business also sells products to the Automotive Lamp business as an accessory to our Automotive Lamp products.

## Sale

Amount and proportions of sale structure of each business during 2019 are as follows:

Unit : Million Baht

	Fiscal year 2019 (Apr 2019 - Mar 2020)		Fiscal year 2018 (Apr 2018 - Mar 2019)		Change (%)
	Amount	Proportion	Amount	Proportion	
Auto bulb	450.01	2.97%	593.11	4.05%	(24.13%)
Automotive lamp	13,897.49	91.73%	13,778.34	94.15%	0.86%
Die & mold and Design	802.58	5.30%	263.17	1.80%	204.97%
<b>Total</b>	<b>15,150.08</b>	<b>100%</b>	<b>14,634.62</b>	<b>100.00%</b>	<b>3.52%</b>

\* Automotive Bulb and Die & Mold and Design not include internal transfer.

## Investment

Investment in 2019 are as follows

Unit : Million Baht

	Fiscal year 2019 (Apr 2019 - Mar 2020)	Fiscal year 2018 (Apr 2018- Mar 2019)	Change (%)
	Amount	Amount	
Land	18.14	127.80	(85.81%)
Buildings	1,355.23	817.28	65.82%
Machines & Equipment	1,482.26	1,829.19	(18.97%)
Molds & Tools	146.26	377.57	(61.26%)
Others	12.27	6.96	76.29%
<b>Total</b>	<b>3,014.16</b>	<b>3,158.80</b>	<b>(4.58%)</b>

## Employment

Number of employees in 2019 are as follows ;.

Unit : person

	Employee as in fiscal year 2019	Employee as in fiscal year 2018	Change
Thai employee (male)	1,668	1,711	(43)
Thai employee (female)	1,392	1,460	(68)
Japanese staff	24	25	(1)
<b>Total</b>	<b>3,084</b>	<b>3,196</b>	<b>(112)</b>

#### 4. Future Outlook

The 2020 fiscal year started with chaos as a result of the Covid-19 outbreak where the effect of the pandemic could last longer than expected. At present, there are news reports of how the disease may be cured. It is expected that normal social and economic activities will resume soon. Not only lifestyles need to be adjusted as a result of the outbreak, but management styles will also have to be adapted whether it concerns procurement, production or transportation to cope with people, things and information that keep moving all over the places. There is a need more than ever to monitor market changes.

The role of the auto industry remains significant thanks to Thailand's status as a center for automobile export. However, competitions in the production within Asean, China and India are becoming more intense. There remain needs to compete price-wise in the international arena.

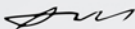
In terms of product development, lamp system is increasingly popular, which leads to a higher need to develop the product for the Asean market. Companies and customers in the auto industry are required to upgrade their capacity.

We foresee the auto and motorcycle industries to continue expanding thanks to a gradual transition to electric vehicles in a form of hybrid cars. In addition, new technology such as 5G is developed to assist driving. As a lamp manufacturer, we need to closely monitor upcoming situations and we have to become a manufacturer with expertise that can well respond to customer's needs.

We will entrust both the wisdom and capability of our personnel and those in our affiliates to enhance our competitiveness in this business environment. In addition, we will focus on sustainability when it comes to production efficiency where we have already introduced the SNAP (Stanley New Approach for Higher Productivity) as well as enhance our production capability for the future. We aim to develop both technology and products for the lamp system and intend to produce attractive products to everyone. Thai Stanley Electric Public Company Limited will ensure reliability in our quality, cost, delivery and environment. We will continue to expand our business and strengthen our system.

We have committed to the management principle where profit and confidence are shared so that the company and stakeholders will walk together to prosperity.

We strive to do our best to implement measures described above in order to share profits while taking into consideration satisfaction of all shareholders. On this note, we wish to express our deep appreciation for your continued support throughout the years.



Mr. Apichart Lee-issaranukul  
Executive Chairman



Mr. Koichi Nagano  
President

Thai Stanley Electric Public Company Limited

# THE BOARD OF DIRECTORS & THE EXECUTIVES



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## THE BOARD OF DIRECTORS

Mr. Apichart Lee-issaranukul  
Director  
Executive Chairman

Mr. Koichi Nagano  
Director  
President

Mr. Tadao Suzumura  
Director  
Executive General Manager  
Lighting Equipment Division

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  
Chairman of the Audit Committee

Mr. Chokechai Tanpoonsinthana  
Independent Director  
Audit Committee

Mr. Suchart Phisitvanich  
Independent Director  
Audit Committee

Mr. Picharn Sukparangsee  
Independent Director

# THE BOARD OF DIRECTORS & THE EXECUTIVES



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## THE EXECUTIVES

1.Mr. Apichart Lee-issaranukul  
Executive Chairman  
Executive General Manager  
Administration Division

2.Mr. Koichi Nagano  
President

3.Mr. Tadao Suzumura  
Executive General Manager  
Lighting Equipment Division

4.Mr. Koji Kobayashi  
Executive General Manager  
R&D Center

5.Mr. Kazunori Nakai  
Executive General Manager  
Marketing Division

6.Mr. Etsuya Kawashima  
Executive General Manager  
Die & Mold Division

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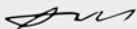
## REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL REPORTS

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 2019 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 as March 31,2020 presents the financial position , the results of operation and cash flows accurately in all material respects with generally accepted under financial reporting standards.



( Mr.Apichart Lee-issaranukul)  
Executive Chairman



(Mr.Koichi Nagano)  
President

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Thai Stanley Electric Public Company Limited was appointed following a resolution at the Board of Directors Meeting, consists of 3 independent directors who have expertise and also have qualification as required under the Notification of the Office of Securities and Exchanges Commission. The Audit Committee duly performed its duties within the scope and responsibilities as assigned by the Board of Directors which are prescribed in the Audit Committee's Charter and in line with the regulations of the Stock Exchange of Thailand.

In year 2019, the Audit Committee conducted 10 meeting which meeting with the Auditor without attendance of any management 4 times, the details of attendance of each Audit Committee's member are as follows.

1. Mr. Krisada	Visavateeranon	Chairman of Audit Committee	attendance 10 out of 10
2. Mr. Chokechai	Tanpoonsinthana	Audit Committee	attendance 10 out of 10
3. Mr. Suchart	Phisitvanich	Audit Committee	attendance 10 out of 10

In each meeting was the meeting with auditors, internal auditors and management in accordance with relevant agendas for consultations on significant matters as well as acknowledgments of performances and recommendations, including problems and difficulties during performing of duties. The Audit Committee independently reported, made and opinion and gave recommendation to the Board of Directors of which it can be summarized as follows:

1. Review the financial report, The Audit Committee considered and reviewed quarterly financial statement and annual financial statement of the company for the year 2019 and made inquiries and received clarification from the managements and the auditor including the acknowledgement of recommendation as per auditing and suggestion of the auditor. The Audit Committee agreed with the auditors that the financial statements was duly prepared in all material as aspects in accordance with Thai Financial Reporting Standard and had disclosing in sufficient
2. Review the corporate governance, internal control and risk management system, The Audit Committee has reviewed the company operation to comply with the principles of good corporate governance of the Securities and Exchange Commission, the criterion of the Corporate Governance Report of Thai Listed Companies. For the year 2019, the company was evaluated as a "Very Good" corporate governance company, In addition the Audit Committee has considered the evaluation result of internal control in accordance with the guidelines established by SEC. The Audit Committee has opinion that the internal controls system sufficient and appropriate and accordance to internal control framework of COSO. For the risk management, the company has a Risk Management Committee and responsible party for risk management and determining adequate and appropriate risk management measures.
3. Reviewed the internal audit system, The Audit Committee has considered the scope of work, duties and responsibilities, independent of the Internal Audit Department and consider to approving the annual internal audit plan. The Audit Committee has opinion that the company has a sufficient and appropriate internal audit system.



## REPORT OF THE AUDIT COMMITTEE

4. Review compliance with relevant laws and regulations. The Audit Committee reviewed the operation of the company through the audit of the internal audit unit to ensure that the operation of the company in accordance with the laws concerning securities and exchange, the Stock Exchange of Thailand's regulations and relevant laws in connection with the company's business. The Audit Committee opined that company had internal control on the compliance with relevant laws and regulations in sufficient and effectiveness.
5. Review related party transaction and conflict of interest. The Audit Committee considered related party transaction or transactions with conflict of interest to comply with laws and the Stock Exchange of Thailand's regulations, which the Audit Committee opined that the company entered into related party transactions in accordance with general trading condition and reasonable price as entry into the same transaction with general person and for the highest benefits of the company's business. In addition, the company fully complied with policy and disclosed information pursuant to the Stock Exchange of Thailand.
6. Consider to nomination appointment and determination of the Auditor's remuneration, The Audit Committee considered performance, experience, audit fees, and compliance with SEC's regulations. The Audit Committee resolved to nominate PricewaterhouseCoopers ABAS Ltd. (PwC) and auditor's remuneration for the Board's to consider and propose to the shareholders for approval in 2020.
7. Review the implementation of anti-corruption criteria. The Audit Committee has reviewed the company's operations in accordance with the anti-corruption measures of the Private Sector Collective Action Coalition Against Corruption Project. In which the company has announced its intention and is in the process of requesting certification. The Audit Committee has opinion that there was not found practice that was inconsistent in material matters.
8. Self-assessment of the Audit Committee. The overall assessment result is "excellent". The Audit Committee carried out their responsibilities delegated by the Board of Directors and in line with best practices guidelines for Audit Committee.

To summarize in 2019, the Audit Committee performed its duties with prudent and independent in giving opinions and advices for the highest benefit of the company and also performed its duties in accordance with the Audit Committee charter and assignments from the Board of Directors in full of which the Audit Committee opinioned that the company had compliance system and internal control at the sufficient and appropriate level for the company's business including the company conduct the business with good governance to ensure that the preparation of financial information fully and duly presented facts in material part in compliance with the general accounting standard, disclosed of information to various regulatory agencies correctly, performed duties in compliance with the Good Corporate Governance principles with adequacy, transparency and reliability.



(Mr. Krisada Visavateeranon)  
Chairman of the Audit Committee



## INDEPENDENT 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 2020, 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

The Company's financial statements comprise:

- the statement of financial position in which the equity method is applied and the separate statement of financial position as at 31 March 2020;
- the statement of income in which the equity method is applied and the separate statement of income for the year then ended;
- the statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income for the year then ended;
- the statement of changes in equity in which the equity method is applied and the separate statement of changes in equity for the year then ended;
- the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the year then ended; and
- the notes to the financial statements, which include 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 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, 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 of the current period. I determine one key audit matter: Valuation of inventories. The matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

## INDEPENDENT AUDITOR'S REPORT

### Key audit matter

### How my audit addressed the key audit matter

#### Valuation of inventories

Refer to Note 4 Critical accounting estimates and judgements of allowance for decrease in value of inventories and Note 10 Inventories, net, to the financial statements.

As at 31 March 2020, the balance of inventories before the allowance for obsolete and slow-moving inventories was Baht 946.07 million, the allowance for obsolete and slow-moving inventories of Baht 2.38 million. Inventories, net represent 5% of total assets.

The assessment for the allowance for obsolete and slow-moving inventories requires a degree of estimation using judgement. Management based their assessment on their experience and historical data. Inventories with no movement over 12 months are subject to 100% allowance for obsolete and slow-moving inventories. Also, the allowance is assessed by considering the historical and recent sales experience due to economic circumstances, the aging of inventories, and other factors that affect obsolete and slow-moving inventories.

The valuation of inventories is an area of focus because inventories have a material impact on the total assets and the allowances for obsolete and slow-moving inventories are subject to management's judgement and experience. The appropriateness of the amount becomes subjective and because it is subject to a potential bias in management's judgement, whether intentionally or unintentionally.

My audit procedures included the followings:

- Obtained an understanding of and evaluated the management's assumptions used to develop the allowances for obsolete and slow-moving inventories and determined that the accounting policies were consistent with prior years.
- Assessed the reasonableness of management's assumptions used when developing the allowances for obsolete and slow-moving inventories by considering historical data and key inventory ratio analysis.
- Challenged management's judgement and assumptions of specific inventory aging to whether they were appropriate for determining the allowances for obsolete and slow-moving inventories. Also, I tested the reliability of the inventory aging report by tracing the last movement date of inventories to the supporting documents.
- Tested the mathematical accuracy of the allowances for obsolete and slow-moving inventories derived from management's assumptions. No material variances arose from performing this work.
- Assessed whether any obsolete and slow-moving inventories were omitted from the detailed analysis by examining the inventory aging analysis and tracing information obtained while observing inventory counts.

From performing the above procedures, I determined that the assumptions management used to estimate the allowances for obsolete and slow-moving inventories were reasonable based on available evidence.

#### 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 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 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, 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 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.



## INDEPENDENT AUDITOR'S REPORT

### Responsibilities of the directors for the financial statements

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

In preparing the 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 intends 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

My objectives are to obtain reasonable assurance about whether the 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.

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, 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 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## INDEPENDENT AUDITOR'S REPORT

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 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  
15 May 2020

# Statements of Financial Position

As at 31 March 2020

		Equity method			
		financial statements		Separate financial statements	
		2020	2019	2020	2019
	Notes	Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	3,177,436,049	1,671,996,877	3,177,436,049	1,671,996,877
Short-term investments held to maturity	8	1,166,000,000	3,625,000,000	1,166,000,000	3,625,000,000
Trade and other accounts receivable, net	9	2,633,160,707	2,549,177,679	2,633,160,707	2,549,177,679
Inventories, net	10	942,128,066	1,099,780,589	942,128,066	1,099,780,589
Current portion of loans to employees	11	31,764,870	41,877,305	31,764,870	41,877,305
Other current assets		39,653,979	45,970,733	39,653,979	45,970,733
<b>Total current assets</b>		<b>7,990,143,671</b>	<b>9,033,803,183</b>	<b>7,990,143,671</b>	<b>9,033,803,183</b>
<b>Non-current assets</b>					
Loans to employees	11	12,805,720	34,920,939	12,805,720	34,920,939
Investment in an associate	12	1,597,062,806	1,357,930,009	54,044,189	54,044,189
Investment in a joint venture	13	23,397,220	22,165,315	3,132,500	3,132,500
Long-term investments, net	14	125,841,155	112,401,215	125,841,155	112,401,215
Property, plant and equipment, net	15	9,517,130,593	7,703,011,731	9,517,130,593	7,703,011,731
Intangible assets, net	16	1,087,800,467	974,757,302	1,087,800,467	974,757,302
Deferred tax assets, net	17	-	-	117,808,420	94,132,292
Other non-current assets, net		15,748,568	15,514,089	15,748,568	15,514,089
<b>Total non-current assets</b>		<b>12,379,786,529</b>	<b>10,220,700,600</b>	<b>10,934,311,612</b>	<b>8,991,914,257</b>
<b>Total assets</b>		<b>20,369,930,200</b>	<b>19,254,503,783</b>	<b>18,924,455,283</b>	<b>18,025,717,440</b>

# Statements of Financial Position

As at 31 March 2020

	Notes	Equity method			
		financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade accounts payable - other companies		505,701,033	601,416,601	505,701,033	601,416,601
- related parties	29	567,353,140	549,860,146	567,353,140	549,860,146
Other accounts payable - other companies		651,473,811	1,004,252,283	651,473,811	1,004,252,283
- related parties	29	155,304,686	169,764,056	155,304,686	169,764,056
Accrued corporate income tax		218,806,093	218,376,783	218,806,093	218,376,783
Accrued expenses	18	371,259,536	339,438,086	371,259,536	339,438,086
<b>Total current liabilities</b>		<b>2,469,898,299</b>	<b>2,883,107,955</b>	<b>2,469,898,299</b>	<b>2,883,107,955</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities, net	17	194,848,247	170,451,435	-	-
Employee benefit obligations	19	383,368,355	234,385,053	383,368,355	234,385,053
<b>Total non-current liabilities</b>		<b>578,216,602</b>	<b>404,836,488</b>	<b>383,368,355</b>	<b>234,385,053</b>
<b>Total liabilities</b>		<b>3,048,114,901</b>	<b>3,287,944,443</b>	<b>2,853,266,654</b>	<b>3,117,493,008</b>
<b>Equity</b>					
Share capital	20				
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital					
76,625,000 ordinary shares, par value of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital	20	504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve	22	38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		16,595,671,038	15,229,792,248	15,168,253,176	13,979,256,932
Other components of equity		(199,543,239)	(188,920,408)	(22,752,047)	3,280,000
<b>Total equity</b>		<b>17,321,815,299</b>	<b>15,966,559,340</b>	<b>16,071,188,629</b>	<b>14,908,224,432</b>
<b>Total liabilities and equity</b>		<b>20,369,930,200</b>	<b>19,254,503,783</b>	<b>18,924,455,283</b>	<b>18,025,717,440</b>

# Statements of Income

For the year ended 31 March 2020

	Notes	Equity method financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Revenues from sales and services	6, 27, 29	15,150,089,554	14,634,621,299	15,150,089,554	14,634,621,299
Cost of sales and services		(12,339,311,542)	(11,864,534,640)	(12,339,311,542)	(11,864,534,640)
<b>Gross profit</b>		<b>2,810,778,012</b>	<b>2,770,086,659</b>	<b>2,810,778,012</b>	<b>2,770,086,659</b>
Other income					
- Dividend income	12, 13, 14	86,130,838	71,979,332	183,865,081	155,496,731
- Gain on exchange rates, net		16,614,030	21,238,295	16,614,030	21,238,295
- Interest income		53,822,846	71,137,511	53,822,846	71,137,511
- Others	23	107,161,139	108,091,969	107,161,139	108,091,969
<b>Profit before expenses</b>		<b>3,074,506,865</b>	<b>3,042,533,766</b>	<b>3,172,241,108</b>	<b>3,126,051,165</b>
Selling expenses		(584,041,365)	(582,126,700)	(584,041,365)	(582,126,700)
Administrative expenses		(363,539,145)	(345,671,294)	(363,539,145)	(345,671,294)
<b>Total expenses</b>		<b>(947,580,510)</b>	<b>(927,797,994)</b>	<b>(947,580,510)</b>	<b>(927,797,994)</b>
<b>Operating profit</b>	24	<b>2,126,926,355</b>	<b>2,114,735,772</b>	<b>2,224,660,598</b>	<b>2,198,253,171</b>
Share of profit from investments in an associate and a joint venture	12, 13	318,837,425	316,179,533	-	-
<b>Profit before income tax</b>		<b>2,445,763,780</b>	<b>2,430,915,305</b>	<b>2,224,660,598</b>	<b>2,198,253,171</b>
Income tax	25	(448,266,425)	(453,153,181)	(404,045,789)	(406,620,754)
<b>Net profit for the year</b>		<b>1,997,497,355</b>	<b>1,977,762,124</b>	<b>1,820,614,809</b>	<b>1,791,632,417</b>
<b>Earnings per share</b>					
Basic earnings per share	26	26.07	25.81	23.76	23.38



# Statements of Comprehensive

For the year ended 31 March 2019

	Note	Equity method financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Net profit for the year</b>		1,997,497,355	1,977,762,124	1,820,614,809	1,791,632,417
<b>Other comprehensive expenses for the period after tax:</b>	25				
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of post-employment benefit obligations		(29,000,059)	-	(29,000,059)	-
Income tax on items that will not be reclassified		5,800,012	-	5,800,012	-
<b>Total items that will not be reclassified to profit or loss</b>		(23,200,047)	-	(23,200,047)	-
<b>Items that will be reclassified subsequently to profit or loss</b>					
Unrealised loss on change in fair value of available-for-sale investment		(3,540,000)	(800,000)	(3,540,000)	(800,000)
Exchange differences relating to investments in an associate and a joint venture		19,261,520	(6,960,081)	-	-
Income tax relating to items that will be reclassified		(3,144,304)	1,552,016	708,000	160,000
<b>Total items that will be reclassified subsequently to profit or loss</b>	25	12,577,216	(6,208,065)	(2,832,000)	(640,000)
<b>Other comprehensive expenses for the year, net of tax</b>		(10,622,831)	(6,208,065)	(26,032,047)	(640,000)
<b>Total comprehensive income for the year</b>		<u>1,986,874,524</u>	<u>1,971,554,059</u>	<u>1,794,582,762</u>	<u>1,790,992,417</u>

Thai Stanley Electric Public Company Limited  
**Statements of changes in equity**  
For the year ended 31 March 2020

Equity method financial statements													
Capital contributed				Retained earnings		Other components of equity							
						Exchange differences		Unrealized gain (loss) on change in fair value of available-for-sale investment		Remeasurements of post-employment benefit obligations		Total other components of equity	
Issued and paid-up share capital		Premium on share capital	Legal reserve	Unappropriated retained earnings	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Note	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 April 2018													
	383,125,000	504,250,000	38,312,500	13,788,404,424	-	3,920,000	(186,632,343)	-	(182,712,343)	14,531,379,581	-	(188,920,408)	15,966,559,340
Total comprehensive income for the year													
	-	-	-	1,977,762,124	-	(640,000)	(15,568,095)	-	(8,208,065)	1,971,554,059	-	(831,618,565)	1,986,874,524
21	-	-	-	(536,374,300)	-	-	-	-	-	(536,374,300)	-	-	-
Closing balance as at 31 March 2019													
	383,125,000	504,250,000	38,312,500	15,229,792,248	-	3,280,000	(192,200,408)	-	(188,920,408)	15,966,559,340	-	(188,920,408)	15,966,559,340
Opening balance as at 1 April 2019													
	383,125,000	504,250,000	38,312,500	15,229,792,248	-	3,280,000	(192,200,408)	-	(188,920,408)	15,966,559,340	-	(188,920,408)	15,966,559,340
Total comprehensive income for the year													
	-	-	-	1,997,497,355	-	(2,832,000)	15,409,216	-	(23,200,047)	1,986,874,524	-	(831,618,565)	1,986,874,524
21	-	-	-	(631,618,565)	-	-	-	-	-	(631,618,565)	-	-	-
Closing balance as at 31 March 2020													
	383,125,000	504,250,000	38,312,500	16,595,671,038	-	448,000	(176,791,192)	-	(23,200,047)	17,321,815,299	-	(23,200,047)	17,321,815,299

The notes to the financial statements on page 27 to 37 are an integral part of these financial statements.

## Statements of changes in equity

For the year ended 31 March 2020

Separate financial statements									
Note	Capital contributed			Retained earnings			Other components of equity		
	Issued and share capital	Premium on share capital	Legal reserve	Unappropriated retained earnings	Unrealised gain (loss) on change in fair value of available-for-sale investment	Remeasurements of post-employment benefit obligations	Total other components of equity	Total equity	Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Operating balance as at 1 April 2018</b>	383,125,000	504,250,000	38,312,500	12,723,998,815	3,920,000	-	3,920,000	13,853,608,315	
Total comprehensive income for the year	-	-	-	1,701,632,417	(640,000)	-	(640,000)	1,700,992,417	
Dividends paid	-	-	-	(536,374,300)	-	-	-	(536,374,300)	
<b>Closing balance as at 31 March 2019</b>	383,125,000	504,250,000	38,312,500	13,979,256,932	3,280,000	-	3,280,000	14,908,224,432	
<b>Operating balance as at 1 April 2019</b>	383,125,000	504,250,000	38,312,500	13,979,256,932	3,280,000	-	3,280,000	14,908,224,432	
Total comprehensive income for the year	-	-	-	1,820,614,809	(2,832,000)	(23,200,047)	(26,032,047)	1,794,582,762	
Dividends paid	-	-	-	(631,618,565)	-	-	-	(631,618,565)	
<b>Closing balance as at 31 March 2020</b>	383,125,000	504,250,000	38,312,500	15,168,253,176	448,000	(23,200,047)	(22,752,047)	16,071,188,629	

The notes to the financial statements on page 27 to 57 are an integral part of these financial statements.

	Notes	Equity method			
		financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities:</b>					
Profit before income tax for the year		2,445,763,780	2,430,915,305	2,224,660,598	2,196,253,171
Adjustments to reconcile profit before income tax for the year to net cash provided by operations:					
- Depreciation	15	1,199,995,115	1,020,563,009	1,199,995,115	1,020,563,009
- Amortisation	16	245,384,850	228,988,633	245,384,850	228,988,633
- Interest income		(53,822,846)	(71,137,511)	(53,822,846)	(71,137,511)
- Share of profit from investments in an associate and a joint venture	12, 13	(318,637,425)	(316,179,533)	-	-
- Dividend income					
- Investments in an associate and a joint venture	12, 13	-	-	(97,734,243)	(83,517,399)
- Long-term investments	14	(86,130,838)	(71,979,332)	(86,130,838)	(71,979,332)
- Gain on disposals of property, plant and equipment, net	23	(10,124,263)	(4,118,553)	(10,124,263)	(4,118,553)
- Reversal of allowance for doubtful account	9	-	(3,413,075)	-	(3,413,075)
- (Reversal of) Allowance for obsolete and slow moving inventories	10	1,981,107	(7,614,579)	1,981,107	(7,614,579)
- (Reversal of) Allowance for net realisable value lower than cost of inventories	10	(3,506,944)	5,066,000	(3,506,944)	5,066,000
- Employee benefit obligations	19	127,457,579	28,844,046	127,457,579	28,844,046
- Unrealised gain on exchange rates, net		(1,369,417)	(791,567)	(1,369,417)	(791,567)
<b>Cash flows before changes in operating assets and liabilities</b>		<b>3,546,790,698</b>	<b>3,239,142,843</b>	<b>3,546,790,698</b>	<b>3,239,142,843</b>
<b>Changes in operating assets and liabilities</b>					
- Trade and other accounts receivable		(88,344,564)	(202,338,308)	(88,344,564)	(202,338,308)
- Inventories		159,178,360	(422,504,309)	159,178,360	(422,504,309)
- Other current assets		6,316,754	(28,278,430)	6,316,754	(28,278,430)
- Other non-current assets		(234,479)	14,880,623	(234,479)	14,880,623
- Trade accounts payable - other companies		(95,715,568)	86,670,880	(95,715,568)	86,670,880
- Trade accounts payable - related parties		17,492,994	51,577,857	17,492,994	51,577,857
- Other accounts payable - other companies		(88,960,164)	117,088,401	(88,960,164)	117,088,401
- Other accounts payable - related parties		(1,459,450)	(1,745,524)	(1,459,450)	(1,745,524)
- Accrued expenses		31,821,450	13,349,470	31,821,450	13,349,470
- Payment for employee benefit obligations	19	(7,474,336)	(3,264,345)	(7,474,336)	(3,264,345)
<b>Cash generated from operations</b>		<b>3,479,411,695</b>	<b>2,864,579,158</b>	<b>3,479,411,695</b>	<b>2,864,579,158</b>
Interest received		16,430,980	16,019,633	16,430,980	16,019,633
Income tax paid		(420,784,595)	(376,828,976)	(420,784,595)	(376,828,976)
<b>Net cash received from operating activities</b>		<b>3,075,058,080</b>	<b>2,503,769,815</b>	<b>3,075,058,080</b>	<b>2,503,769,815</b>

Thailand Electric Public Company Limited  
**Statements of cash flows**  
 For the year ended 31 March 2020

	Notes	Equity method			
		financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities:</b>					
Loans made to employees	11	(460,000)	(81,931,306)	(460,000)	(81,931,306)
Loans repayments from employees	11	32,687,654	41,287,751	32,687,654	41,287,751
Purchases of property, plant and equipment		(3,298,191,124)	(2,647,383,944)	(3,298,191,124)	(2,647,383,944)
Proceeds from disposals of property, plant and equipment		10,175,182	4,153,763	10,175,182	4,153,763
Interest received on short-term investments held to maturity		41,753,402	59,496,534	41,753,402	59,496,534
Purchase of long-term investment		(16,979,940)	-	(16,979,940)	-
Dividends received					
- Investments in an associate and a joint venture	12, 13	97,734,243	83,517,399	97,734,243	83,517,399
- Long-term investments	14	86,130,838	71,979,332	86,130,838	71,979,332
Purchases of intangible assets		(351,220,015)	(426,792,264)	(351,220,015)	(426,792,264)
Cash receipts from short-term investments held to maturity	8	4,806,000,000	10,647,000,000	4,806,000,000	10,647,000,000
Cash payment on short-term investments held to maturity	8	(2,347,000,000)	(10,059,549,783)	(2,347,000,000)	(10,059,549,783)
Net cash used in investing activities		(939,369,760)	(2,308,222,518)	(939,369,760)	(2,308,222,518)
<b>Cash flow from financing activity:</b>					
Dividends paid	21	(631,618,565)	(536,374,300)	(631,618,565)	(536,374,300)
Net cash used in financing activity		(631,618,565)	(536,374,300)	(631,618,565)	(536,374,300)
Net increase (decrease) in cash and cash equivalents		1,504,069,755	(340,827,003)	1,504,069,755	(340,827,003)
Cash and cash equivalents at beginning of the year		1,671,996,877	2,012,032,313	1,671,996,877	2,012,032,313
Effects of exchange rate changes		1,369,417	791,567	1,369,417	791,567
Cash and cash equivalents at end of the year		3,177,436,049	1,671,996,877	3,177,436,049	1,671,996,877
<b>Non-cash transactions:</b>					
Outstanding liabilities arisen from purchases of plant, equipment and intangible assets		480,529,292	744,347,600	480,529,292	744,347,600
Outstanding liabilities arisen from purchase of plant and equipment from related parties		955,527	13,955,447	955,527	13,955,447

# Notes to the financial statements

For the year ended 31 March 2020

## 1 General information

Thai Stanley Electric Public Company Limited (the "Company") is a public limited company, incorporated in Thailand. The address of its registered office is 29/3 Moo 1 Bangpoo-Rungsit Road, Bangkok, 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 equity method and separate financial statements have been approved by the Company's Board of directors on 15 May 2020.

## 2 Accounting policies

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

### 2.1 Basis of preparation

The equity method and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to certain critical accounting estimates and to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materiality adjusted due to changes in estimates and assumptions are disclosed in Note 4.

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

### 2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Company

#### 2.2.1 The Company has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

##### a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Company will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The Company has adopted the new TFRS 15, Revenue from contracts with customers from 1 April 2019 by applying the modified retrospective approach and the comparative figures have not been restated. The Company applies practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.

The adoption of TFRS 15 mainly does not have a significant impact on the Company's accounting treatment on revenue recognition from sales and services.

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 March 2020 reporting period and have not been early adopted by the Company.

### a) Financial Instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

### b) TFRS 16, Leases

Where the Company is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

### c) Other new/amended standards

The new and amended financial reporting standards that are relevant to the Company are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 28	Investments in associates and joint ventures
TFRIC 23	Uncertainty over income tax treatments

**Amendment to TAS 12, Income tax** - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

**Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement)** - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

**Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures)** - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial Instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

**TFRIC 23, Uncertainty over income tax treatments** - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Company should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Company should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 2.3 Principles of equity accounting

### (1) Associate

Associate is an entity over which the Company has significant influence but not control or joint control.

In the separate financial statements, investment in an associate is accounted for using cost method.

### (2) Joint arrangement

An investment in joint arrangement is classified as either joint operation or joint venture depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

#### *Joint venture*

A joint venture is a joint arrangement whereby the Company has a right to the net assets of the arrangement. An interest in a joint venture is accounted for using the equity method.

In the separate financial statements, investments in a joint venture is accounted for using cost method.

### (3) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Company's subsequently recognises shares of its associate and joint venture' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Company's share of losses in an associate and a joint venture equals or exceeds its interest in the associate and joint venture, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate and joint venture.

### (4) Intercompany transactions on equity method financial statements

Unrealised gains on transactions between the Company and its associate and joint venture are eliminated to the extent of the Company's interest in the associate and joint venture. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

## 2.4 Foreign currency translation

### (a) Functional and presentation 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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

## 2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.



## Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

### 2.6 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Company presented trade receivables at cost less allowance for doubtful accounts.

### 2.7 Inventories

Inventories are stated at the lower of cost and net realisable value .

Cost of inventories is determined by the average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

### 2.8 Investments in debt and equity securities

Investments other than investments in associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

#### *Available-for-sale investment*

An available-for-sale investment is subsequently measured at fair value. The unrealised gains and losses of an available for sale investment are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

#### *Held-to-maturity investments*

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

#### *General investments*

General investments are carried at cost less impairment.

#### *Disposal of investments*

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Company disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

### 2.9 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Company, capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Useful life (years)
Buildings and other constructions	10 - 30
Land and building improvements	5 - 10
Machinery, equipment and factory tools	5 - 15
Molds	4
Motor vehicles	5
Furniture, fixtures and office equipment	3 - 5

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## 2.10 Intangible assets

### Acquired computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives 5 years to 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

### Product design costs

Research expenditure is recognised as an expense as incurred.

Cost incurred on development projects relating to the design of new products is recognised as an asset when the Company can demonstrate all of the following:

- the product design costs can be measured reliably;
- the Company can demonstrate that it is technically, financially, commercially, and resourcefully feasible; and
- the Company intends to and has the ability to complete the project for the purpose of using for the commercial production.

Product design costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised product design costs are amortised when the asset is ready to use by applying a straight-line method over the period of its expected benefit, not exceeding 4 years.

## 2.11 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

## 2.12 Leases

### Leases - where the Company is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 2.13 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.

### Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 2.14 Employee benefits

### a) Short-term employee benefits

Liabilities for short-term employee benefits such as salaries, wages, bonuses, contributions to the social security fund and others, that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

### b) Defined contribution plan

The Company pays contributions to a separate fund (under the Provident Fund Act B.E. 2530). 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.

### c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## d) Termination benefits

The Company recognises termination benefits at the earlier of (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

## 2.15 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 the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

## 2.17 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Company's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

### Sale of goods

The Company manufactures and sells products. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The product is often sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in accrued expenses) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 to 90 days, which is consistent with market practice.

The Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

### Services

Revenue from rendering services is recognised when services are rendered.

### Payments to customers

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

## Other income

Other revenue are recognised on the following bases:

- dividend income is recognised when the right to receive payment is established.
- interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.
- scrap income is recognised when the scrap is actually sold.

## 2.18 Dividends

Dividend distributed to the Company's shareholders is recognised as a liability when the annual dividends are approved by the shareholders.

## 3 Financial risk management

### 3.1 Financial risk factors

The Company exposes to a variety of financial risks: foreign currency exchange rate risk and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses financial instruments to hedge certain exposures.

Risk management is carried out by a central treasury department under policies approved by the Board of Directors. The treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

#### • Credit risk

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

#### • Foreign exchange risk

The Company's primary functional currency is Thai Baht. The Company has exposure to foreign currency exchange fluctuations on 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. The Company uses forward contracts to hedge their exposure to foreign correct risk in connection with measurement currency.

### 3.2 Accounting for derivative financial instruments and hedging activities

Foreign currency forward contracts protect the Company from movements in exchange rates by establishing 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 (included in other current assets) in the statement of financial position.

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

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 3.3 Fair value estimation

The different levels of financial instruments carried at fair value, by valuation method have been defined as follows:

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

There was no transfer between level 1 and 2 during the year.

There were no change in valuation techniques during the year.

## 4 Critical accounting estimates, assumptions and judgments

Estimates and judgements 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.

### 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 taken into account inventory aging, recent sales experience and other factors that affecting obsolete and slow-moving inventories.

### Useful life of plant, equipment and intangible assets

The management estimates useful life for plant, equipment and intangible assets of the Company. The management revises depreciation expense whenever the useful life is different from the estimation in the prior period or there is a disposal or retirement.

On 1 April 2019, the Company changed the estimated useful life of machinery from 10 years to 15 years because of a technological improvement of machinery that made extension of useful life. The change in estimation resulted to the decrease in depreciation expenses of machinery for the year ended 31 March 2020 of Baht 57.87 million.

### Employee benefit obligation

The Company provides for employee benefit obligation, 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 employee benefit obligation.

## 5 Capital 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.

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 6 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.

For the year ended 31 March 2020, total revenue from sales and services has timing of revenue recognition as a point in time.

### Business segment

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

### Revenues by product group

During the year ended 31 March 2020 and 2019, the revenues by product group are as follows:

	2020 Baht	2019 Baht
Auto bulbs and automotive lighting equipment	14,347,501,637	14,371,449,321
Molds & dies and product designs	802,587,917	263,171,978
	<u>15,150,089,554</u>	<u>14,634,621,299</u>

### Major customers

During the year ended 31 March 2020, the Company has revenues from 3 major customer groups which each of them contributed equal or over 10% of the Company's total revenues (2019: 2 customer groups). The revenue from customer group no.1 is Baht 6,216 million (2019: Baht 6,774 million). The revenue from customer group no. 2 is Baht 4,142 million (2019: Baht 4,268 million) The revenue from customer group no. 3 is Baht 1,692 million. The customers under common control are considered as one customer and referred to as the customer group.

## 7 Cash and cash equivalents

	2020 Baht	2019 Baht
Cash and cheques on hand	1,303,566	862,767
Current accounts with banks	149,687,789	98,537,327
Savings accounts with banks	86,444,694	42,596,783
Fixed deposits at banks with less than 3-month term	<u>2,940,000,000</u>	<u>1,530,000,000</u>
	<u>3,177,436,049</u>	<u>1,671,996,877</u>

As at 31 March 2020, savings accounts with banks and fixed deposits at banks with less than 3-month term bear interest at the rates of 0.01% - 0.80% per annum (2019: 0.01% - 1.37% per annum).

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 8 Short-term investments held to maturity

As at 31 March 2020, short-term investments held to maturity represent fixed deposits at banks which have original maturities over 3 months but not over 12 months (2019: maturity represent fixed deposits at banks which have original maturities over 3 months but not over 12 months).

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

	2020 Baht	2019 Baht
Opening book amount	3,625,000,000	4,212,450,217
Additions during the year	2,347,000,000	10,059,549,783
Redemptions during the year	(4,806,000,000)	(10,647,000,000)
Closing book amount	1,166,000,000	3,625,000,000

As at 31 March 2020, short-term investments held to maturity bear interest at the rates of 1.43% - 1.63% per annum (2019: 1.25% - 1.63% per annum).

As at 31 March 2020 and 2019, the fair value is based on discounted cash flows using a discount rate based upon the interest rates of treasury bills and fixed deposits as at 31 March 2020 and 2019 (Level 2 of fair value hierarchy). However, the fair value of short-term investments held to maturity is close to their carrying amount as the impact of discounting is not significant.

## 9 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 31 March 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Trade accounts receivable - other companies	2,223,826,925	2,166,149,433
Less: Allowance for doubtful account	(20,446,001)	(20,446,001)
Trade accounts receivable - other companies, net	2,203,380,924	2,145,703,432
Trade accounts receivable - related parties (Note 29)	225,126,816	233,322,287
Prepaid expenses	57,471,577	53,025,056
Accrued income, net	13,165,956	19,663,252
Value added tax receivable	95,763,631	64,601,020
Other receivables	38,251,803	32,862,632
	2,633,160,707	2,549,177,679

Trade accounts receivable as at 31 March 2020 and 2019 can be analysed as follows:

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current	2,191,436,288	2,121,550,183	218,487,515	174,739,248
Overdue:				
less than 3 months	13,504,451	24,556,963	6,639,301	58,583,039
3 - 6 months	-	1,380,000	-	-
6 - 12 months	-	280,081	-	-
more than 1 year	18,886,186	18,382,206	-	-
	2,223,826,925	2,166,149,433	225,126,816	233,322,287



# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 10 Inventories, net

	2020 Baht	2019 Baht
Raw materials and packaging	232,922,159	249,139,873
Work in process	516,955,061	688,942,839
Finished goods	78,278,295	81,679,548
Goods in transit	117,913,208	85,484,823
	946,068,723	1,105,247,083
<u>Less:</u> Allowance for net realisable value lower than cost		
- Work in process	(1,559,056)	(5,066,000)
Allowance for obsolete and slow-moving inventories		
- Raw materials and packaging	(1,525,185)	(240,999)
- Work in process	(559,820)	(86,015)
- Finished goods	(296,596)	(73,480)
Inventories, net	942,128,066	1,099,780,589

During the years ended 31 March 2020 and 2019, amounts recognised as cost of sales in profit or loss are as follows:

	2020 Baht	2019 Baht
Cost of sales and cost of services	12,339,311,542	11,864,534,640
Allowance for net realisable value lower than cost	1,559,056	11,266,000
Reversal of allowance for net realisable value lower than cost	(5,066,000)	(6,200,000)
Allowance for obsolete and slow-moving inventories	1,981,107	1,582,257
Reversal of allowance for obsolete and slow-moving inventories	-	(9,196,836)

The Company sold inventory that was previously write-down to a customer at original cost. Therefore, the Company reversed the allowance for net realisable value during the year.

## 11 Loans to employees

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

	2020 Baht	2019 Baht
Opening balance	76,798,244	36,154,689
Additions	460,000	81,931,306
Received during the year	(32,687,654)	(41,287,751)
Closing balance	44,570,590	76,798,244

Loans to employees bear interest rate at 1.70% per annum (2019: 1.70% per annum). The repayment periods are between 2 months - 3 years.

The analysis of loans to employees is as follows:

	2020 Baht	2019 Baht
Current portion of loans to employees	31,764,870	41,877,305
Non-current portion of loans to employees	12,805,720	34,920,939
	44,570,590	76,798,244

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 12 Investment in an associate

The details of investment in an associate as at 31 March 2020 and 2019 are as follows:

Name	Business activity	Paid-up share capital	% of holding	Equity method			
				Amount Baht	2020 Dividends Baht	Amount Baht	2019 Dividends Baht
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	1,597,062,806	89,963,357	1,357,930,009	75,531,090
				1,597,062,806	89,963,357	1,357,930,009	75,531,090

Name	Business activity	Paid-up share capital	% of holding	Cost method			
				Amount Baht	2020 Dividends Baht	Amount Baht	2019 Dividends Baht
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	54,044,189	89,963,357	54,044,189	75,531,090
				54,044,189	89,963,357	54,044,189	75,531,090

Vietnam Stanley Electric Company Limited is a private company and there is no quoted market price available for it. There are no contingent liabilities relating to the Company's interest in an associate.

Movements in an investment in an associate are as follows:

For the years ended 31 March	Equity method		Cost method	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Opening book amount	1,357,930,009	1,131,686,653	54,044,189	54,044,189
Share of profit	309,107,582	307,596,290	-	-
Dividends received	(89,963,357)	(75,531,090)	-	-
Translation adjustments	19,988,572	(5,821,844)	-	-
Closing book amount	1,597,062,806	1,357,930,009	54,044,189	54,044,189

### Summarised financial information for an associate

Summarised statement of financial position and statement of income of Vietnam Stanley Electric Company Limited:

	For the year ended 31 March	
	2020 Baht	2019 Baht
Revenues from sales and services	5,850,295,142	5,908,674,110
Net profit for the year	1,545,357,912	1,537,981,446
Dividend received from associates	89,963,357	75,531,090

	As at 31 March	
	2020 Baht	2019 Baht
Current assets	6,810,521,242	6,415,086,429
Non-current assets	1,904,622,360	1,024,354,511
Current liabilities	707,848,225	628,933,281
Non-current liabilities	21,981,341	20,857,614
Net assets	7,985,314,036	6,789,650,045

The Company's share in an associate (%)	20	20
The Company's share in an associate (Baht)	1,597,062,806	1,357,930,009
An associate carrying amount	54,044,189	54,044,189

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 13 Investment in a joint venture

The details of investment in a joint venture as at 31 March 2020 and 2019 are as follows:

Name	Business activity	Paid-up share capital	% of holding	Equity method			
				2020		2019	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	23,397,220	7,770,886	22,165,315	7,986,309
				23,397,220	7,770,886	22,165,315	7,986,309

Name	Business activity	Paid-up share capital	% of holding	Cost method			
				2020		2019	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	3,132,500	7,770,886	3,132,500	7,986,309
				3,132,500	7,770,886	3,132,500	7,986,309

Lao Stanley Company Limited is a private company and there is no quoted market price available for it. There are no contingent liabilities relating to the Company's interest in a joint venture.

Movements in an investment in a joint venture are as follows:

For the years ended 31 March	Equity method		Cost method	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Opening book amount	22,165,315	22,706,618	3,132,500	3,132,500
Share of profit	9,729,843	8,583,243	-	-
Dividends received	(7,770,886)	(7,986,309)	-	-
Translation adjustments	(727,052)	(1,138,237)	-	-
Closing book amount	23,397,220	22,165,315	3,132,500	3,132,500

### Summarised financial information for a joint venture

Summarised statement of financial position and statement of income of Lao Stanley Company Limited:

	For the year ended 31 March	
	2020 Baht	2019 Baht
Summarised of performance		
Revenues from sales and services	491,892,496	478,093,052
Depreciation and amortisation	2,801,021	2,937,311
Income tax expense	5,981,296	6,257,225
Net profit for the year	19,459,686	17,166,487
Dividend received from a joint venture	7,770,886	7,986,309

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## Summarised of statement of financial position

	As at 31 March	
	2020 Baht	2019 Baht
Cash and cash equivalents	60,235,612	95,178,497
Other current assets	33,418,513	30,591,584
<b>Total current assets</b>	<b>93,654,125</b>	<b>95,178,497</b>
<b>Total non-current assets</b>	<b>17,191,655</b>	<b>10,870,984</b>
<b>Current financial liabilities</b> (exclude trade and other payables and provisions)	-	-
<b>Other current liabilities</b>	<b>61,370,331</b>	<b>58,641,582</b>
<b>Total current liabilities</b>	<b>61,370,331</b>	<b>58,641,582</b>
<b>Other non-current liabilities</b>	<b>2,681,009</b>	<b>3,077,267</b>
<b>Total non-current liabilities</b>	<b>2,681,009</b>	<b>3,077,267</b>
<b>Net assets</b>	<b>46,794,440</b>	<b>44,330,632</b>
The Company's share in a joint venture (%)	50	50
The Company's share in a joint venture (Baht)	23,397,220	22,165,315
A joint venture' carrying amount	3,132,500	3,132,500

## 14 Long-term investments, net

Long-term investments, net as at 31 March 2020 and 2019 are as follows:

### As at 31 March 2020

	Available- for-sale investments Baht	General investments Baht	Total Baht
<b>Equity securities</b>			
- Related parties	3,940,000	121,901,155	125,841,155
- Other companies	-	-	-
<b>Long-term investments, net</b>	<b>3,940,000</b>	<b>121,901,155</b>	<b>125,841,155</b>

### As at 31 March 2019

	Available- for-sale investments Baht	General investments Baht	Total Baht
<b>Equity securities</b>			
- Related parties	7,480,000	104,921,215	112,401,215
- Other companies	-	-	-
<b>Long-term investments, net</b>	<b>7,480,000</b>	<b>104,921,215</b>	<b>112,401,215</b>

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

The details of long-term investments, net as at 31 March 2020 and 2019 are as follows:

Name	Business activity	Paid-up share capital	% of holding	2020		2019	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Related parties - available-for-sale							
Inoue Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200 million	0.2	3,380,000	166,560	3,380,000	358,600
Change in fair value of investments				560,000	-	4,100,000	-
				3,940,000	166,560	7,480,000	358,600
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	72,014,601	60,000,000	59,860,882
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting equipment	Baht 21 million	15.0	3,000,000	8,224,571	3,000,000	4,109,576
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.73	8,793,715	3,461,480	8,793,715	1,769,156
PT, Indonesia Stanley Electric	Manufacture of molds and automotive lighting equipment	USD 7.5 million	10.0	33,127,500	2,263,626	33,127,500	5,881,118
Electropolymers (Private) Limited	Manufacture of automotive lighting equipment and auto parts	PKR 79.05 million	10.06	16,979,940	-	-	-
				121,901,155	85,964,278	104,921,215	71,620,732
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	-
Less: Impairment of investments				(5,000,000)	-	(5,000,000)	-
				-	-	-	-
Total long-term investments, net				125,841,155	86,130,838	112,401,215	71,979,332

The available-for-sale investment is carried at fair value which is based on the quoted price by reference to Stock Exchange of Thailand (Level 1).

As at 31 March 2020, the Company does not disclose information regarding the fair value of its general investments of Baht 121.90 million (2019 : Baht 104.92 million) at book value, as the fair value of these investments cannot be measured reliably because the general investments are the investments in non-listed companies with is no quoted market price available.

On 31 October 2019, the Company invested in ordinary shares of Electropolymers (Private) Limited ("EPL") totalling PKR 79,050,000 (equivalent to Baht 16,979,940), representing 10.06% of total issued share capital of EPL. This investment was approved by the Board of Directors on 11 January 2019.

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 15 Property, plant and equipment, net

	Land Baht	Land and improvements Baht	Buildings and other structures Baht	Machinery, equipment and factory Baht	Molds Baht	Motor vehicles Baht	Furniture, fixtures and office equipment Baht	Machinery under installation and construction in progress Baht	Total Baht
<b>As at 1 April 2018</b>									
Cost	1,204,080,309	1,825,657,351	1,488,087,881	8,977,157,059	5,234,186,734	67,246,344	140,449,812	672,648,814	17,600,514,104
Less: Accumulated depreciation	-	(1,367,520,806)	(705,104,551)	(5,340,963,677)	(4,481,649,124)	(46,502,659)	(102,966,559)	-	(12,644,707,416)
Net book amount	1,204,080,309	458,136,545	782,983,330	1,636,193,382	752,537,610	20,743,685	37,483,253	672,648,814	5,564,806,688
<b>For the year ended 31 March 2019</b>									
Opening net book amount	1,204,080,309	458,136,545	782,983,330	1,636,193,382	752,537,610	20,743,685	37,483,253	672,648,814	5,564,806,688
Additions	127,803,329	111,000	-	154,476,664	19,636,923	6,956,720	4,165,720	2,845,650,906	3,150,803,262
Disposals / write-offs, net	-	(6)	-	(29,904)	(21)	-	(5,279)	-	(35,210)
Transfers	-	509,490,447	229,980,892	590,488,375	223,259,964	(7,328,149)	12,771,110	(1,565,670,786)	-
Depreciation charge (Note 24)	-	(131,245,985)	(65,569,787)	(459,155,635)	(542,809,840)	-	(14,353,608)	-	(1,020,563,009)
Closing net book amount	1,331,883,638	836,492,006	947,394,425	1,921,952,882	652,524,636	20,374,216	39,760,996	1,952,628,032	7,703,011,731
<b>As at 31 March 2019</b>									
Cost	1,331,883,638	2,333,021,434	1,718,068,773	7,440,945,496	5,465,619,377	74,205,064	155,187,940	1,952,628,032	20,471,560,554
Less: Accumulated depreciation	-	(1,496,529,428)	(770,874,348)	(5,518,992,614)	(4,813,094,641)	(53,830,849)	(115,426,944)	-	(12,768,548,623)
Net book amount	1,331,883,638	836,492,006	947,394,425	1,921,952,882	652,524,636	20,374,216	39,760,996	1,952,628,032	7,703,011,731
<b>For the year ended 31 March 2020</b>									
Opening net book amount	1,331,883,638	836,492,006	947,394,425	1,921,952,882	652,524,636	20,374,216	39,760,996	1,952,628,032	7,703,011,731
Additions	18,136,416	172,000	-	347,341,313	-	12,266,000	2,706,917	2,633,537,250	3,014,164,896
Disposals / write-offs, net	-	(5)	-	(50,852)	(7)	(20)	(35)	-	(50,919)
Transfers	-	597,415,010	392,187,743	994,952,969	223,205,990	-	25,137,052	(2,233,896,764)	-
Depreciation charge (Note 24)	-	(209,186,190)	(82,346,534)	(532,956,363)	(351,196,571)	(8,403,150)	(15,894,337)	-	(1,199,995,115)
Closing net book amount	1,350,023,054	1,224,880,851	1,257,235,634	2,732,239,949	524,534,048	24,239,046	51,710,593	2,352,267,418	9,517,130,593
<b>As at 31 March 2020</b>									
Cost	1,350,023,054	2,927,861,721	2,098,556,516	3,560,938,928	5,682,361,957	65,173,565	181,130,856	2,352,267,418	23,236,334,015
Less: Accumulated depreciation	-	(1,702,980,870)	(841,320,882)	(8,848,698,979)	(5,157,847,909)	(40,934,519)	(129,420,263)	-	(13,721,203,422)
Net book amount	1,350,023,054	1,224,880,851	1,257,235,634	2,732,239,949	524,534,048	24,239,046	51,710,593	2,352,267,418	9,517,130,593

As at 31 March 2020, the depreciation expense of Baht 1,199,995,115 (2019: Baht 1,020,563,009) included Baht 1,120,390,464 (2019: Baht 949,651,224) charged in cost of sales and service Baht 1,085,678 (2019: Baht 1,281,625) charged in selling expenses and Baht 77,718,973 (2019: Baht 69,630,160) charged in administrative expenses.

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 16 Intangible assets, net

	Computer software Baht	Product design cost Baht	Product design cost under development Baht	Total Baht
<b>As at 1 April 2018</b>				
Cost	254,894,959	1,012,509,569	258,217,425	1,525,621,953
<u>Less</u> Accumulated amortisation	(215,771,639)	(534,736,643)	-	(750,508,282)
Net book amount	39,123,320	477,772,926	258,217,425	775,113,671
<b>For the year ended 31 March 2019</b>				
Opening net book amount	39,123,320	477,772,926	258,217,425	775,113,671
Additions	33,398,310	-	395,233,954	428,632,264
Transfers	-	153,251,117	(153,251,117)	-
Amortisation charge (Note 24)	(17,452,800)	(211,535,833)	-	(228,988,633)
Closing net book amount	55,068,830	419,488,210	500,200,262	974,757,302
<b>As at 31 March 2019</b>				
Cost	288,293,269	1,018,993,696	500,200,262	1,807,487,227
<u>Less</u> Accumulated amortisation	(233,224,439)	(599,505,486)	-	(832,729,925)
Net book amount	55,068,830	419,488,210	500,200,262	974,757,302
<b>For the year ended 31 March 2020</b>				
Opening net book amount	55,068,830	419,488,210	500,200,262	974,757,302
Additions	39,220,700	-	319,207,315	358,428,015
Transfers	-	260,310,366	(260,310,366)	-
Amortisation charge (Note 24)	(17,625,067)	(227,759,783)	-	(245,384,850)
Closing net book amount	76,664,463	452,038,793	559,097,211	1,087,800,467
<b>As at 31 March 2020</b>				
Cost	327,513,969	1,170,079,365	559,097,211	2,056,690,545
<u>Less</u> Accumulated amortisation	(250,849,506)	(718,040,572)	-	(968,890,078)
Net book amount	76,664,463	452,038,793	559,097,211	1,087,800,467

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

	2020 Baht	2019 Baht
Cost of sales and services	245,384,850	228,936,727
Administrative expense	-	51,906

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 17 Deferred tax

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

### Deferred tax assets:

Deferred tax assets to be utilised within 12 months

Deferred tax assets to be utilised more than 12 months

### Deferred tax liabilities:

Deferred tax liabilities to be settled within 12 months

Deferred tax liabilities to be settled more than 12 months

### Deferred tax assets (liabilities) (net)

Equity method financial statements		Separate financial statements	
2020 Baht	2019 Baht	2020 Baht	2019 Baht
20,053,563	4,426,445	20,053,563	4,426,445
121,820,357	102,797,523	121,820,357	102,797,523
141,873,920	107,223,968	141,873,920	107,223,968
-	(107,263)	-	(107,263)
(336,722,167)	(277,568,140)	(24,065,500)	(12,984,413)
(336,722,167)	(277,675,403)	(24,065,500)	(13,091,676)
(194,848,247)	(170,451,435)	117,808,420	94,132,292

The gross movement of the deferred tax is as follows:

	Equity method financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Opening balance	(170,451,435)	(132,406,483)	94,132,292	87,036,833
Credited to profit or loss (Note 25)	(27,052,520)	(39,506,968)	17,168,116	6,935,459
Credited to other comprehensive income (Note 25)	2,655,708	1,552,016	6,508,012	160,000
Closing balance	(194,848,247)	(170,451,435)	117,808,420	94,132,292



## Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

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

	Equity method and separate financial statements				
	Inventories Baht	Equipment Baht	Intangible assets Baht	Employee benefit liabilities Baht	Others Baht
<b>Deferred tax assets :</b>					
As at 1 April 2018	1,603,015	33,410,894	19,243,860	41,761,069	100,181,246
Credited to profit or loss	(509,716)	679,630	1,756,867	5,115,941	7,042,722
As at 31 March 2019	1,093,299	34,090,524	21,000,727	46,877,010	107,223,968
Credited to profit or loss	(305,166)	3,892,349	1,266,110	23,996,649	28,849,940
Credited to other comprehensive income	-	-	-	5,900,012	5,900,012
As at 31 March 2020	788,131	37,982,873	22,266,837	76,873,671	141,873,920

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

	Equity method financial statements			Total Baht
	Investments in an associate and a joint venture Baht	Long-term investment Baht	Buildings and machinery Baht	
<b>Deferred tax liabilities :</b>				
As at 1 April 2018	(219,443,316)	(980,000)	(12,164,413)	(232,587,729)
Credited to profit or loss	(46,532,427)	-	(107,263)	(46,639,690)
Credited to other comprehensive income	1,392,016	160,000	-	1,552,016
As at 31 March 2019	(264,583,727)	(820,000)	(12,271,676)	(277,675,403)
Credited to profit or loss	(44,220,636)	-	(11,681,824)	(55,902,460)
Credited to other comprehensive income	(3,852,304)	708,000	-	(3,144,304)
As at 31 March 2020	(312,656,667)	(112,000)	(23,953,500)	(336,722,167)

	Separate financial statements			Total Baht
	Long-term investment Baht	Buildings and machinery Baht		
<b>Deferred tax liabilities :</b>				
As at 1 April 2018	(980,000)	(12,164,413)		(13,144,413)
Credited to profit or loss	-	(107,263)		(107,263)
Credited to other comprehensive income	160,000	-		160,000
As at 31 March 2019	(820,000)	(12,271,676)		(13,091,676)
Credited to profit or loss	-	(11,681,824)		(11,681,824)
Credited to other comprehensive income	708,000	-		708,000
As at 31 March 2020	(112,000)	(23,953,500)		(24,065,500)

## 18 Accrued expenses

	2020 Baht	2019 Baht
Accrued staff costs	264,656,450	242,453,382
Accrued electricity expense	30,465,209	32,179,796
Accrued rebate	53,000,000	24,000,000
Others	23,137,877	40,804,908
	371,259,536	339,438,086

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 19 Employee benefit obligations

The statement of financial position :

	2020 Baht	2019 Baht
Present value of defined benefit obligations	383,368,355	234,385,053
Liability in the statement of financial position	383,368,355	234,385,053
Profit or loss charge included in operating profit for employee benefit obligations	127,457,579	28,844,046
Remeasurement in other comprehensive (income) expense	29,000,059	-

The plans are final salary retirement plans. The level of benefits provided depends on employees' length of service and their salary in the final years leading up to retirement.

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

	2020 Baht	2019 Baht
Present value of defined benefit obligations	383,368,355	234,385,053
Liability in the statement of financial position	383,368,355	234,385,053

Movements in employee benefit obligations are as follows:

	2020 Baht	2019 Baht
At 1 January	234,385,053	208,805,352
Current service cost	36,928,426	23,715,441
Interest cost	5,841,856	5,128,605
Past service cost	84,687,297	-
	127,457,579	28,844,046
Remeasurement:		
Loss from change in financial assumptions	29,000,059	-
	29,000,059	-
Benefits paid	(7,474,336)	(3,264,345)
At 31 December	383,368,355	234,385,053

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law became effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment resulted to increase in the employee benefit obligation of Baht 84.69 million.

The significant actuarial assumptions used were as follows:

	2020	2019
Discount rate	1.72%	2.45%
Salary growth rate	5.00%	5.00%
Staff turnover rate	0.00%-12.00%	0.00%-12.00%

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

Sensitivity analysis for each significant assumption used is as follows:

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2020 %	2019 %	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Discount rate	1.00	1.00	(37,390,263)	(23,052,313)	43,794,615	26,952,512
Salary growth rate	1.00	1.00	43,507,924	29,558,509	(37,933,918)	(25,624,168)
Staff turnover rate	1.00	1.00	(39,165,833)	(24,364,486)	30,098,672	18,795,292

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 has been applied as when calculating the retirement benefits 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 undiscounted employee benefit obligations are as follows:

	Less than 1 year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
<b>At 31 March 2020</b>					
Retirement benefits	19,150,171	19,688,238	57,365,724	1,953,224,043	2,049,428,176
<b>At 31 March 2019</b>					
Retirement benefits	8,349,399	11,575,151	40,158,414	1,323,623,706	1,383,706,670

## 20 Share capital and premium on share capital

	Number of shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
As at 31 March 2020 and 2019	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 (2019: 76,625,000 shares with a par value of Baht 5 per share). All shares are issued and fully paid.

## 21 Dividends

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 5 July 2019, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2019 for 76,625,000 shares of Baht 8.25 per share, totalling Baht 632,156,250. There were 65,174 shares that were not entitled to receive the dividends, totalling Baht 537,685 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 631,618,565 in the financial statements. The Company paid the dividends to the shareholders on 26 July 2019.

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 6 July 2018, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2018 for 76,625,000 shares of Baht 7 per share, totalling Baht 536,375,000. There were 100 shares that were not entitled to receive the dividends, totalling Baht 700 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 536,374,300 in the financial statements. The Company paid the dividends to the shareholders on 26 July 2018.

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 22 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.

## 23 Other income - others

	2020 Baht	2019 Baht
Scrap sales	71,630,039	71,190,217
Tax rebate income	7,590,808	6,836,529
Royalty income	1,925,930	10,022,094
Gain on disposals of property, plant and equipment, net	10,124,263	4,118,553
Others	15,890,099	15,924,576
	107,161,139	108,091,969

## 24 Expenses by nature

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

	2020 Baht	2019 Baht
Changes in finished goods and work in process	175,389,032	(418,158,281)
Raw materials and consumables used	7,167,105,929	7,291,371,572
Staff costs	1,641,260,419	1,503,564,260
Depreciation of plant and equipment (Note 15)	1,199,995,115	1,020,563,009
Amortisation of intangible assets (Note 16)	245,384,850	228,988,633
Utility expenses	365,674,428	346,058,147
Subcontract service costs	108,586,222	165,024,074
Repairs and maintenance expenses	333,498,417	343,542,291

## 25 Income tax

	Equity method financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current tax :				
Current tax on profit for the year	421,213,905	413,556,213	421,213,905	413,556,213
Deferred tax :				
Increase in deferred tax assets (Note 17)	(28,849,940)	(7,042,722)	(28,849,940)	(7,042,722)
Increase in deferred tax liabilities (Note 17)	55,902,460	46,639,690	11,681,824	107,263
Total income tax expense	448,266,425	453,153,181	404,045,789	406,620,754

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

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

	Equity method financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Profit before income tax	2,445,763,780	2,430,915,305	2,224,660,598	2,198,253,171
Tax calculated at a tax rate of 20% (2019: 20%)	489,152,756	486,183,061	444,932,120	439,650,634
Tax effect of : Income not subject to tax	(16,081,147)	(12,865,812)	(16,081,147)	(12,865,812)
Expenses not deductible for tax purpose	7,555,608	1,794,055	7,555,608	1,794,055
Additional expenses deductible for tax purpose	(8,004,300)	(8,143,278)	(8,004,300)	(8,143,278)
Profit from BOI business	(24,356,492)	(13,814,845)	(24,356,492)	(13,814,845)
Tax charge	448,266,425	453,153,181	404,045,789	406,620,754
Average effective tax rate (%)	18.33	18.64	18.16	18.50

The tax credit relating to components of other comprehensive income is as follows:

	Equity method financial statements					
	2020			2019		
	Before tax Baht	Tax credit / (debit) Baht	After tax Baht	Before tax Baht	Tax credit / (debit) Baht	After tax Baht
Remeasurements of employee benefit obligations	(29,000,059)	5,800,012	(23,200,047)	-	-	-
Unrealised loss on change in fair value of available-for-sale investment	(3,540,000)	708,000	(2,832,000)	(800,000)	160,000	(640,000)
Exchange differences relating to investments in an associate and a joint venture	19,261,520	(3,852,304)	15,409,216	(6,960,081)	1,392,016	(5,568,065)
Other comprehensive expenses for the year	(13,278,539)	2,655,708	(10,622,831)	(7,760,081)	1,552,016	(6,208,065)
Current tax	-	-	-	-	-	-
Deferred tax (Note 17)	-	2,655,708	2,655,708	-	1,552,016	1,552,016
		2,655,708			1,552,016	

	Separate financial statements					
	2020			2019		
	Before tax Baht	Tax credit Baht	After tax Baht	Before tax Baht	Tax credit Baht	After tax Baht
Remeasurements of employee benefit obligations	(29,000,059)	5,800,012	(23,200,047)	-	-	-
Unrealised loss on change in fair value of available-for-sale investment	(3,540,000)	708,000	(2,832,000)	(800,000)	160,000	(640,000)
Other comprehensive expenses for the year	(32,540,059)	6,508,012	(26,032,047)	(800,000)	160,000	(640,000)
Current tax	-	-	-	-	-	-
Deferred tax (Note 17)	-	6,508,012	6,508,012	-	160,000	160,000
		6,508,012			160,000	

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 26 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.

	Equity method financial statements		Separate financial statements	
	2020	2019	2020	2019
Net profit attributable to shareholders (Baht)	1,997,497,355	1,977,762,124	1,820,614,809	1,791,632,417
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)	26.07	25.81	23.76	23.38

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

## 27 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.

	2020		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	299,348,938	5,195,648,198	5,494,997,136
Domestic sales	770,627,303	8,884,465,115	9,655,092,418
	1,063,976,241	14,080,113,313	15,150,089,554
	2019		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	323,656,336	3,969,304,852	4,292,961,188
Domestic sales	262,232,533	10,079,427,578	10,341,660,111
	585,888,869	14,048,732,430	14,634,621,299
Domestic service income - mold repairs	670,000	-	670,000

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 28 Financial instruments

### 28.1 Financial assets and liabilities in foreign currency

As at 31 March 2020 and 2019, the Company has outstanding foreign currency assets and liabilities as details below.

	2020		2019	
	Currency Million	Baht Million	Currency Million	Baht Million
<b>Assets</b>				
Japanese Yen	3.01	0.89	2.58	0.73
US Dollars	7.46	242.69	6.30	199.31
		243.58		200.04
<b>Liabilities</b>				
Japanese Yen	228.64	69.67	528.48	153.63
US Dollars	14.05	461.42	13.49	431.44
		531.09		585.07

### 28.2 Foreign exchange forward contracts

At 31 March 2020 and 2019, 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:

	2020 Baht	2019 Baht
USD 2 million at average rate Baht 31.75 = USD 1 (2019: USD 2 million at average rate Baht 31.52 = USD 1)	63,490,000	63,040,000
JPY 60 million at average rate Baht 29.47 = JPY 100 (2019: JPY 40 million at average rate Baht 28.74 = JPY 100)	17,679,000	11,496,000
	81,169,000	74,536,000

#### Fair values

The positive (negative) fair value of the derivative financial instruments at the statement of financial position date were:

	2020 Baht	2019 Baht
Positive (negative) fair value	2,254,440	557,875

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).



# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 29 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 35.66% 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 29.52% 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 normal course of a business and are presented as other accounts payable - related parties.

### a) Transactions with related parties

The following significant transactions were carried out with related parties:

#### For the years ended 31 March

	2020 Baht	2019 Baht
<b>Sales</b>		
Stanley Electric Group companies	502,333,582	463,849,038
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	139,775,557	153,683,650
Associate	106,698,816	22,557,910
Joint venture	433,365,935	409,808,713
	<b>1,182,173,890</b>	<b>1,049,899,311</b>
<b>Other income</b>		
Stanley Electric Group companies	5,446,542	8,090,688
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	60,000	-
Associate	794,645	1,096,799
Joint venture	143,565	193,790
	<b>6,444,752</b>	<b>9,381,277</b>
<b>Dividend income</b>		
Stanley Electric Group companies	77,739,707	67,511,156
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	8,391,131	4,468,176
Associate	89,963,357	75,531,090
Joint venture	7,770,686	7,986,309
	<b>183,865,081</b>	<b>155,496,731</b>
<b>Royalty income</b>		
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	1,263,933	-
Joint venture	661,997	820,108
	<b>1,925,930</b>	<b>820,108</b>
<b>Purchases of goods and services</b>		
Stanley Electric Group companies	3,038,904,282	2,918,824,259
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	480,046,467	391,102,484
Associate	512,913,154	504,076,007
	<b>4,031,863,903</b>	<b>3,814,002,750</b>

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## For the years ended 31 March

### Royalty fees

Stanley Electric Group companies

2020	2019
Baht	Baht

337,918,357	338,491,769
-------------	-------------

### Design and development fee

Stanley Electric Group companies

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

151,112,084	252,944,299
-------------	-------------

2,185,730	348,114
-----------	---------

32,305	36,153
--------	--------

153,330,119	253,328,566
-------------	-------------

### Technical assistance fee

Stanley Electric Group companies

10,178,841	18,216,604
------------	------------

### Training fee

Stanley Electric Group companies

908,625	9,367,916
---------	-----------

### Commission

Stanley Electric Group companies

20,000,000	20,000,000
------------	------------

## b) Outstanding balance arising from sale and purchases of goods and services

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 2020 and 2019 are as follows:

### Trade accounts receivable - related parties (Note 9)

Stanley Electric Group companies

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

Associate

Joint venture

2020	2019
Baht	Baht

120,606,188	124,225,417
-------------	-------------

38,462,860	56,256,556
------------	------------

13,403,768	2,182,252
------------	-----------

52,634,000	50,658,062
------------	------------

225,126,816	233,322,287
-------------	-------------

### Trade accounts payable - related parties

Stanley Electric Group companies

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

Associate

392,210,731	382,151,845
-------------	-------------

43,259,910	33,278,213
------------	------------

131,882,499	134,430,088
-------------	-------------

567,353,140	549,860,146
-------------	-------------

### Other accounts payable - related parties

Stanley Electric Group companies

155,304,686	169,764,056
-------------	-------------

## c) Key management compensation

### For the years ended 31 March

### Directors' and managements' remuneration

Short-term benefits

2020	2019
Baht	Baht

47,578,554	49,515,941
------------	------------

Short-term benefits comprise salary, bonus and other welfares

# Notes to the Equity Method and Separate Financial Statements

For the year ended 31 March 2020

## 30 Significant commitments

### 30.1 Bank guarantees

As at 31 March 2020, the Company has bank guarantees of Baht 20 million with respect to electricity supply of Baht 20 million, respectively (2019: Baht 34 million with respect to income tax payment and electricity supply of Baht 18 million and Baht 16 million, respectively).

### 30.2 Capital commitments

As at 31 March 2020, the Company has capital commitments of Baht 399 million (2019: Baht 1,972 million). The capital commitment mainly comprises construction and machines for production expansion in the future.

## 31 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. The Company has asked the bank to issue a letter of guarantee for this tax amount as mentioned in Note 30.1

In 2016, the Central Tax Court of Thailand judged to dismiss the Company's appeal. 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 Company submitted an appeal against the Court's judgment to the Court of Appeal for Specialized cases - Tax Case Division.

On 12 March 2018, the Court of Appeal for Specialized cases - Tax Case Division rendered its judgment to affirm the judgment of the Central Tax Court.

On 8 June 2018, the Company submitted an appeal against the Court of Appeal for Specialized cases - Tax Case Division's judgment to the Supreme Court.

On 22 April 2019, the Supreme Court ordered to dismiss the Company's petition. As a result, the final outcome of this case was following the judgment of the Court of Appeal for Specialized cases - Tax Case Division and the Company had to pay the additional tax to the Revenue Department within 22 May 2019. The Company already paid for such corporate income tax on 17 May 2019.

## 32 Events occurring after the date of statement of financial position

- At the Board of Directors' meeting held on 15 May 2020, the Board of Directors approved to propose the dividends payment in respect of the operating results for the year ended 31 March 2020 for a total 76,625,000 shares of Baht 8.25 per share totaling Baht 632.16 million to the Annual General Shareholders' meeting which will be held on 3 July 2020.
- The outbreak of Coronavirus Disease 2019 ("COVID-19") in early 2020 has negative effects on operating results for many businesses including automotive business. The Company is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation while strategizing effective solutions.

## FINANCIAL STATISTICS IN 5 YEARS

(Unit : Thousand Baht Except For Figure Per Share)

	31 Mar 20	31 Mar 19	31 Mar 18	31 Mar 17	31 Mar 16
<b>Report on Operation</b>					
Sales	15,150,090	14,634,621	13,220,446	11,024,797	10,672,224
Cost of Sales	12,339,312	11,864,535	10,775,580	9,087,201	8,929,410
Net Profit (Loss)	1,997,497	1,977,762	1,658,662	1,270,768	1,303,440
Net Profit (Loss) per Share (Baht)	26.07	25.81	21.65	16.58	17.01
Net Profit Margin (%)	12.96	13.27	12.36	11.34	11.73
Return on Equity (%) (ROE)	12.00	12.97	11.91	9.83	10.84
Return on Total Assets (%) (ROA)	10.08	10.93	10.33	8.59	9.41
Debt to Equity (time) (DE)	0.18	0.21	0.17	0.14	0.15
Current Ratio (time)	3.24	3.13	4.50	5.00	4.30
Dividend per Share (Baht)	*	8.25	7.00	5.00	5.00
Dividend Ratio (%) ***	*	35.28	36.03	34.15	32.68

### Assets & Liabilities and Shareholders' Equity

Current Assets	7,990,144	9,033,803	9,290,056	7,738,068	7,059,504
Property, Plant and Equipment, Net	9,517,131	7,703,012	5,564,807	5,460,123	5,536,093
Total Assets	20,369,930	19,254,504	16,938,772	15,185,832	14,407,271
Current Liabilities	2,469,898	2,883,108	2,066,180	1,548,236	1,643,233
Non-Current Liabilities	578,217	404,836	341,212	296,118	256,093
Shareholders' Equity	17,321,815	15,966,559	14,531,380	13,341,478	12,507,945
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)	226.06	208.37	189.65	174.11	163.24
Number of Shares**	76,625	76,625	76,625	76,625	76,625
Per Value (Baht)	5.00	5.00	5.00	5.00	5.00

\* It will be Approved From The Ordinary Shareholders Meeting

\*\* Calculated Using The Weighted Average Method

\*\*\* 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 Bangpoorn-Rungsit Road, Banklang, Muang Pathumthane 12000

Homepage : [www.thaistanley.com](http://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 : (844) - 8 534546 Facsimile : (844) -8 531337	USD 8,300,000	USD 1,660,000	20
3.	Top Hightech (Thailand) Co.Ltd Saha Ratana Nakorn Industrial Park , Ayutthaya - Manufacturer, self, 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
4.	Asian Stanley International Co.,Ltd 48/1 M.1 Kukwang Ladlumaew , Pathumthani - 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

No	Name/Address/Type Of Business	Capital Registered	Amount Of Number Of Share Hold	Investment Ratio(%)
5.	Sirivit Stanley Co.,Ltd 182 M.6 Tambol Cokegluad Muang , Nakhonrachasima - Manufacturer of automotive lighting equipment and electronic components Telephone : (044) 291-411-3 Facsimile : (044) 291-414	40 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 & Molds Telephone : (021) 59404510 Facsimile : (021) 59404506	USD 7,500,000	USD 750,000	10
7.	Electro Polymers (PVT) Ltd. Karachi, Pakistan - Manufacturer of automotive Lighting equipment Telephone : +9921-32360041(42) Facsimile : +9921-32360043	PKR 9,240,000	PKR 79,050,000 common stock 93,000 shares	10.06

### (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 Vorathitkul Certified Public Accountant (Thailand) No.4474 PricewaterhouseCoopers ABAS Limited. 15th Floor Bangkok City Tower , 179/74-80 South Sathorn Road, Bangkok 10120 Telephone : 0-2844-1000 Facsimile : 0-2286-5050
Law Consultant	Bangkok Global Law Offices Co.,Ltd. 540, Unit 1705, 17th Floor, Mercury Tower, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Thailand Tel: +66 (0) 2 252-5895-6 Facsimile : +66 (0) 2 252-5897

### 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.

The Board has set a policy for directors, executives and employees, including corporate governance policies, Code of conduct for Directors and Employees which has been published as a document and distributed to directors, executives and employees for acknowledgment and implementation in this regard, the Board of Directors has determined the yearly plan for reviewing the policy, rules and regulations.

### 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 Hitech Co., Ltd. (in 2015 the company sold shares to major shareholder of Sum Hitech Co., Ltd.) Sirvit Stanley Co., Ltd., Top 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



continued , 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.

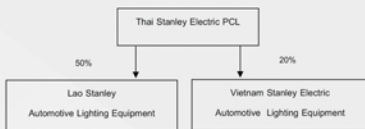
During year 2017 - 2018, the automotive industry returned to recover. Sales and production of cars and motorcycles constantly increasing which is mainly domestic sales , the export market is still at a slow level. In order to support the increased production and new model of lighting products The company invested in the expansion of the 7th lamp manufacturing plant and new Mold factory , which will begin production in 2019 and start the construction of the Lamp 8 factory which will be completed and start production in 2020.

During 2019-2020, The company built new buildings, namely, a molding plant and a research and development center (DMT). We also invested in capital-increase shares of Electro Polymers (PVT) Ltd in Pakistan. In late 2019 towards early 2020, the world suffered the outbreak of Covid-19. Automakers who were our customers subsequently suspended some their production, which significantly affected our production.

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 the joint venture company - Lao Stanley Company Limited at The Lao People's Democratic Republic and the associate company - Vietnam Stanley Electric Company Limited at Socialist Republic Of Vietnam which are 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.



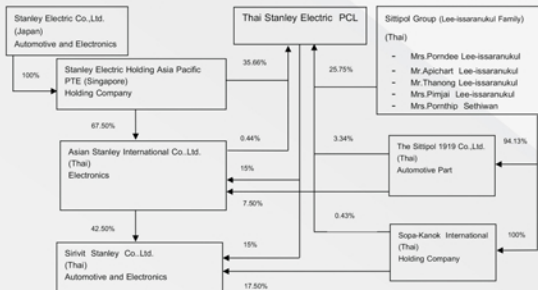
### 2.4 Major shareholder group Relationship

The major shareholder group of the company is Stanley Electric Company Limited, Japan. Business lighting equipment, automotive and electronics. The Sittipol Group, which operates automotive parts business, in which both groups have founded the company since before being listed on the Stock Exchange of Thailand. In which each group has sent a representative to be the board of the company

Business operations are in accordance with company policy that accordance with the policies of Stanley Electric Co., Ltd., Japan The company and Stanley Group rely on technical assistance for production and product design.



Shareholding structure of business groups of major shareholders (data as March 31, 2020)



### 3. Conduct of business

The company operates as a manufacturer and distributor of automotive lighting equipment. With products such as automotive lamps Automotive lighting sets and metal molds and product designs , by producing and distributing to domestic and foreign automotive manufacturers for lamps and mold products will be produced for specific model vehicles. In which the company has jointly designed 3and manufactured according to the needs of customers, specifically automotive manufacturers

The company does not provide segment information for the mold and product design business. Which has different characteristics from automotive lamps and lamp sets , since the sales of the said business accounted for only 5.30 percent of the sales

#### Income Structure

(The Equity Method) (Unit : Million Baht)

Revenues	31 March 2020	%	31 March 2019	%	31 March 2018	%
Domestic Sale Revenues	9,655.09	61.37	10,341.66	67.93	9,193.56	67.04
Export Sale Revenues	5,495.00	34.93	4,292.96	28.20	4,026.89	29.36
Total Sale Revenues	15,150.09	96.30	14,634.62	96.13	13,220.45	96.40
Dividend Income	86.13	0.55	71.98	0.47	10.30	0.08
Gain on Exchange Rate	16.61	0.11	21.24	0.14	19.75	0.14
Interest Income	53.82	0.34	71.14	0.47	69.49	0.51
Other Income	107.16	0.68	108.09	0.71	99.33	0.72
Share of profit from investment in Associate	318.79	2.03	316.18	2.08	294.76	2.15
Total revenues	15,732.60	100.00	15,223.25	100.00	13,714.08	100.00

### 3.1 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 5.30% 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. 1176/2534)           |
| (7) Manufacture Die & Mold   | (Certificate of Promotion No 1767/2538)            |
| (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 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 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.

### **3.2 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.

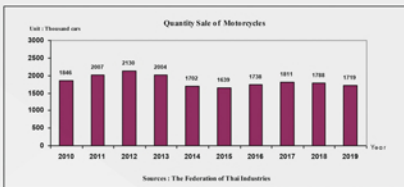
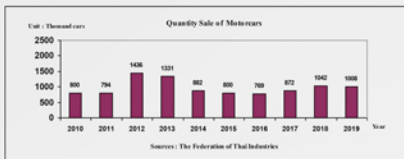
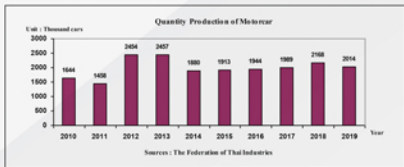
1.2 Replacement equipment market: The products are sold through the Company's dealer, The Sittipol 1919 Co., Ltd. In this market, the products are as replacements.

##### **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.





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

In the year 2019, the automotive industry situation in Thailand in automobiles and motorcycles as a whole decreased in both production and domestic sales and exports. According to the overall economic situation in the country and abroad which is continuously declining. And in the beginning of 2020, the global outbreak of the virus, Covid-19, spread around the world causing businesses including vehicles, have to temporarily stop production

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 Mold 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 71% of materials from local suppliers and 29% 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 2020		31 March 2019		31 March 2018	
	Amount	%	Amount	%	Amount	%
Local	5,000.81	71.13	5,259.35	73.15	4,258.22	70.57
Foreign	2,029.74	28.87	1,930.82	26.85	1,775.76	29.43
Total	7,030.55	100.00	7,190.17	100.00	6,033.98	100.00

The majority of materials are supplied by Stanley Electric Co.,Ltd. , 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. , 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 arranges for the review of risk items, with significant the key risks and define supporting measures as follows:

### 1. Production-Related Risks

Risks relating to our production include production disruption as a result of damage of machinery or molding, suspended delivery of raw materials by suppliers and problems during a new product development and production quality.

The following are some of our risk management implementation:

- Implementing a proactive machinery maintenance plan while having a secondary plan to adjust the production area in case of emergency.

- Setting up a database of secondary raw material suppliers in case the primary ones cannot supply us with required materials; regularly assess and supervise these suppliers.

- The company was accredited IATF16949 and ISO9001 for quality management system where a strict internal preventive-based inspection system to monitor quality of raw materials, the manufacturing process and product delivery to customers was implemented.

### 2. Financial risk

The company imports raw materials and machinery from abroad. And exporting products to foreign countries. Most of the currencies are yen (JPY) and US dollars (USD), therefore there is a risk of fluctuations in foreign exchange rates.





The company has managed the risk by entering the forward contract to reduce such risk. The policy is to make foreign exchange forward contracts at 50% of the net foreign currency liabilities.

There is also a risk of taxation and those relating to the preparation of our financial statements. Some of the measures such as tax planning and monitoring relevant laws and regulations have been put in place.

### 3. Computer and IT risk

The company have increasingly introduced IT systems into our operation to collect data and enhance production capability in the manufacturing process, which means we could be exposed to IT safety risk or technology threat resulting from system defect or cyber attack.

To control and prevent the risk, we formulated rules and regulations regarding the use of IT system. IT disaster prevention plans and backup plans were drafted to prevent and manage the risk. Internal communication to create awareness in this subject was also conducted on a regular basis.

### 4. Safety , Occupational Health and Environment risk

The Company underlines the importance of quality of life of employees ranging from promoting operation safety to reducing workplace and out-of-work accidents and compliance with occupational safety and environment work rules and regulations.

The safety policy and plan was formulated and responsible persons were designated to supervise the safety. Campaigns to promote safety work culture were organized. An emergency response plan was written with a regular drill. We were certified to OHSAS18001 and recognized on a continuous basis as an outstanding workplace award in the HSSE area.

Regarding the environment, measures to ensure that our operation has no effect to communities and the environment were implemented. We have a wastewater treatment plant and quality of wastewater and emission was monitored to ensure no environmental impact. Industrial waste was managed in compliance with the laws and the company was certified to ISO14001 environmental management system.

### 5. Public utility risk

The company needs to use public utility systems such as electricity and water supply in production, which, if the incident causes the electricity supply or water supply to be stopped, will cause the production to be disrupted and unable to deliver products to the customer as targeted.

The company has set measures to prevent the risk by purchasing additional electricity from the private sector. Construction of a water treatment plant as well as requiring ongoing maintenance planning.

### 6. Risk from natural and other disasters

The company still gives importance to the risk of fire and flood, since it is a risk that may cause a wide impact and damage.

The company has established preventive measures , with strict surveillance organize fire evacuation drills every year . Including setting up a TOP GUN team in response to emergencies, etc. In addition, the company has set the BCP manual to be updated. In order to be prepared for various emergency situations.

## 7. Risk from the Outbreak

The company realizing the importance of our employees' wellbeing and to minimize risk from the outbreak, we have formulated a plan to promote health of our staff by informing them of the disease and how to protect oneself from it. In addition, employees are encouraged to stay healthy where exercising equipment is provided together with yoga and aerobic classes, an annual health check-up is organized and we keep monitoring the situation and updating our employees with the latest information with regard to the disease.

Between late 2019 and early 2020, the world witnessed the Covid-19 pandemic. Thai Stanley Electric Public Company Limited set up a working body to closely monitor the situation. Employees were required to strictly comply with the following measures to prevent and minimize the infection:

- Control travel abroad and watch out for those returning from abroad including limiting the contact to work within the company and also restricting for partners that traveling from abroad
- Screening all employee before and after work by checking the body temperature.
- Providing knowledge and practical guidelines for employees to protect themselves and their families.
- Allowing high-risk staffers such as pregnant and sick employees to stay at home;
- Do not allow employees to travel at risk sources of potential for spread and strictly comply with government measures.
- Improve the internal environment of the company. Use Social Distancing in the working area , canteen.
- Provide sanitation equipment for employee such as hand sanitizing gel alcohol , Face mask Glasses for employee who have to contact outside etc.

From business operations since the company was founded No changes in the structure of major shareholders Or business policies in any way The company therefore has no effect on major shareholder issues and management.

## 5. Structure of Securities holding and management

### 5.1 Securities of Company

(1) The Company has paid up capital of 383,125 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 12, 2019.

Shareholder Name	Number of Share (Share)	% of holding
1.Stanley Electric group	27,855,450	36.10
- Stanley Electric Holding Asia-Pacific PTE	27,320,950	35.66
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,620,196	29.52
- Mrs.Pomdee Lee-issaranukul	4,486,956	5.86
- Mr.Apichart Lee-issaranukul	5,435,971	7.09
- Mr.Thanong Lee-issaranukul	4,144,855	5.41
- Mrs.Pimjai Lee-issaranukul	2,838,895	3.70
- Mrs.Pomthip Sethiwan	2,831,195	3.69
- The Sittipol (1919)	2,556,074	3.34
- Sopa-Kanok International Co.,Ltd.	326,250	0.43



Shareholder Name	Number of Share (Share)	% of holding
3. Thai NVDR Co.,Ltd.	2,329,423	3.04
4. NORTRUST NOMINEES LTD-CL AC	1,971,200	2.57
5. BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	1,805,000	2.36
6. ABERDEEN STANDARD SMALL CAP FUND	1,541,700	2.01
7. ABERDEEN STANDARD LONG TERM EQUITY FUND	1,490,200	1.95
8. ABERDEEN STANDARD GROWTH FUND	1,441,500	1.88
9. MR.KENNETH RUDY KAMON	1,303,800	1.70
10. STATE STREET BANK AND TRUST COMPANY	839,734	1.10

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

(2) The company does not conduct business by holding shares in other companies

(3) Shareholder's Agreement - None

(A) 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 *	27,655,450	36.10
- Stanley Electric Holding Asia-Pacific PTE	27,320,950	35.66
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,620,196	29.52
- Mrs.Pomdee Lee-issaranukul	4,486,956	5.86
- Mr.Apichart Lee-issaranukul	5,435,971	7.09
- Mr.Thanong Lee-issaranukul	4,144,855	5.41
- Mrs.Pimjai Lee-issaranukul	2,838,895	3.70
- Mrs.Pornthip Sethwan	2,831,195	3.69
- 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 94.13%) and Sopa Kanok International (Holding 100%)

### 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)

Payment Year	2019	2018	2017	2016	2015
Earnings Per Share (Baht) **	25.81	21.65	16.58	17.01	15.11
Dividend Per Share (Baht)	8.25	7.00	5.00	5.00	4.80
Dividend Ratio (%) * **	35.28	36.03	34.15	32.68	34.53

\*\* From the equity method is applied \*\*\* From the company only

## 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. Apichart Lee-issaranukul	Executive Chairman	6	6
Mr. Koichi Nagano	President	6	6
Mr. Thanong Lee-issaranukul	Director	6	6
Mr. Tadao Suzumura	Director	6	6
Mrs. Pimjai Lee-issaranukul	Director	6	5**
Mrs. Pornthip Sethiwan	Director	6	4**
Mr.Krisada Visavareeranon	Independent Director and Chairman Audit Committee	6	6
Mr. Chokechal Tanpoonsintha	Independent Director and Audit Committee	6	6
Mr. Suchart Phisitvanich	Independent Director and Audit Committee	6	6
Mr. Picham Sukparangsee	Independent Director	6	6
Mr. Katsutoshi Iino *	Director	6	3**
Mr. Toru Tanabe *	Director	6	5**

Remark \* Director worked at Japan. \*\* The reason of not attending the meeting - The director have oversea business.

#### Authorized directors and condition

Mr.Apichart Lee-issaranukul or Mr.Thanong Lee-issaranukul sign with Mr.Koichi Nagano or Mr.Tadao Suzumura and company seal

#### Board of directors meeting

The company has set the procedures and methods of the meeting in the regulations on the board meeting of the company that must be held at least once every 3 months and all directors are required to attend. There might be additional meeting if necessary. And according to the company's regulations , in the Board of Directors' meeting, there must be at least half of the directors present at the meeting and at least 1 independent director or audit committee member must attend the meeting to constitute a quorum

The resolution of the meeting of the board of directors requires the majority votes of the directors present at the meeting. One member has one vote. In the case of equal votes, the chairman of the board shall have the casting vote. 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. The company has not yet set a policy for directors and the executives to inform about trading of shares at least one day in advance of trading to the Board of Directors.

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

#### The Meeting operation in FY2019

- Total numbers of Board of Directors meetings are 6 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 and 2 members main working in Japan that had attended the meeting via TV Conference .

- |                                      |                     |
|--------------------------------------|---------------------|
| - Attend the every meeting ( 100%)   | 8 persons or 66.67% |
| - Attend the meeting 5 time (83.33%) | 2 persons or 16.67% |
| - Attend the meeting 4 time (66.67%) | 1 persons or 8.33%  |
| - Attend the meeting 3 time (50.00%) | 1 persons or 8.33%  |

The director does not attending the meeting that have oversea business trip .

## **7.2 The Executive Board**

On March 31,2020 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. Kazunori Nakaii	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

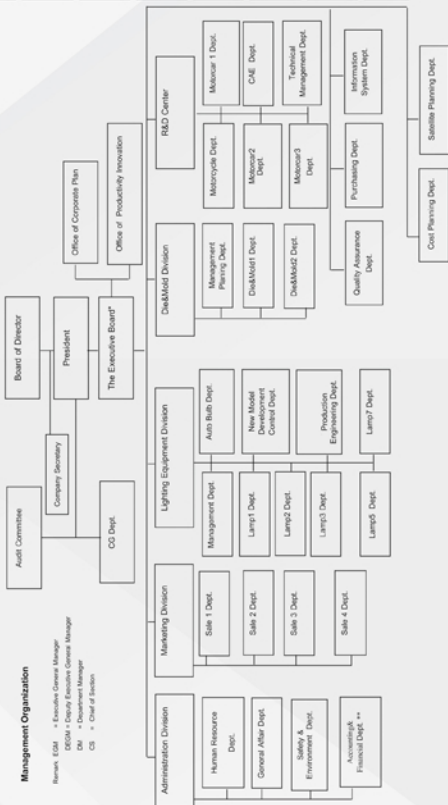
#### Executives in the Finance and Accounting Department

The company has designated Mr. Apichart Leeissaranukul, Executive General Manager, Administration Division, as Chief Finance Officer (CFO). His qualifications meet the requirements of the Stock Exchange of Thailand (SET).

\*\*Ms. Supatra Ratanachinchai, General Manager, Financial and Accounting Department , is responsible for accounting. Her qualifications and conditions as the bookkeeper meet the criteria stated in the Notification of Department of Business Development. She has also attended continued training in accounting, which is in compliance with criteria stated in Department of Business Development's notification No. Tor Jor 39/2559.

## Management Organization

Remarks: EGM = Executive General Manager  
DEGM = Deputy Executive General Manager  
GM = General Manager  
CS = Chief of Section





### 7.3 Company Secretary

The Board of Directors has appointed Mrs. Sudjai Srituengfong. 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

1.Name – Surname	<b>Mr. Apichart Lee-Issaranukul</b>	
Position	Executive Chairman and Executive General Manager Administration Division.	
Date of Appointment	Year 1988	
Age	57	
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 (as 31/03/2020)	7.11%	
Relations	Son Mr.Vitya Lee-Issaranukul and Mrs.Pomdee Lee-Issaranukul Brother Mr.Thanong Lee-Issaranukul,Mrs. Pimjai Lee-Issaranukul and Mrs. Pomthip Sethiwan	
Working Experience and position		
- Listed Companies in SET	1991-Present	Director Inoue Rubber (Thailand) Public Co.,Ltd.
	2013-Present	Executive Chairman Thai Stanley Electric PCL
	2016-Present	Independent Director and Nomination and Remuneration Committee Leo Global Logistic PCL
- Non Listed Companies	1992-Present	President Sopa-Kanok International Co.,Ltd
	1993-Present	Director Pacific Industries Co.Ltd.
	1994-Present	Director Bussayapan Co.,Ltd.
	1995-Present	Director Sungold Holding Limited
	1996-Present	Executive Vice President Asian Stanley International Co.,Ltd
	1997-Present	Director Sirivit Stanley Co.,Ltd.
	1997-Present	Director Daido Sittipol Co.Ltd.
	1999-Present	Chairman Lao Stanley Co.,Ltd.
	2000-Present	Director Vietnam Stanley Electric Co.,Ltd.
	2003-Present	Director Wangchula Co.,Ltd.
	2006-Present	Director PT Indonesia Stanley Electric
	2006-Present	Director Total Oil (Thailand) Co.,Ltd.
	2014-Present	Director Pacific Auto Part (Thailand) Co.,Ltd.
- Other	1993-Present	Deputy Chairman Stanley Thailand Foundation
	2002-2019	Director Investor Club Association
	2004-2019	Executive Director Investor Club Association
	2019-Present	Vice Chairman Investor Club Association
	2017-Present	Chairman Mitsubishi Motors Cooperation Council (Thailand) : MCC
	2019-Present	Advisor Toyota Co-operation Club (TCC)





## 2.Name – Surname

**Mr. Koichi Nagano**

Position

President

Date of Appointment

July 3, 2009

Age

60

Education Degree

Bachelor of The Faculty of Engineering , Hosei University , JAPAN

% of Holding (as 31/03/2020)

0.0013%

Relations

None

Working Experience and position

- Listed Companies in SET

2009-Present Director Thai Stanley Electric PCL.

2013-Present President Thai Stanley Electric PCL.

- Non Listed Company

2010-Present Director Sirvit – Stanley Co.,Ltd.

2013-Present Director Top Hightech Co.,Ltd

2013-Present Director PT Indonesia Stanley Electric

2013-Present Honorary Chairman Lao Stanley Co.,Ltd.

Nov 2019 – Present Director Electro Polymers (PVT)

- Other

2011 - 2019 Deputy Chairman Stanley Thailand Foundation

2019-Present Chairman Stanley Thailand Foundation

## 3.Name – Surname

**Mr. Tadao Suzumura**

Position

Director and Executive General Manager Lighting Equipment Division

Date of Appointment

June 1 , 2016

Age

60

Education Degree

Bachelor Faculty of Engineering , Tokai University , JAPAN

% of Holding (as 31/03/2020)

None

Relations

None

Working Experience and position

- Listed Company in SET

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

- Non Listed Company

2007 – 2009

Section Manager , New Model Control Section ,

Hadano Plant , Stanley Electric Co.,Ltd.

2017 – Present

Second Deputy General Director

Vietnam Stanley Electric Co.,Ltd.

4.Name – Surname	<b>Mr. Thanong Lee-issaranukul</b>
Position	Director
Date of Appointment	Year 1983
Age	60
Education Degree	Bachelor of Business Administration – Commercial , Nanzan University, JAPAN.
Training	Certificate Director Accreditation Program Thai Institute of Director (IOD)
% of Holding (as 31/03/2020)	5.41%
Relations	Son Mr.Vitaya Lee-issaranukul and Mrs.Pomdee Lee-issaranukul Brother Mr.Apichart Lee-issaranukul, Mrs. Pimjai Lee-issaranukul and Mrs. Pomthip Sethiwan
Working Experience and position	
- Listed Company in SET	1983 - Present Director Thai Stanley Electric PCL. 1986 - Present Director Inoue Rubber (Thailand) PCL. 2017 - Present Independent Director and Chairman M Vision PCL.
- Non Listed Company	1986 - Present Managing Director The Sittipol 1919 Co.,Ltd. 1993 - Present Director Sopa-Kanok International Co.,Ltd. 1995 - Present Executive Director Total Oil (Thailand) Co.,Ltd. 1995 - Present Director Sungold Holding Co.,Ltd. 1995 - Present Director Thai Inoac Component 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 Bike Clinic Co.,Ltd. 1998 - Present Director The Studio Production Co.,Ltd. 2001 - Present Chairman Smart Sport Promotion Co.,Ltd. 2003 - Present Director Wangchula Co.,Ltd. 2006 - Present Director Bussayapan Co.,Ltd. 2014 - Present Director Pacific Autopart (Thailand) Co.,Ltd. 2015 - Present Director The Studio 888 2015 - Present Director Sonic Design (Thailand) Co.,Ltd.
- Other	2001 - Present Chairman Kanok-Sopa Foundation 2015 - Present Public Relations Subcommittee Organ Donation Center Thai Red Cross Society



5.Name – Surname	<b>Mrs. Pimjai Lee-Issaranukul</b>
Position	Director
Date of Appointment	Year 1983
Age	59
Education Degree	Master of Business Administration operation Management, Drexel University,USA. Bachelor of Engineering Chulalongkorn University
Training	Director Certificate Program course 37/2003 Role of the Chairman Program course 31/2013 Risk Management Committee Program course 1/2013 Thai Institute of Director Association (IOD) Capital Market Academy Leadership Capital Market (CMA) Diploma, National Defense College , The National Defense Course class 26/2013 National Defense College (NDC) Business Revolution and Innovation Network Batch 1 (BRAIN 1) The Federation of Thai industries Exponential Manufacturing, Singularity Thailand Summit in Collaboration with The Federation of Thai Industries
% of Holding (as 31/03/2020)	3.70%
Relations	Daughter Mr.Vitya Lee-Issaranukul and Mrs.Pomdee Lee-Issaranukul Sister Mr.Apichart Lee-Issaranukul , Mr.Thanong Lee-Issaranukul and Mrs.Pomthip Sethiwan
Working Experience and Position	
- Listed Companies in SET	1983-Present Director Thai Stanley Electric PCL. 2013-Present Chairman Inoue Rubber (Thailand) PCL
- Non Listed Companies	1993-Present Director Sopa-Kanok International Co.,Ltd. 1995-Present Chairman Thai Inoac Component Co.,Ltd. 1995-Present Director IRC Asia Research Co.,Ltd. 1995-Present Director Sungold Holding Co.,Ltd. 2001-Present Director Kinno Hoshi Engineering Co.,Ltd. 2003- Present Director Wangchula Co.,Ltd. 2006- Present Director Dido Sittipol Co.,Ltd. 2013 – Present Honorary Chairman of Inoac Tokai (Thailand) Co.,Ltd.
- Others	2010- Present Global Advisory Board Member Babson College , Ma, U.S.A 2016 – Present Director Alumni association Thailand Capital Market Academy 2018 – Present Vice President The Federation of Thai Industries

6.Name – Surname  
Position  
Date of Appointment  
Age  
Education Degree

**Training**

% of Holding (as 31/03/2020)

**Relations**

**Working Experience and Position**

- Listed Company in SET

- Non Listed Company

**Mrs. Pornpip Sethiwan**

Director

Year 1990

53

Bachelor of Commerce and Accountancy, Commerce major  
Chulalongkorn University.

Certificate Director Accreditation Program 5/2003

Role of the Compensation Committee 17/2013

Thai Institute of Director (IOD)

3.69%

Daughter Mr.Vitya Lee-issaranukul and Mrs.Pomdee Lee-issaranukul  
Sister Mr.Apichart Lee-issaranukul, Mr. Thanong Lee-issaranukul  
and Mrs. Pimjai Lee-issaranukul

1980 - Present Director Thai Stanley Electric PCL.

1991 - Present Director Inoue Rubber (Thailand) 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.

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 Wangchula Co.,Ltd.

2006 - Present Director IRC Asia Research Co.,Ltd.

2014 - Present Director Pacific Auto Part (Thailand) Co.,Ltd.

2015 - Present Director Sonic Design (Thailand) Co.,Ltd

7.Name – Surname

Position

Date of Appointment

Age

Education Degree

% of Holding (as 31/03/2020)

**Relations**

**Working Experience and Position**

- Listed Companies in SET

**Mr. Toru Tanabe**

Director

June 26 , 2012

61

Bachelor Faculty of Electric Engineering , Hosei University , JAPAN

None

None

2012 - Present Director Thai Stanley Electric PCL.



# Mr.Toru Tanabe (Continue)

## - Non Listed Companies

2017- Present	Managing Director Stanley Electric Co.,Ltd.
2012 – 2562	Director SL Lighting Corporation
2012 – Present	Director Stanley Electric U.S.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.
2019 – Present	Director Hella – Phil Inc.

## 8.Name – Surname

**Mr. Katsutoshi Iino**

## Position

Director

## Date of Appointment

July 4 , 2014

## Age

59

## Education Degree

Bachelor of Economy Industrial Management , Nihon University , Japan

## % of Holding (as 31/03/2020)

None

## Relations

None

## Working Experience and Position

### - Listed Company in SET

2014 - Present Director Thai Stanley Electric PCL.

### - Non Listed Companies

2008 - Present President Stanley Electric PAL Co.,Ltd.

2012 - Present President Stanley Electric Holding of America ,  
President Stanley Electric Holding Europe Co.,Ltd.

2013 - Present President Stanley Electric Holding Asia-Pacific PTE , Ltd.  
President Stanley Electric (China) Investment Co.,Ltd.

9.Name – Surname

Position

Date of Appointment

Age

Education Degree

Training

% of Holding (as 31/03/2020)

Relations

Working Experience and Position

- Listed Company is SET

- Non Listed Company

**Mr. Krisada Visavateeranon**

Independent Director and Audit Committee Chairman

October 15 , 1999

70

Master of Engineering Kyoto University, JAPAN

Bachelor of Engineering Kyoto University , JAPAN

Certificate - Directors Certification program , Audit Committee Program

Thai Institute of Director (IOD)

None

None

1999 – 2010 Independent Director and Audit Committee  
Thai Stanley Electric PCL.

2010 – Present Independent Director and Audit Committee Chairman  
Thai Stanley Electric PCL.

2009 – Present Audit Committee Textile Prestige PCL

2012 – Present Director Wazeda Education (Thailand) Co.,Ltd.

10.Name – Surname

Position

Date of Appointment

Age

Education Degree

Training

% of Holding (as 31/03/2020)

Relations

Working Experience and Position

- Listed Company in SET

- Non Listed Company

**Mr.Chokechai Tanpoonsinthana**

Independent Director and Audit Committee

March 31, 2000

72

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

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)

None

None

2000-Present Independent Director and Audit Committee Thai Stanley Electric PCL.

2003-Present Independent Director and Audit Committee Chairman  
Advance Information Technology PCL.

2013 – 2019 Independent Director and Audit Committee Witcorp Co.,Ltd.

11.Name – Surname	<b>Mr.Suchart Phisitvanich</b>
Position	Independent Director and Audit Committee
Date of Appointment	June 7 , 2010
Age	74
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 , Board Matter & Trends 6/2018 Thai Institute of Director. (IOD)
% of Holding (as 31/03/2020)	None
Relations	None
Working Experience and Position	
- Listed Company	2010-Present Independent Director and Audit Committee Thai Stanley Electric PCL.
	2006-Present Executive Advisor for the Board Navanakom PCL.
- Non Listed Company	2006-Present Director Investor Club Association 2011 – Present Monitoring and Evaluation Committee Ministry of Industry

12.Name – Surname	<b>Mr.Picharn Sukparangsee</b>
Position	Independent Director
Date of Appointment	June 7 , 2010
Age	59
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 Board Matters & Trends 6/2018 Thai Institute of Director. (IOD)
% of Holding (as 31/03/2020)	None
Relations	None
Working Experience and Position	
- Listed Company in SET	2010 – Present Independent Director Thai Stanley Electric PCL.
- Non Listed Company	1987 – 2005 Associate / Partner International Legal Counsellors Thailand 2005 – 2015 Director Siam City Law Offices Limited 2015 – Present Managing Director Bangkok Global Law Offices Limited

13.Name – Surname	<b>Mr. Kazunori Nakai</b>
Position	Executive General Manager Marketing Division
Date of Appointment	November 6, 2018
Age	58
Education Degree	Bachelor of Arts , Law and Politics Department Law and Politics College , Rikkyo University , JAPAN
% of Holding (as 31/03/2020)	None
Relations	None
Working Experience and Position	
- Listed company in SET	2018 – Present Executive General Manager , Marketing Division Thai Stanley Electric PCL.
- Non Listed Company	2001 – 2011 General Manager Electronics Sales Division Stanley Electric Co.,Ltd. 2011 – 2016 General Manager LED Division / Sale Department Stanley Electric Co.,Ltd. 2016 – 2018 President Stanley Electric (Asian Pacific ) Co.,Ltd.
14.Name – Surname	<b>Mr.Etsuya Kawashima</b>
Position	Executive General Manager Die&Mold Division
Date of Appointment	February 1 , 2017
Age	53
Education Degree	Bachelor Department of Mechanical Engineering , Nihon University , Japan
% of Holding (as 31/03/2020)	None
Relations	None
Working Experience and Position	
- Listed Company in SET	2010 – 2013 Advisor , Die & Mold Division , Thai Stanley Electric PCL. 2013 – 2015 Department Manager , Die & Mold Division , Thai Stanley Electric PCL. 2015 – 2017 Senior Advisor , Die & Mold Division , Thai Stanley Electric PCL. 2017 – Present Executive General Manager, Die&Mold Division Thai Stanley Electric PCL.
- Non Listed Company	1999 – 2010 Chief of Section , Die & Mold Division , Research & Development Center Stanley Electric Co.,Ltd.



15.Name – Surname

Position

Date of Appointment

Age

Education Degree

% of Holding (as 31/03/2020)

Relations

Working Experience and Position

- Listed Company in SET

- Non Listed Company

**Mr.Koji Kobayashi**

Executive General Manager R&D Center

July 5 , 2013

57

Bachelor of Mechanical Engineering Meisei University , Japan

None

None

2013 - Present Chief of Center R&D Center Thai Stanley Electric PCL

1986 - 2011 Engineering Technology Center Division Stanley Electric Co.,Ltd.

2011 – 2013 Manager Engineering Technology Center Division  
Stanley Electric Co.,Ltd.

16.Name – Surname

Position

Date of Appointment

Age

Education Degree

Training

% of Holding (as 31/03/2020)

Relations

Working Experience and Position

- Listed Company

**Mrs.Sudjai Srifuengfung**

Company Secretary

July 4 , 2008

61

Bachelor of Accountancy Thammasart University

Effective Minute Taking (EMT)

Corporate Secretary Development Program –Chulalongkorn University

Company Secretary Program - Thai Institute of Director. (IOD)

Registration system of listed companies

FTI Business Administration FIBA # 1 The Federation of Thai Industries

None

None

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.

2015 – Present Advisor Administration Division Thai Stanley Electric PCL.

- Non Listed Company

2002 – Present Director Lao Stanley Co.,Ltd.

**Shareholding Proportion of The Board of Directors and Top Management**

Name	Position	Amount of Shares As March 31,2020	Amount of Shares As March 31,2019	Trading during the fiscal year 2019	Shareholding Proportion (%)
Mr.Apichart Lee-issaranukul	Executive Chairman and Executive General Manager Administration Division	5,446,771	5,435,971	10,800	7.11
Spouse / Minor Children		-	-	-	-
Mr.Koichi Nagano	President	1,000	1,000	-	0.00
Spouse / Minor Children		-	-	-	-
Mr.Thanong Lee-issaranukul	Director	4,144,855	4,144,855	-	5.41
Spouse / Minor Children		-	-	-	-
Mr.Tadao Suzumura	Director and Executive General Manager Lighting Equipment Division	-	-	-	-
Spouse / Minor Children		-	-	-	-
Mrs.Pimjai Lee-issaranukul	Director	2,838,895	2,838,895	-	3.70
Spouse / Minor Children		-	-	-	-
Mrs.Pornthip Sethiwan	Director	2,831,195	2,831,195	-	3.69
Spouse / Minor Children		-	-	-	-
Mr.Krisada Vissavateeranon	Independent Director and Audit Committee Chairman	-	-	-	-
Spouse / Minor Children		-	-	-	-
Mr.Chokechal Tanpoonsintha	Independent Director and Audit Committee	-	-	-	-
None Spouse / Minor Children		-	-	-	-
Mr.Suchart Phisitvanich	Independent Director and Audit Committee	-	-	-	-
Spouse / Minor Children		-	-	-	-
Mr.Picharn Sukparangsee	Independent Director	-	-	-	-
Spouse / Minor Children		-	-	-	-
Mr.Katsutoshi Iino	Director	-	-	-	-
Spouse / Minor Children		-	-	-	-
Mr.Toru Tanabe	Director	-	-	-	-
Spouse / Minor Children		-	-	-	-
Mr.Kazunori Nakai	Executive General Manager Marketing Division	-	-	-	-
Spouse / Minor Children		-	-	-	-
Mr. Etsuya Kawashima	Executive General Manager Die & Mold Division	-	-	-	-
Spouse / Minor Children		-	-	-	-
Mr.Koji Kobayashi	Executive General Manager R & D Center	-	-	-	-
Spouse / 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.

In year 2019, the Annual General Meeting of Shareholders approved the remuneration of directors in the amount of 5 million baht equal to the previous year. The conditions and criteria for payment are under the discretion of the Board of Directors.

The composition of the directors' remuneration consists of the remuneration of the board , Audit Committee Compensation and meeting allowance (only directors and audit committee members attending the 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 2019 , details as follows

Name	Position	Director Fee (Baht)		
		Director	Audit Committee	Total
Mr.Apichart Lee-issaranukul	Executive Chairman	270,000		270,000
Mr.Koichi Nagano	President	270,000		270,000
Mr.Thanong Lee-issaranukul	Director	270,000		270,000
Mr.Tadao Suzumura	Director	270,000		270,000
Mrs.Pimjai Lee-issaranukul	Director	265,000		265,000
Mrs.Pomthip Sethiwan	Director	260,000		260,000
Mr.Krisada Vissavateeranon	Independent Director and Audit Committee Chairman	270,000	410,000	680,000
Mr.Chokechai Tanpoonsinthana	Independent Director and Audit Committee	270,000	290,000	560,000
Mr.Suchart Phisitvanich	Independent Director and Audit Committee	270,000	290,000	560,000
Mr.Picham Sukparangsee	Independent Director	270,000	5,000 *	275,000
Mr.Katsutoshi Iino	Director	255,000		255,000
Mr.Toru Tanabe	Director	265,000		265,000
<b>Total</b>		<b>3,205,000</b>	<b>995,000</b>	<b>4,200,000</b>

Remark Company only has Audit Committee \* Meeting fee as attending a special meeting with the audit committee

### The executive board remuneration

In year 2019 the company paid the remuneration for executive board as salary and bonus to 6 person amount 43.38 million baht

### (2) Other remuneration

- Other remuneration of directors - There is no other compensation or other benefits , other than monthly director fee and meeting allowance.

- Other remuneration of executive director - The company provides a provident fund for Thai executive directors, which the company has contributed at the rate of 7% of salary as well as contributions to employees. However, the amount of payment in 2019, the company has disclosed in the employee remuneration in item 7.5

## 7.5 Personal

Total employees as at March 31st, 2020 were 3,084 persons. The company paid for employee's remuneration in year 2019 were 1,641.26 Million Baht as salary, bonus, provident fund and other welfare such as Public transportation and Shift expense, details as follows:

Division	Male	Female	Total
Administration	38	58	96
Marketing	24	31	55
Production	1,606	1,303	2,909
Japanese	24	0	24
Total	1,692	1,392	3,084

The total number of employees decreased by 3.50% from the previous year. In the past 3 years, the number of employees has changed to a level not exceeding 10%, so there is no significant change in the number of employees and no labor disputes.

### Policy of personal 's development

The company determines the personnel development policy every year. To develop personnel to have knowledge and skills in both management and work skills, with a target value that all employees must receive training, knowledge or skills in the job, we divided into general employee levels must be trained at least 1 course per year and have at least 6 hours of training per person per year. In the supervisor level and manager level must train at least 2 courses per year.

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 continuously since 2006 – 2019 (14 consecutive years) certification system and standard of Thai workers. (TLS. 8001-2546) complete level from the Ministry of Labor.

## 8. The Corporate Governance

The Board of Directors attaches great importance to corporate governance. The company has a transparent business operation, honesty, fair competition environmental and social considerations

### 8.1 The corporate governance policy

The board has developed the corporate governance policy since year 2007 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

To comply with the corporate governance policy The company has prepared the code of conduct for directors and employees. In order to abide by the guidelines and to prevent damage that may occur from misconduct of the person in the company by publishing as a manual for directors, executives and employees to acknowledge and abide. This includes the vision and ethics are provided in the orientation program of directors, executives and new employees, which are disclosed in the website. ([www.thaistanley.com](http://www.thaistanley.com)) of the company as well

### 8.2 Director

The company determines the structure of directors, qualifications of the board roles and responsibilities, recruitment and appointment of directors, Performance evaluation of the Board of Directors - in the regulations of the Board of Directors as follows

(1) Director structure - The company has 3 groups of directors, as the Board of Directors, the Executive Board and the Audit Committee by defining the roles and responsibilities of each committee as follows

#### The Board of Directors

Structure of Board of Directors as of 31 March 2020 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. 2008.

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 Chairman

The Chairman plays an essential role as a visionary leader with the power to direct the Company's business vision and monitor the performance of senior executives

#### Authority of the Board of Directors

The framework of the Board's duties and responsibilities includes organizational strategies, corporate governance, human resources management, financial reporting, information disclosure and communications as follows:

1. Organizational strategies Review and advise on key strategies and policies, financial objectives and other plans, including the Company's budget. Monitor the implementation of the Company's plans and policies.

2. Corporate governance , establish a policy of corporate governance and regularly evaluate the outcome in practice. Ensure that all stakeholders are properly protected and treated. Create a proper understanding on various matters among different classes of stakeholders and ask for their cooperation in enhancing the stability of the Company's business.

Determine the necessary procedures and mechanisms to ensure that all the Company's activities comply with the law and are carried out on a sound moral basis.

Make available the code of conduct or code of ethics, monitor the directors' and employees' compliance with these codes, and occasionally review and update them.

Prepare, maintain and review the financial control, operating control, corporate governance and risk management, and be alert to warning signs and irregularities on any transactions.

Establish an independent internal control unit with a precise definition of roles, duties and responsibilities.

Ensure that the existing structural and procedural requirements of the Board concerning corporate governance and the code of ethics are effective enough and may be adjusted if necessary.

Monitor and resolve any conflict of interests which may arise relating to management, the Board and shareholders, any illegal use of the Company's assets, and any irregularities on connected transactions.

3. Human resources management , to appoint the executive committee and evaluate their performance once a year. Appoint the Company secretary, whose main duties relate to Board meetings and shareholder meetings. The Company secretary's duties include providing legal advice to the Board.

4. Financial reporting Ensure that the financial reporting and audit system is reliable and that efficient mechanisms are made available to evaluate the adequacy of internal control, risk management and performance monitoring systems.

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.

#### Approval authority of the board of directors

The company has determined the matter to be approved by the board of directors in the regulations regarding the board meeting, such as

1) Considering the calling of the general meeting of shareholders and the resolution of the draft document proposed for consideration



2) Considering calling for the extraordinary general meeting of shareholders and voting on draft documents proposed for consideration

3) Considering and approving documents, financial statements, including the balance sheet, profit and loss statements of the company to send the SET

4) Selection of the appointment of directors and the release of directors

5) Considering and approving the trading of shares of rival companies and the trading of company shares of directors

6) Consider issuing new shares and buy back the company's shares

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.

#### Tenure of Director

Board of directors has a term of 3 years , when the term is expired directors may be considered for re-election by the shareholders' meeting.

The Company setting for directors can serve as director in no more than 5 listed companies, there are no exceptions that for the efficiency of their duties.

#### The Executive Board of Directors

Consist of 3 directors and 3 executives general manager (EGM) , total 6 person , The role and responsibility is to develop policy and direction and inspect the implementation

#### Authority of the Executive board

The Executive board has a duty to set policies and directions for the management of the company and check the company's performance , approving various plans, including monitoring and evaluating performance to achieve the objectives

The Executive board will report the performance according to the policies and goals of the company. that is consistent with the Stanley Group policy which is defined as a medium-term long-term plan, each year there are annual numerical strategies and numerical goals such as quality targets, cost, safety, etc. which are considered both positive and negative factors as well as various risks That the stakeholders will pay attention the annual policy meeting will be held for executives and inform in documents format to employees.

Meetings of the Executive Committee are approximately 4 times per month and may be convened if necessary and can invite executives or other relevant parties to ask for details directly at the meeting.

The resolution of the meeting must receive more than half of the total number of participants in the meeting. In the event that cannot be settled .The chairman of the meeting has the right to vote.

#### Audit Committee

Appointed by the Board of Directors, the Audit Committee is found to be fully qualified in accordance with the criteria stated in the laws governing securities and exchange as well as the Stock Exchange of Thailand's requirements. The Audit Committee is to remain impartial and has no interest either directly or indirectly in a manner that could jeopardize its discretion and independent responsibility.

#### Structure of 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 5 August 2019 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. The Audit Committee is responsible to the Board of Directors in accordance with the duties assigned as follows
  - 1.1 To verify and assure that the Company's financial report is accurate and sufficiently disclosed
  - 1.2 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.
  - 1.3 To Review that the Company has acted compliance with the company's anti-corruption policy.
  - 1.4 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
  - 1.5 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.
  - 1.6 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.
  - 1.7 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.
  - 1.8 Any other operation as assigned by the Board of Directors with an approval by the Committee.
2. One of the Audit Committee's tasks is when suspicion is found in a transaction or an action that could materially affect the company's financial position and operation results, the Audit Committee is to report such incident to the Board for remedy. If the Audit Committee fails to do so, any committee member may report it to the Securities and Exchange Commission (SEC) or to the Stock Exchange of Thailand.

Tenure of Audit Committee

The audit committee has a term of 3 years. When the term is expired the Board of Directors may be considered for re-election.





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

Mr.Chokechai Tanpoonsinthana

2000-Present Independent Director and Audit Committee Thai Stanley Electric PCL.

2003-Present Independent Director and Audit Committee Chairman  
Advance Information Technology PCL.

2013 – 2019 Independent Director and Audit Committee Witcorp Co.,Ltd.

Experience in accounting and finance

2000 - 2004 Managing Director Bangkok Thanathorn Finance Public Company Limited  
Director (authorized signatory), BFIT Securities Company

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 2019 are 10 times. Details of meetings are as follows:

- 6 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	10	10
Mr. Chokechai Tanpoonsinthana	Audit Committee	10	10
Mr. Suchart Phisitvanich	Audit Committee	10	10

### 8.3 Nomination and appointment of directors and Top management

The nomination and appointment of directors of the Company not through the Nomination Committee because The Company is in the process of setting up the Nomination Committee. However, in nominate directors the board will consider the qualifications. This is in accordance with the Company's Articles of Association .-Selection and appointment process , as follows:

1. Have the qualifications required by law(i.e. the Public Limited Companies Act and the Stock and Exchange Act)
2. Have knowledge, experience and expertise material to the Company's business
3. Be a visionary leader able to express opinions independently of management or any group of stakeholders
4. Work morally and ethically with an unblemished work record
5. 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.
6. Not be a director or executive of any entity that has a conflict of interests with the Company

The Company has no restrictions on the qualifications of its directors in terms of gender and age, to ensure the diversity of the board structure.

The appointment to be director will be proceed belong to the Public Limited Companies Act.

#### (1) Independent Director

Criteria for selection of independent directors

- Qualifications of independent directors

The Company's setting definition of Independent Directors to be on a level of the Capital Market Supervisory Board's definitions No. TorChor. 4/2009 No. 16 and TorChor.39/2016 No.17 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 and The Company has no restrictions on the qualifications of independent directors in terms of gender and age, and not yet fix term end of the independent director.

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 0.81 million baht , this transaction was not over than the company 's definition .

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.

Succession plan - The company is in the process of considering and approving policies and operational plans from the Executive Board.

#### 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.

Failure to comply with such requirements constitutes a disciplinary offense. The person who commits the offense will have to go into the process following the company's penalties.

The Company has not yet set a policy for directors and top executives to inform about the trading of shares at least 1 day prior to trading to the Board of Directors.

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 annual auditing by Internal Audit section.

The company added confidentiality measures in physical control by requesting cooperation, those who come in contact with every company do not use devices that can take pictures in the company area , and if having to take pictures in the company must be allowed in every cases , in which the photographers must attach a label showing the permission to take every time. In addition, the ban on the recording device communication equipment or equipment that can be photographed into a strict control area, such as Research and Development Department , New Product Development and Production Engineering Department.

The company has set the penalty for violation. Adhere to the employment rules of the company or be punished by other means.

In 2018, Stanley Group has started to use GDPR (General Data Protection Regulation) to the companies in the group to know and take appropriate action. At present, the company has issued the Personally Identifiable Information Protection Policy for handling personal information. Including customer-related information ,supplier.

#### 8.6 Auditor's remuneration

Our auditor in the 2019 fiscal year was PricewaterhouseCoopers ABAS Co Ltd, whose qualifications had been approved by the Audit Committee and the Annual General Meeting of Shareholders. The auditor was proven to be independent and had no connection or interest with the company, executives and major shareholders. That is reputable and has an international network aside from the fact so that is an approved audit company by the Office of the SEC.

#### A. Audit fee

The company paid the audit fee for the previous year to the auditor PricewaterhouseCoopers ABAS Limited total amount 2.16 million baht.

#### B. Other service fee

- Reviewing compliance with conditions of BOI promotion certificate amount 0.23 million baht.
- Reviewing Stock Destroy amount 0.02 million baht.
- Reviewing auditing for Vietnam Stanley Electric Co.,Ltd. Amount 0.20 million baht

### 8.7 Other practice from the corporate governance

The company has complied with Principles of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand and Good Corporate Governance Principles for Listed Companies 2017 of the Securities and Exchange Commission.

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

#### 1. Rights of Shareholders

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

The company uses the criteria for determining the list of shareholders (Record Date) for the Annual General Meeting of Shareholders that for all shareholders to have time to consider necessary and sufficient 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-Kiang Municipality

Voting one share one vote, Shareholder has votes equal to the number of shares held. Can not cumulative voting (Cumulative Voting) that from The Articles of Association setting.

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

Every shareholder has an equal right to express opinion or make an inquiry with an adequate time providing for each agenda before resolution. In the shareholders' meeting, all members of the boards and executives are required to attend the meeting to answer any inquiries to the meeting.

#### 1.4 The right to consider remuneration for board members

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

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

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

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

The company invited the shareholders to proposed the agendas and director nomination in advance for the 2019 Annual General Meeting period January 22 to April 22, 2019 that there was no any proposal and director nomination from the shareholders.

## **2. Equitable Treatment of Shareholders**

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



2.1 Every shareholder has right to vote depending on number of shares they are holding; one vote per share .The company have only common stock.

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

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

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

2.5 The Minutes of Shareholders' Meeting will be posted on the company website within 14 days after meeting , so that the shareholders who did not attend the meeting being able to know the same information. After the meeting, the company informed the resolution to the Stock Exchange of Thailand and for the minutes of the meeting, the company will send a copy to the Stock Exchange of Thailand and publish the minutes on the company's website within 14 days after the meeting date. Which will show the list of directors and the proportion of directors attending and not attending the meeting Voting methods, voting results and questions and answers showing the full name of the questioner and the respondents.

### **3. Role of Stakeholders**

The company is aware of the rights of each group of stakeholders such as customers, suppliers, employees, shareholders, government sectors, and other related parties as well as community as specified by law and make sure that their rights are properly protected and treated and will also push for activities or operations that benefit all groups of stakeholders as follows:

3.1 Customers , that consist of manufacturers of automobiles and motorcycles that buy company products. And automotive users who also have a part of the company's products. The company has set policies regarding customers with emphasis on satisfaction and trust from customers in terms of products in kind of quality, cost, delivery, development, safety and human relations. Which has the Marketing department responsible for liaising with each automotive company in particular in order to build a reliable relationship and maximum satisfaction for each customer. The company sets up the Quality Assurance to be responsible for assurance product quality , giving advices on products, providing consultations, and receiving complaints, to make sure the customers will satisfy with the quality of products and services.

3.2 Competitor , in the competition , The company has policies and practices to fair competition and on normal business.

3.3 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.



In addition, there are regular activities with partners, such as organizing meetings to inform policies, company news and also hearing another comments and take award QCD for vendors with quality of products and delivery on time

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

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

The company underlines our treatment of sellers/suppliers as our creditor where we strictly comply to the terms and conditions and financial obligations. The management is subject to a clear authorization and approval condition when conducting debt guarantee and other financial transactions

**3.4 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.

The company introduced employee development system in name the STAR Plan System, from Stanley Group which covers wages, position systems, hierarchy, migration, job evaluation which must be based on fair, appropriate and acceptable principles.

**3.5 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

**3.6 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, Banklang 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 Sustainability Report and 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 as follow

Company Secretary email [companysecretary@thaistanley.com](mailto:companysecretary@thaistanley.com)

Investor Relations email [adths@thaistanley.com](mailto:adths@thaistanley.com) or [info@thaistanley.com](mailto:info@thaistanley.com)

The company publishing the principles of contact procedures and operations on the company website [www.thaistanley.com](http://www.thaistanley.com)

#### **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 and 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 email [adths@thaistanley.com](mailto:adths@thaistanley.com) or [info@thaistanley.com](mailto: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 2019 our 2 directors attend to training as follows:

1. Mr.Apichart Lee-issaranukul Course Property Tax from Omega World Class Research Institute
2. Mrs.Pimjai Lee-issaranukul Course Exponential Manufacturing , Singularity Thailand Summit in collaboration with the Federation of Thai Industries

The company organized at least one outside seminar a year for executive directors and department managers to enhance their knowledge, experiences and visions. During the 2019 fiscal year, we planned to organize the Electric Vehicle Industry and Technology Disruption Era workshop during February 22-23, 2020 at Nakhon Ratchasima Province, but due to Covid-19, the seminar was indefinitely postponed.

### 5.2 Self-evaluation of the Board of Directors.

Since 2007, the Board of Directors has evaluated the overall annual performance of the entire Board of Directors, covering all roles and duties of the Board of Directors, 6 categories, including 55 items as follows:

1. Structure and Qualifications	11	Items
2. Roles, duties and responsibilities	18	Items
3. Board meetings,	9	Items
4. Director duties	7	Items
5. Relationship with the management	5	Items
6. Self-development of directors	5	Items

Evaluation process , The company secretary prepares the assessment form. Deliver the evaluation form to all directors to evaluate themselves as a whole. On the 4<sup>th</sup> quarterly meeting of the Board of Directors' meeting and returned to the secretary of the meeting to calculate the average value and report the results to the board meeting at the next meeting.

Assessment criteria	Meaning of score
	0 = Strongly disagree or there is no action on that matter
	1 = Do not agree or have little action on that matter
	2 = Agree or have enough action on that matter
	3 = Quite agree or have taken action on that matter well
	4 = Highly agree or have performed in that matter perfectly



Score evaluation	Results
More than 90	Excellent
More than 80	Very good
More than 70	Good
More than 60	Fair
Equal to or less than	60 should be improved

For the fiscal year ending March 31, 2020, which was evaluated in May 2020. The results were very good. And brought the evaluation results Remarks and suggestions go to review , to improve the operations of the Board of Directors

#### Evaluation of The Audit Committee

The Audit Committee conducted a self-evaluation in 2019 in the following three areas:

1. Structure and qualifications of the Audit Committee: This was to identify topics to enhance efficiency of the Committee.
2. The Audit Committee's meeting: Actions were made to ensure that the Audit Committee effectively performed its duties during the meeting.
3. Roles, duties and responsibilities of the Audit Committee: Time was allocated to allow the Audit Committee to review their tasks to thoroughly fulfil their roles and responsibilities.

Evaluation criteria, score meaning, results of the evaluation and scores: The same principles applicable to evaluating the Board of Directors were implemented.

Evaluation Result: Excellent

However, The Company does not yet have an individual performance evaluation in Board of Director ,Sub-committee and the President.

#### 5.3 Report on interest of directors and executives

At the end of each fiscal year (March 31), the company requires directors and executives have a duty to report their own interests and related persons under Section 89/14 of the Securities and Exchange Act BE 2535 ,as amended by the Securities and Exchange Act (No. 4), 2008, requiring directors and executives prepare reports of their own interests or related persons. Which is a vested interest in the management of the company business or subsidiary in order for the company to have information for the implementation of the regulations relating to connected transactions The Company Secretary will collect and report to the Chairman of the Audit Committee in every May.

## 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

(1) Report preparation process , The administrative section is the data collector to prepare the report by specifying topics for reporting referring to the 8 principles of corporate social responsibility conducted by the Stock Exchange of Thailand and disclosed according to the GRI Standard (Global Reporting Indicator) with key issues such as economic, social and environmental and energy conservation by disclosing in the sustainability report as part of the annual report Which has been sent to the shareholders And published on the company website [www.thaistanley.com](http://www.thaistanley.com)

(2) Operations on issues of social responsibility of the company Each work unit that is involved in safety Environment and society Will give importance and work with caution There is a constant assessment of the impact of operators and senior management, such as product design, with regard to the use of environmentally friendly raw materials. Safety-oriented production and pollution

Each year, the company holds a meeting for managers at the manager level. In order to summarize the results of the numerical data according to these issues as well as assigning policies and goals for the next year so that all sections can be further planned into their operations.

The company disclosed its corporate social responsibility operations in 2019 in the Sustainability Report.

## 10. Internal Control and Risk Management

The company is aware of the importance to good management and internal control. The company established the CG department to conduct internal audit and risk management and report directly to the Audit Committee every quarter and The Chairman of the Audit Committee will report to the Board of Directors meeting to acknowledge the audit results on a quarterly basis as well.

### 10.1 The board of director comment on internal control

At the Board of Directors Meeting No. 2/2020 on May 15, 2020, all 3 members of the audit committee attended. The Chairman of the Audit Committee reported the operation and audit results from the Corporate Governance Department to the Board of Directors for acknowledgment and approval as follows:

From reviewing the internal control system and from the consideration of the assessment of internal control as stipulated by the Securities and Exchange Commission , The audit committee found no significant defectively . And with proper property maintenance therefore, commented that the operations of the company during the accounting period from April 1, 2019 to March 31, 2020 were under sufficient and appropriate internal control in accordance with the framework for internal control practices of COSO . Financial reports are accurate, complete, and reliable. There is sufficient and effective compliance with relevant laws and regulations. Entering into connected transactions in the normal course of business with appropriate trade conditions and prices that are beneficial to the company's business operations. There are operations in line with anti-corruption measures. Information has been disclosed to various regulatory agencies correctly, operating in accordance with good, transparent, and reliable corporate governance systems.

Ms.Varaporn Vorathitkul , 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 disclose a report of the Audit Committee in this annual report page 13 - 14

## 10.3 Chief of Office of Internal Audit

(1) In 2002, the Executive Committee appointed the Chief of the Internal Audit, Mrs. Nongyao Apirum, who currently position as the Corporate Governance Department Manager responsible for internal audit and risk management, that has experience working in Accounting and Finance department for 21 years and used to attend the training course related to the audit such as

- Fundamentals for New Internal Audit course 1 (2002) and 2 (2004)
- Audit Report Writing (2000)
- Risk Based Audit (2010)
- Certified Professional Internal Auditor of Thailand (CPIAT- 18) (2011)
- The Corporate risk management - COSO-ERM (2011)
- Internal controls on financial reporting (2011)
- Ethical Audit (2015)
- Working Paper for Anti-Corruption (2017)
- Compliance & Compliance Audit (2018)
- Fraud Audit (2019)
- Corporate Governance Audit (2019)

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.

## Risk Management

The risk management policy is as follows.

"We are to control and minimize impacts from unforeseeable circumstances while safeguarding our objective for a sustainable operation, which shall include compliance with the laws and international standards."

The following are duties and responsibilities of related bodies involving in our risk management practice:

The Risk Management Committee is duty-bound to review and screen factors and possible exposure to certain risks and effects to strategic policies, legal compliance and relevant criteria and standards that may tremendously affect our operation. The Risk Management Committee meets at least twice a year.

The Risk Management and Control Section has the following duties and responsibilities:

- Coordinate with the Risk Management Company to materialize risk management practices throughout the organization to accommodate all kinds of risk.
- Review identified risks with departments that directly experience such risks; implement risk management measures; monitor, assess and report the progress of its action to the Risk Management Committee
- Responsible for the overall operation in monitoring, advising and controlling risk management practices

Management in Operation Unit are responsible for assessing and analysing risks relating to policies and their entrusted duty and responsibility.

In 2019, we carried out the following:

- 1.Updating our risk management practice to reflect the operation within the current environment; complying with the risk management policy in a constructive manner by incorporating administration and risk control practices in the strategic management policy and general administration.
2. Reviewing and approving risk control and management requirements as well as the risk management manual, which functioned as a framework to assess and manage the risks.

#### **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 significant transactions with related companies. Which is a company with common directors and the company in which the major shareholder holds shares.

The related transactions are in accordance with the operating policy regarding the purchase and sale of goods and assets that approved by the Board of Directors and is controlled by the Executive Board, which will be considered and approved according to the value of the transaction size regularly

The significant trade with the related company by purchasing and sales items. The company's auditor gave the explanation in the Note 29 the financial statement on 31<sup>st</sup> March 2020 .. are as follows:

- 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 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.
- Design and development expenses and other expenses Service fees are charged according to normal business transaction criteria.
- Outstanding balance of Royalty fees, Product design and development expenses and other expenses are shown as other payables - Related companies

Details as follows:

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

Name of Company	Related ties	Related transaction details	2019 Transaction Amount and Balance at 31 March 2020	The reasonable of transactions
1. Stanley Electric Co.,Ltd.	1. Major shareholder of Stanley Electric Holding Asia-Pacific PTE, holding 35.66% 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 technics. 6. Training fee is charged for send Thai Stanley ' employee to training and practice. 7. Commission is charged for an agent to connected with customers	Purchased 896.68 million baht Balance 179.69 million baht  Sold amount 171.25 million baht Balance 20.40 million baht  Amount 337.91 million baht  Amount 147.46 million baht  Amount 10.18 million baht  Amount 0.91 million baht  Amount 20.00 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. In the normal course of business and same practice in Stanley Group  In the normal course of business and same practice in Stanley Group

Name of Company	Related ties	Related transaction details	2019 Transaction Amount and Balance at 31 March 2020	The reasonable of transactions
2.Lao Stanley Co.,Ltd.	1. Thai Stanley holding 50% 2. Common Director 2 persons - Mr.Apichart Lee-issaranukul - Mr.Koichi Nagano	1. Selling goods   2.Other Income   3.Royalty Income	Sold amount 433.37 million baht Balance 52.63 million baht  Amount 0.08 million baht  Amount 0.66 million baht	Specifically products 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  In the normal course of business and same practice in Stanley Group
3. Vietnam Stanley Electric Co.,Ltd.	1.Common major shareholders as Stanley Electric Co.,Ltd. Holding 50% 3. Common director 3 persons as - Mr.Apichart Lee-issaranuku -Mr.Toru Tanabe -Mr.Tadao Suzumura 3. Thai Stanley holding share 20%	1. Purchasing goods   2.Selling goods   3. Designed and Development Fee	Purchased amount 512.91 million baht Balance 131.88 million baht  Sold amount 106.70 million baht Balance 13.40 million baht  Amount 0.01 million baht	Specifically products Pricing are charged in the normal course of business and same practice with outsider.  Specifically products Pricing are charged in the normal course of business and same practice with the outsider.  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%	1. Purchasing raw material	Purchased amount 1,903.27 million baht Balance 171.60 million baht	Specifically products Pricing are charged in the normal course of business and same practice with the outsider.





Name of Company	Related ties	Related transaction details	2019 Transaction Amount and Balance at 31 March 2020	The reasonable of transactions
	2.Common Director 2 persons - Mr.Apichart Lee-issaranukul - Mr.Toru Tanabe 3.Thai Stanley holding 15% 4. Holding Thai Stanley 0.44%	2.Selling goods  3. Other Income	Sold amount 9.07 million baht Balance 0.56 million baht Amount 0.20 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.
5. PT.Indonesia Stanley Electric	1. Common major shareholder as Stanley Electric Co.,Ltd. Hoding 60 %  2. Common director 3 person as - Mr.Apichart Lee-issaranukul - Mr.Koichi Nagano - Mr.Toru Tanabe 3.Thai Stanley holding 10%	1. Purchasing raw material  2.Selling goods  3. Designed and Development Fee	Purchased amount 1.33 million baht Balance 0.52 million baht  Sold amount 192.41 million baht Balance 19.31 million baht  Amount 2.88 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 practice with the outsider.  Specifically products Pricing are charged in the normal course of business and same outsider.
6. Sirivit 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 470.38 million baht Balance 41.84 million baht  Sold amount 7.48 million baht Balance - million baht Amount 0.06 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.

Name of Company	Related ties	Related transaction details	2019 Transaction Amount and Balance at 31 March 2020	The reasonable of transactions
7. Inoue Rubber (Thailand) Public Company Limited	1.Thai Stanley holding 0.02% 2.Common director 4 person as - Mr.Apichart Lee-issaranukul  - Mr.Thanong Lee-issaranukul  - Mrs.Pimjai Lee-issaranukul  - Mrs.Pornthip Sethiwan	1. Purchasing raw material	Purchased amount 9.66 million baht  Balance 1.42 million baht	Pricing are charged in the normal course of business and same practice with the outsider.
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 132.30 million baht  Balance 38.71 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	Purchased amount 1.84 million baht  Balance 1.91 million baht  Sold amount 1.84 million baht  Balance 0.25 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
10. Bangkok Global Law Offices Limited	1. Common director 1 person as - Mr.Picham Sukparangsee	1. Law service	amount 0.81 million baht  Balance - million baht	Pricing are charged in the normal course of business and same practice with the outsider.
11. Electro Polymers (PVT)	1.Thai Stanley holding 10.06% 2. Common major shareholder as Stanley Electric Co.,Ltd. Holding 25 % 3.Common Director 1 person - Mr.Koichi Nagano	1. Selling goods   2. Royalty income	Purchased amount 7.13 million baht  Balance 0.08 million baht  Amount 1.26 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



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 2019			Balance as at 31 March 2020	
1. Guangzhou Stanley Electric (China)	Purchased amount	99.78	million baht	20.96	million baht
	Sold amount	0.09	million baht	-	million baht
2. Stanley Electric (Asia Pacific) (Taiwan)	Purchased amount	0.17	million baht	-	million baht
	Sold amount	-	million baht	-	million baht
3. Shenzhen Stanley Electric Co.,Ltd.	Purchased amount	104.67	million baht	16.77	million baht
	Sold amount	-	million baht	-	million baht
4. Stanley Electric US Inc. (U.S.A)	Purchased amount	0.66	million baht	0.11	million baht
	Sold amount	0.01	million baht	-	million baht
	Other income	-	million baht	-	million baht
5. Tianjin Stanley Electric Co.,Ltd. (China)	Purchased amount	0.39	million baht	0.01	million baht
	Sold amount	15.71	million baht	12.04	million baht
6. Shanghai Stanley Electric	Purchased amount	3.85	million baht	0.64	million baht
	Sold amount	-	million baht	-	million baht
7. Stanley Electric Do Brazil LTDA	Purchased amount	0.08	million baht	0.01	million baht
	Sold amount	35.53	million baht	35.91	million baht
8. Stanley Iwaki Works Ltd.	Purchased amount	16.66	million baht	-	million baht
	Sold amount	3.19	million baht	0.24	million baht
9. Stanley Electric (Asia Pacific) HongKong	Purchased amount	3.98	million baht	-	million baht
	Sold amount	-	million baht	-	million baht
10. Wuhan Stanley Electric Co.,Ltd.	Purchased amount	-	million baht	-	million baht
	Sold amount	18.18	million baht	6.17	million baht
11. Tianjin Stanley Electric Technology Co.,Ltd.	Sold amount	5.55	million baht	-	million baht
	Sold amount	-	million baht	-	million baht
12. Stanley Electric Manufacturing Co.,Ltd.	Purchased amount	-	million baht	-	million baht
	Sold amount	47.93	million baht	25.62	million baht

#### The approval for the related transactions

In Year 2019, 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 2019, 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 statements for fiscal year 2019 and the financial information ratio at page 19 - 57

### **13. Management Analysis and explanations**

#### **13.1 Overview results operations**

In 2019, The company's revenues and profits were relatively the same as those of the previous year from continued launches of new model both motorcar and motorcycle lamps throughout the year. The company's total revenues increased 3.40%, which was a bit better than the overall auto industry that slightly contracted due to the economic slowdown. This was largely witnessed through sales of domestic automobiles, which were decreased 3.28%, while export sales and motorcycle sales also decreased 7.6% and 3.9%, respectively

The company saw its profit slightly edged up by 1% due to increasing costs of investment as a result of production expansion, higher depreciation costs and costs of new products.

#### **Operating result and profitability**

In 2019, sales and service revenues accounted for Baht 15,150.09 million, increased 3.52%, or Baht 515.47 million, from the previous year. Details of the sales are as follows.

Domestic sales accounted for Baht 9,655.09 million, or 61.37% of total sales, decreased 6.64% and it also reflected from the industry. Export sales accounted for Baht 5,495 billion, or 34.93% of total sales and increased 28%, most of which were sales of new products to automakers in the Export Free Zone.

In terms of product categories, sales of Auto Bulbs total Baht 450.01 million or 2.97% of total sales and decreased 24.13% from the previous year. Sales of auto lamps accounted for Baht 13,897.49 million, or 91.73% of total sales and increased 0.86% from the previous year. Mold and design sales total Baht 802.58 million, or 5.30% of total sales,



which a significant increase of 204.97% from the previous year , following sales to automakers who had launched new models throughout the past year.

Other incomes total Baht 263.73 million, decreased 3.20% from the previous year, most of which were from gains on foreign exchange and interest incomes as a result of economic volatility. Incomes from dividends meanwhile increased 19.66%, which reflected healthy performances of companies we have invested in. Other incomes included revenues from sales of raw material and defect, tax refund from exports, and royalty incomes which were slightly down.

Costs of sales total Baht 12,339.31 million, or 81.45% of total sales , increase of Baht 474.78 million or a 4% increase from the previous year . Meanwhile, costs of sales rose in proportion to higher sales activities together with higher expenses of depreciation costs from new factory expansion.

Gross profit total Baht 2,810.78 million, or 18.55% of total sales and which increase 1.47% .

Sales and administrative expenses total Baht 947.58 million or 6.25% of total sales. This increase 2.13% , most of which were from increasing costs of royalties as a result of increasing sales.

Operation profits total Baht 2,126.93 million, or 14.04% of total sales and a slight increase of merely 0.58% from the previous year. Net profit meanwhile total Baht 1,997.50 million, or 13.18% of total sales and increased 1% from the previous year.

## Asset Management

### Total Assets

As of March 31, 2020, The company's total assets stood at Baht 20,369.93 million, an increase of 5.79% from the previous year . Details are as follows.

Current assets total Baht 7,990.14 million or 39.23% of total assets, which decreased 11.55% from the previous year. Current assets consisted of cash and cash equivalents total Baht 3,177.44 million or 15.60% of total assets and an increase by 90.04%; short-term investment held up to maturity total Baht 1.166 billion or 5.72% of total assets, which was decreased 67.83%; and trade receivables and other net receivables total Baht 2,633.16 million, or 12.93% of total assets and increased 3.29% from the previous year. All current assets decreased after the company continued to invest fixed assets to expand its business.

Net inventory total Baht 942.13 billion or 4.63% of total assets, which was decreased 14.33% from the previous year , most of which were work in process. This accounted for 54.87% of work in process in the mold factory.

Non-current assets total Baht 12,379.79 million, or 60.77% of total assets and increased 21.12% from the previous year . Net property , plant and equipment total Baht 9,517.13 million or 46.72% of the total assets, which increased 23.55% . During the past year, the company invested in the construction of mold plant and a research and development center, which are now completed. Meanwhile, the construction of the new Lamp 8 factory has started and expected to complete in late 2020.

The company's profit slightly increased from the previous year, leading to an increase of Return of Assets (ROA) by 10.08%, which was close to last year's 10.93%. Return on Fixed Assets total 37.14%, decreased from last year's 45.20%. Meanwhile, the Asset Turnover Ratio total 0.78, which was slightly down from last year's 0.82.

### Total Liabilities

#### Equity

Total liabilities were Baht 3,048.11 million, or 14.96% of total assets , decreased 7.29%. This was a result of trade payables and other payables following the company's investment in plant construction and purchases of raw and

other materials, which rose in proportion to additional production expansion and production activities. The Payable Turnover Ratio total 5.87, down from last year's 6.11.

#### Shareholders' Equity

Total shareholders' equity was Baht 17,321.82 million, or 85.04% of the total assets or an increase by 8.49% from the previous year. This drove the Return on Equity (ROE) slightly down to 12% compared to last year's 12.97%.

#### Liquidity and Capital Adequacy

Net cash and cash equivalents total Baht 3,177.44 million, which increased 90.04% from the previous year, that from to short-term investment held to maturity. This led to the liquidity ratio of 3.24, up from last year's 3.13, which was further separate to cash derived from operating activities total Baht 3,075.06 million, cash spent in investment activities total Baht 939.37 million and in financing activities following Baht 631.62 million dividend payment.

In 2019, the company invested in the Lamp 8 factory, which represented an additional investment to respond to a new technology-oriented production process at a time the auto industry was embracing the new electric car technology. In addition, the company invested in new mold required for producing new models of auto lamps.

#### Obligations relating to liabilities and management of obligations outside balance sheet

The company remains committed to using cashflow for investment and corporate expenses. In other words, we are not focusing on borrowing. During the past year, we did not record any loan or interest expense liabilities. Our liabilities were limited to trade payables and normal payables resulting from our operation. The Debt to Equity ratio stood at 0.18, which was slightly down from last year's 0.21, due to new construction and increasing purchases of raw materials. However, the ratio was considered very low considering that the level of debt was very small compared to the asset size.

### 13.2 Factors or incidents that may materially affect future financial position/operation

The economic condition and the auto industry outlook are major factors directly affecting our operation. At present, both local and global economy are experiencing a major meltdown as a result of Covid-19, whose effect is widely felt by every sector. The situation requires closer and continued monitoring and we have started to exercise cost-cutting measures to adapt to the circumstance.

The company continues to focus on and have supported budget for research and development of new products. Customers continue planning to launch new products while we have been trusted to produce their lamps.

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

# MILESTONE

(1980 – 1994 Establishment and growth)

1980	May	Establishment and registration of the Company in Bangkok for the purpose of manufacturing and selling automotive bulbs with and initial capital of 10 million baht under investment.
1981	April	Completion of Auto Bulb factory and Increased capital to 18 million baht.
1984	July August	Increased capital to 36 million baht. Received investment promotion from The Board of Investment to manufacture Lighting Equipment and completion of factory for Lighting Equipment.
1987	April October	Increased capital to 44.5 million baht. Received investment promotion from The Board of Investment to manufacture Die & Mold plant , Increased capital to 53 million baht.
1988	March April	Investment in a new company (Asian Stanley International Co.,Ltd.) Completion of Die & Mold factory.
1989	November	Increased capital to 153 million baht.
1990	February  July November	Received investment promotion from The Board of Investment to expanding Die & Mold factory  Received investment promotion from The Board of Investment to expanding Auto Bulb factory. Completion of new factory for Lighting Equipment (Lamp1)
1991	April May June November	Increased capital to 175 million baht. The Company was listed in The Stock Exchange of Thailand. Completion of head office building. Received investment promotion from The Board of Investment for establishment Research & Development Center.
1993	July  September  October November  December	Registered transform to The Public Company Limited and increased capital to 274.5 million baht and changed name to Thai Stanley Electric Public Company Limited.  Signed technical assistance agreement with Electro Polymers (PVT.) Ltd. In Pakistan to produce automotive lighting equipment.  Establishment of The Stanley Thailand Foundation registered capital 200,000 baht. Signed Joint Venture agreement for establishment of Lao Stanley Co.,Ltd. In Lao People's Democratic Republic. Completion of expanding Lighting Equipment factory.
1994	October	Participated of equity for Sum Hitechs Co.,Ltd. , Sirivit Stanley Co.,Ltd. And Lumax Industries Limited.

**(1995 – 2012 The completely integrated manufacturer of automotive lighting )**

1995	May	Signed Joint Venture agreement of establishment of Top Hightech (Thailand) Co.,Ltd. Increased capital to 383.125 million baht.
	June	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" form The Stock Exchange of Thailand.
2005	April	Received "Best Corporate in Social Security Cooperation Award" from Office of Social Security , Pathumthani 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.
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" form 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 fourth 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 Certified Completion Level (TLS.8001-2003) form 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.
2009	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.
	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.
2010	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 fourth 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 fourth year in a row.
	May	Received Best Employer of Pathumthani and Best Employer of Safety in Working Place.
2011	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.
	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.
2012	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.
	June	Completion Lamp 7 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.
2013	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 – 2020 The manufacturer of automotive lighting to maintain strongly management )**

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 tenth year in a row.
		Participated of equity for Pracharat Rak Samakkee Pathumthani (Social Enterprise ) Company Limited
2017	August	The company has won the royal trophy from Her Royal Highness Princess Maha Chakri Sirindhorn as The Thailand Labour Management Excellence Award 2017 from The Department of Labor Protection and Welfare , Ministry of Labour for excellent performance
	August	Received "The Best Performance Company of Safety , Occupational Health and Working Environment Award 2017" from Ministry of Labour for the fourteenth year in a row.
	September	Received "An Outstanding Establishment in the year 2017 for achievement on Labour Relations and Welfare Relations Award" (for the twelfth year in a row)." from Ministry of Labour .  Received Zero Accident Award 2017 (Gold)

2018	April	Received Excellence Award in ASEAN – OSHNET Award from The ASEAN – OCCUPATIONAL SAFETY AND HEALTH NETWORK (ASEAN-OSHNET) at Siem Reap , Cambodia
	August	Received "The Best Outstanding Model Company of Safety , Occupational Health and Working Environment Award 2018 (for the fifteenth year in a row)." from Ministry of Labour .  The Her Royal Highness Princess Maha Chakri Sirindhorn visited Thai Stanley at Head Office , Safety Dojo , RD Center and Lamp 7 plant.
	September	Received "An Outstanding Establishment in the year 2018 for achievement on Labour Relations and Welfare Relations Award" (for the thirteenth year in a row)." from Ministry of Labour .
2019	January	Completion of Lamp 7 extension factory.
	July	Completion of New Die & Mold factory and R&D Center (DMT).
	August	Received "The Best Outstanding Model Company of Safety , Occupational Health and Working Environment Award 2019 (for the sixteenth year in a row)." from Ministry of Labour .  Received "An Outstanding Establishment in the year 2019 for achievement on Labour Relations and Welfare Relations Award" (for the fourteenth year in a row)." from Ministry of Labour .
	November	Investment in share of Electropolymers (Private) Limited , Pakistan
2020	March	Completion of renovation in Welfare building consisting of a cafeteria, gymnasium and education room



บริษัท ไทยสแตนเลย์การไฟฟ้า จำกัด (มหาชน)

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Thai Stanley Electric Public Company Limited