



**FORM 56-1**

**FISCAL YEAR 2015**

**(1 April 2015 – 31 March 2016)**

**Thai Stanley Electric Public Company Limited**

## Content

		<b>Page</b>
<b>Part 1</b>	<b>Business Overview</b>	
	1 Policy and Business Overview	1
	2 Conduct of Business	4
	3 Risk Factors	14
	4 Asset for used in Business Operation	17
	5 Legal Disputes	18
	6 Company Information	19
<b>Part 2</b>	<b>Management and Corporate Governance</b>	
	7 Structure of Securities holding and Management	22
	8 Management Structure	24
	9 The Corporate Governance	29
	10 Social Responsibility	46
	11 Internal Control and Risk Management	59
	12 The Related Transaction	61
<b>Part 3</b>	<b>The Financial Position and Operation result</b>	
	13 Financial Statement	68
	14 Management Analysis and explanations	74
	Certified the accuracy of the information	
Attached 1	List of Directors, Managers, and experience	
Attached 2	List of Director of Subsidiary Company	
Attached 3	Chief of Office of Internal Audit	
Attached 4	Details on the Asset Valuation list	

## **Part 1 Business Overview**

### **1. Policy and Business Overview**

#### **1.1 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.

#### **1.2 Background**

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

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

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

The company entered into a joint venture in establishing new companies: Lao Stanley Co., Ltd. and Vietnam Stanley Electric Co., Ltd. Stanley Electric Engineering India PVT Ltd. PT. Indonesia

Stanley Electric, that also took shares in various companies, such as Inoue Rubber (Thailand) Public Company Limited, Sum Hitechs Co., Ltd. (in 2015 the company sold shares to major shareholder of Sum Hitechs Co.,Ltd.) Sirivit 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

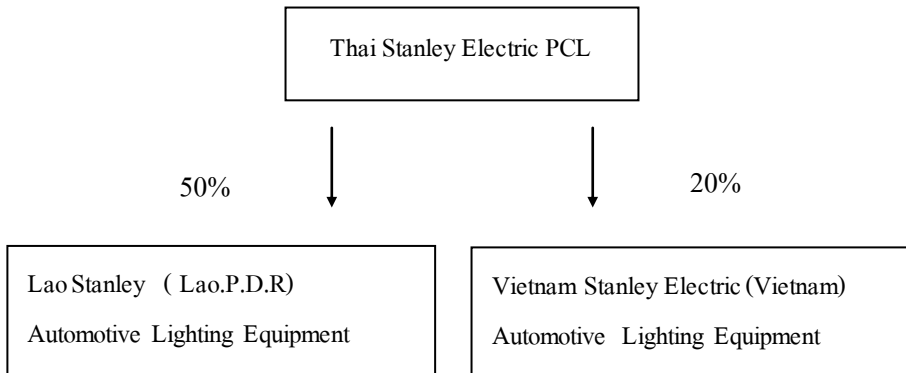
During year 2011 – 2013 Thailand's auto industry development and growth, respectively, but in the years 2011 have fluctuated dramatically from mega flooding in the central of Thailand impact on the automotive manufacturers and parts suppliers, the production and interruption and in 2012 from the needs 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 – 2015 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 have continued to grow slightly. the automotive manufacturers including companies as part manufacturers have tried hard to remedy the situation and results of operations.

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

**1.3 Company group holding structure**

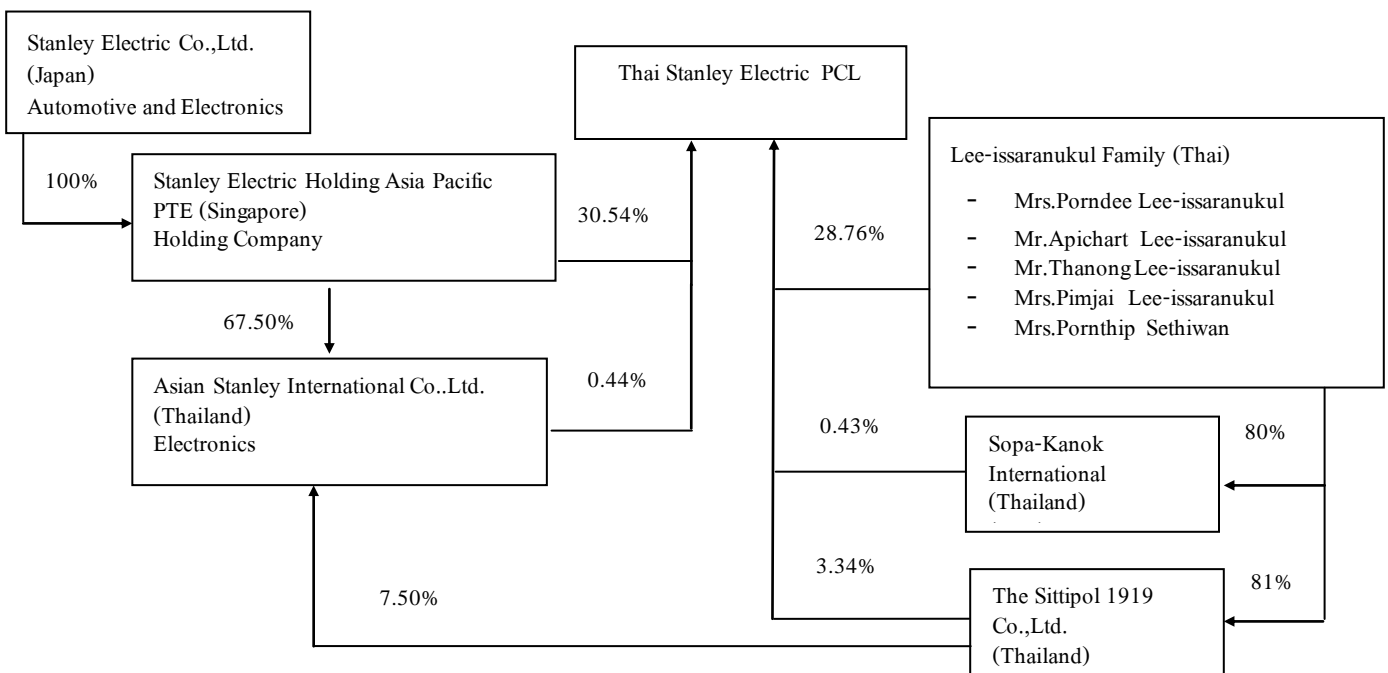
The company has 2 related company that manufacture of Lighting Equipment are Lao Stanley Company Limited and Vietnam Stanley Electric Company Limited which is in the business of lighting equipment. The operations and management based on the consideration of the Board of Directors of each company based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



**1.4 Major shareholder group Relationship**

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

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



## 2. Conduct of business

The company currently manufactures and market auto bulb, automotive lighting equipment and dies & molds. The business segment information for dies & molds, which is different from auto bulb, automotive lighting, has not been separately reported as the sales of this segment represent only 6.27% of total sales.

### Income Structure

(The Equity Method)

Revenues	31 March 2016		31 March 2015		31 March 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic Sale Revenues	7,629.77	67.36	7,128.31	71.41	7,637.36	70.99
Export Sale Revenues	3,042.45	26.86	2,395.52	24.00	2,631.26	24.46
Total Sale Revenues	10,672.22	94.22	9,523.83	95.41	10,268.62	95.45
Dividend Income	9.37	0.08	10.85	0.11	41.77	0.39
Gain on Exchange Rate	19.37	0.17	22.47	0.23	7.02	0.07
Gain on sale of long term investment	261.91	2.32	-	-	-	-
Other Income	146.64	1.29	255.92	2.56	310.38	2.89
Share of profit from investment in Associate	217.35	1.92	168.53	1.69	130.55	1.21
Total revenues	11,326.86	100.00	9,981.60	100.00	10,758.34	100.00

### 2.1 Nature of products

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

There are 2 core products:

- Auto Bulb the company manufactures bulbs for automobiles, such as Bulb T19, G18, RP30, S25 to assemble a collection of various types of automotive lamps are available sales through local dealers and sale export to Stanley group company and for supporting to production and assembly a set of automotive lamps.

- Lighting Equipment lamps, the company manufacturing in the automotive parts such as Head Lamp, Rear Combination lamp or Tail lamp, Stop lamp, Signal Lamp and Room Lamp that jointly developed with automotive manufacturer in specific models.

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

-Dies & molds in support of the core business and for sale to other industrial operators. The details of the dies & molds segment are not identified in this filing because their sales account for only 6.27% 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

**2.2 Market and competition**

**a. Policy and marketing**

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

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

Distribution channels and customer base

1. Local channels

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

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

## 2. International channels

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

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

In 2015, The company had domestic sale approximately 71.49% of the company total sale, decreased 7.03% from the previous year which was the automotive industry in stagnation of economic conditions and export sales approximately 28.51% of the company's total sales, decreased 27.01% that sale to foreign customers are in Asia, Europe and the USA.

### **b. Competition situation**

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

In the local automotive lighting equipment industry, the competition is limited with very few market players. Basically, there are only three manufacturers in Thailand, i.e. the Company, Thai Koito Co., Ltd and Ichikoh Industry (Thailand) Co.,Ltd. However, the Company is the larger manufacturer and in terms of competition, the Company definitely has the edge over its competitor because the Company's business integrates research and development, design, moulding, manufacturing, assembly and quality control. As regards cost, the Company can take advantage of its being a listed company by obtaining lower cost financing through the Stock Exchange of Thailand, compared with its competitor.

The barriers to entry are high for the following reasons:

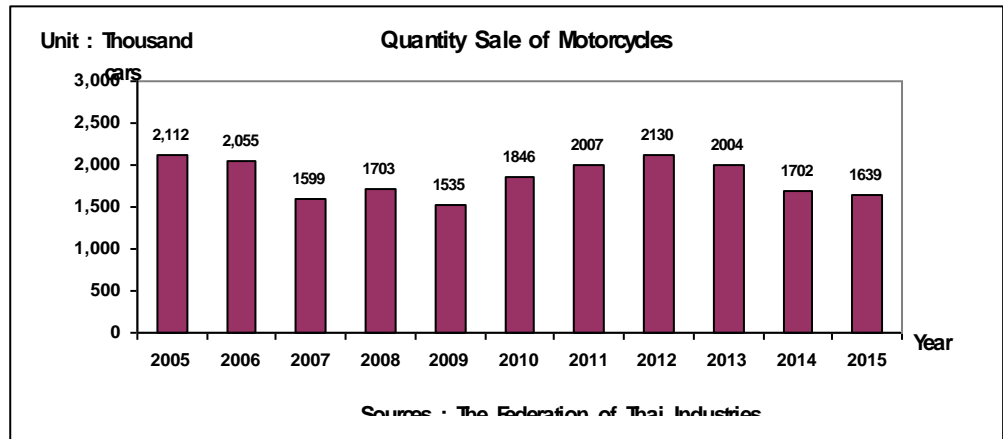
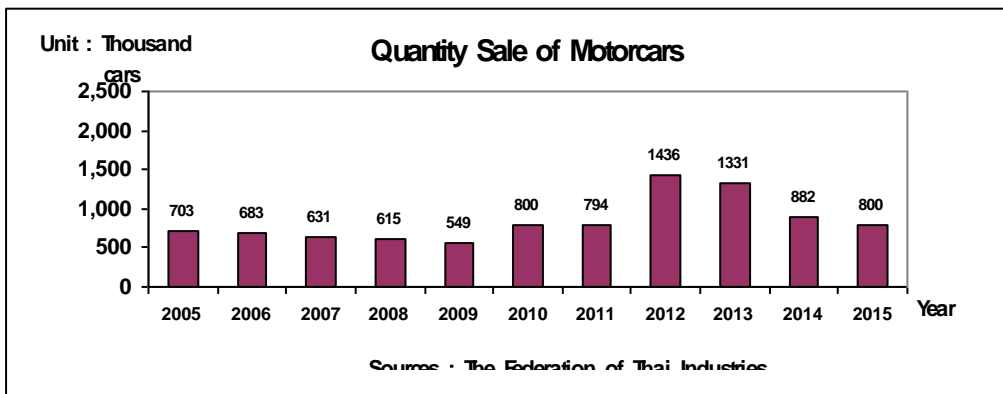
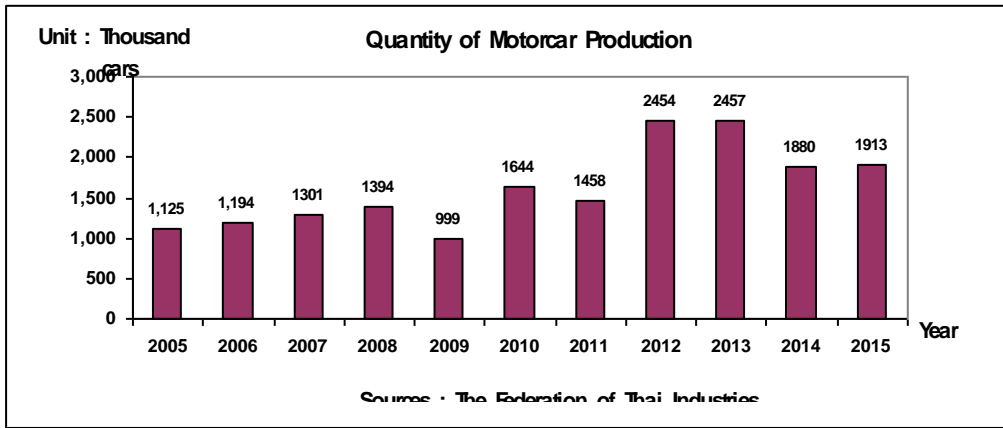
1. Significant investment is needed to acquire the costly machinery, tools and devices, including the equipment for quality testing.
2. The specialist training for workers is expensive and time-consuming.
3. The business naturally relies on specialised technology and must conform strictly to each country's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

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

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

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

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



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

In 2015 the automotive industry , sales continued to decline from year end 2556 due to the overall economy in the doldrums but there are good prospects of auto production increase in certain types of pickups modified (Pick up Passenger Vehicle - PPV) multi-purpose vehicles (Sport Utility Vehicle - SUV).

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.

### 2.3 Supplies and services

#### a. Manufacturing and raw material

The Company has three manufacturing plants as follows:

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

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

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

All production from customers' orders

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

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

The Company currently acquires 66% of materials from local suppliers and 34% 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 2016		31 March 2015		31 March 2014	
	Amount	%	Amount	%	Amount	%
Local	3,233.56	66.37	2,843.71	68.15	2,069.87	64.36
Foreign	1,638.56	33.63	1,329.05	31.85	1,146.36	35.64
Total	4,872.12	100.00	4,172.76	100.00	3,216.23	100.00

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

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

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

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

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

b. Environmental impacts

In every production process , The Company to 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.

## **2.4 Undelivered Projects**

- None -

## **3. Risk factors**

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

The Company structure of risk management systems, as follows.

- The executive responsible for the oversight of risk management .

- Provide executive level of risk management committee. The President is the Chairman of the Committee , to perform risk and crisis response. The preparation and management of information. (Security) social activities , prevent the problem recurring , and the drafting and verification of risk management policy and report such action to the Board of Directors of the Company.

Risk Management Committee has prepared a guide to determine how the risk control environment risk is expected to affect the company's operations , such as , the risk of shutting down production due to machinery and equipment. The risk of stopping deliveries from suppliers. Product quality risks Risk of computer systems and data. Risk of utilities Environmental and safety risks.



Including risks arising from the misconduct of individuals in the company. To accommodate risks and crisis that quickly , and requires the verification of the control such condition each year.

To establishment of the Business Continuity Plan (BCP) in case of crisis from approval by The Risk Management Committee , to served unified response to the crisis so that they can continue to operate and manage the risks linked with Stanley Electric Co., Ltd.. Japan.

The company has reviewed the requirements for the risk management . To provide for the obligation to deliver to customers the ability to perform perfectly and can operate continuously. It is conjectured that the risks facing the company substantially. There are measures to prevent losses due to such risks , including ensuring the safety in the event of a crisis. And the subsequent management measures to limit losses in the least and have performed simulations flood crisis. Start from the implementation of management responsible for risk oversight ,the Risk Management Committee 's operation and establishment of the Business Continuity Plan and various operations to normal levels. So that all departments understand the role and the simulation results to improve the risk management plan of each agency accordingly with the cooperation of the Stanley Electric Co., Ltd., Japan to advise such simulations.

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

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

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

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

2. Risk caused from foreign exchange rate and loan

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

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

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

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

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

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

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

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

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

#### 4. Assets for used in Business Operation

##### 4.1 The main aspect of the company's fixed assets used in the business.

Type of Asset	Ownership	Amount (Million Baht)	Obligation
1.Land and Land Improvement Total 186 rai 79.2 square wah	owner	1,230.38	-
2. Office Building , Net	owner	250.45	-
3. Factory Building , Net	owner	596.13	-
4. Machinery and equipment , Net	owner	3,459.13	-

Total assets are at 29/3 Moo 1, Bangpoon-Rangsit Road, Ban Klang Sub-district, Muang District, Pathumthani Province

##### 4.2 Investment policy relating to subsidiaries and associates

On 31 March 2016, the Company's investments in its subsidiaries and associates in the automotive lighting business totalled Baht 759.13 million, or 5.27% of its total assets. The Company expects to increase its investments in this business in the next three years. However, the combination of actual and future investments is capped at 10% of its total assets.

## 5. Legal Disputes

-None

## 6. Company Information

### 6.1 General Information

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

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

No	Name/Address/Type Of Business	Capital Registered	Amount Of Number Of Share Hold	Investment Ratio(%)
1.	Lao Stanley Co.,Ltd. KM.7 Luangprabang Road, Vientiane, Laos - Manufacturer of automotive lighting equipment Telephone : 85621 222171-3 Facsimile : 85621 222174	USD 500,000	USD 250,000	50
2.	Vietnam Stanley Electric Co.,Ltd. Hanoi , Vietnam - Manufacturer of automotive Lighting equipment Telephone : (844) - 8 534546 Facsimile : (844) -8 531337	USD 8,300,000	USD 1,660,000	20

No	Name/Address/Type Of Business	Capital Registered	Amount Of Number Of Share Hold	Investment Ratio(%)
3.	Top Hightech (Thailand) Co.Ltd Saha Ratana Nakorn Industrial Park , Ayuttaya - Manufacturer,sell,assemble plastic goods and Assemble light resolution molds Telephone : (035) 364-051 Facsimile : (035) 364-052	35.9 Million baht	5 million baht common stock 5,000 shares	13.93
4.	Asian Stanley International Co.,Ltd 48/1 M.1 Kukwang Ladlumkaew , Pathumthani - Manufacturer of lighting emitting diodes (LED) and camera flashes. Telephone :0-2599-1260 Facsimile : 0-2599-1263	400 Million baht	60 million baht common stock 600,000 shares	15
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

(3) Reference

Registrar

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

Auditor

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

Law Consultant

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

**6.2 Other data**

- None

## Part 2 Management and Corporate Governance

### 7. Structure of Securities holding and management

#### 7.1 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

#### 7.2 Shareholders

(1) Major shareholder list

(A) Top ten shareholders as at the last closing book date June 9, 2015.

Shareholder Name	Number of Share (Share)	% of holding
1.Stanley Electric group	23,737,250	30.98
- Stanley Electric Holding Asia-Pacific PTE	23,402,750	30.54
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,625,496	29.53
- Mrs.Porndee Lee-issaranukul	7,695,876	10.04
- Mr.Apichart Lee-issaranukul	4,500,036	5.87
- Mr.Thanong Lee-issaranukul	3,208,920	4.19
- Mrs.Pimjai Lee-issaranukul	2,175,670	2.84
- Mrs.Pornthip Sethiwan	2,162,670	2.82
- The Sittipol (1919)	2,556,074	3.34
- Sopa-Kanok International Co.,Ltd.	326,250	0.43
3.BNP Paribas Securities Services, London Branch	2,460,500	3.21
4.The Hongkong and Shanghai Banking Corporation Limited	1,970,600	2.57
5.Thai NVDR Co.,Ltd.	1,914,910	2.50
6. Aberdeen Growth Fund	1,550,100	2.02
7.AIA Company Limited, AIA-D-PLUS	1,540,000	2.01
8. Aberdeen Small Cap Fund	1,499,100	1.96
9.Aberdeen Long Term Equity Fund	1,424,400	1.86
10.Mr.Kenneth Rudy Kamon	1,303,800	1.70



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

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

Shareholder Name	Number of Share (Share)	% of holding
1.Stanley Electric group	23,737,250	30.98
- Stanley Electric Holding Asia-Pacific PTE	23,402,750	30.54
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,625,496	29.53
- Mrs.Porndee Lee-issaranukul	7,695,876	10.04
- Mr.Apichart Lee-issaranukul	4,500,036	5.87
- Mr.Thanong Lee-issaranukul	3,208,920	4.19
- Mrs.Pimjai Lee-issaranukul	2,175,670	2.84
- Mrs.Pornthip Sethiwan	2,162,670	2.82
- The Sittipol (1919)	2,556,074	3.34
- Sopa-Kanok International Co.,Ltd.	326,250	0.43

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

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

### 7.3 Other Securities

-None

### 7.4 Dividend payment policy

The dividend payment policy of the company is that the rate of dividend payment of the Company is not less than 30 per cent of the net profits deduction of tax. (The Company Only)

Fiscal Year	2010	2011	2012	2013	2014
Earning Per Share (Baht)	18.63	9.48	21.18	19.41	15.11
Dividend Per Share (Baht)	6.50	3.00	6.75	6.00	4.80
Dividend Raito (%)	36.37	36.61	33.72	32.51	34.53

## 8. Management Structure

### 8.1 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	5	5
Mr. Koichi Nagano *	President	5	5
Mr. Thanong Lee-issaranukul *	Director	5	4
Mr. Katsumi Sumiya*	Director	5	5
Mrs. Pimjai Lee-issaranukul	Director	5	4
Mrs. Pornthip Sethiwan	Director	5	4
Mr.Krisada Visavareeranon	Independent Director and Chairman Audit Committee	5	5
Mr. Chokechai Tanpoonsinthana	Independent Director and Audit Committee	5	5
Mr. Suchart Phisitvanich	Independent Director and Audit Committee	5	5
Mr. Picham Sukparangsee	Independent Director	5	5
Mr.Katsutoshi Iino ***	Director	5	2 (by TV Conference)
Mr. Toru Tanabe ***	Director	5	2 ( by TV Conference )

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

\*\*\* Director worked at Japan.

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

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

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

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

Total numbers of Board of Directors meetings held in 2015 are 5 times. At every meeting, adequate details in the form of supplementary documents will be sent out to the board members to study in advance. According to attendance record, 10 out of 12 members that working in Thailand had attended meeting every time (100%) 7 person or 70% , attended meeting 4 time (80%) are 3 person ( 25%) , attend the meeting 2 times (40%) are 2 person (17%) that who stay in oversea had attended the meeting via TV Conference .

## 8.2 The Executive Board

The executive directors meeting will be held 4 times a month and there might be additional meeting if necessary. Management or involved person might be invited to give information directly to the meeting . On March 31,2016 the executive board name list are 6 persons as follows

1. Mr. Apichart Lee-issaranukul	Executive Chairman and Executive General Manager Administration Division
2. Mr. Koichi Nagano	President
3. Mr. Katsumi Sumiya	Director and Executive General Manager Lighting Equipment Division
4. Mr. Hideki Matsui	Executive General Manager - Marketing Division
5. Mr. Nobuhiro Takahashi	Executive General Manager - Die & Mold Division
6. Mr. Koji Kobayashi	Executive General Manager - R&D Center

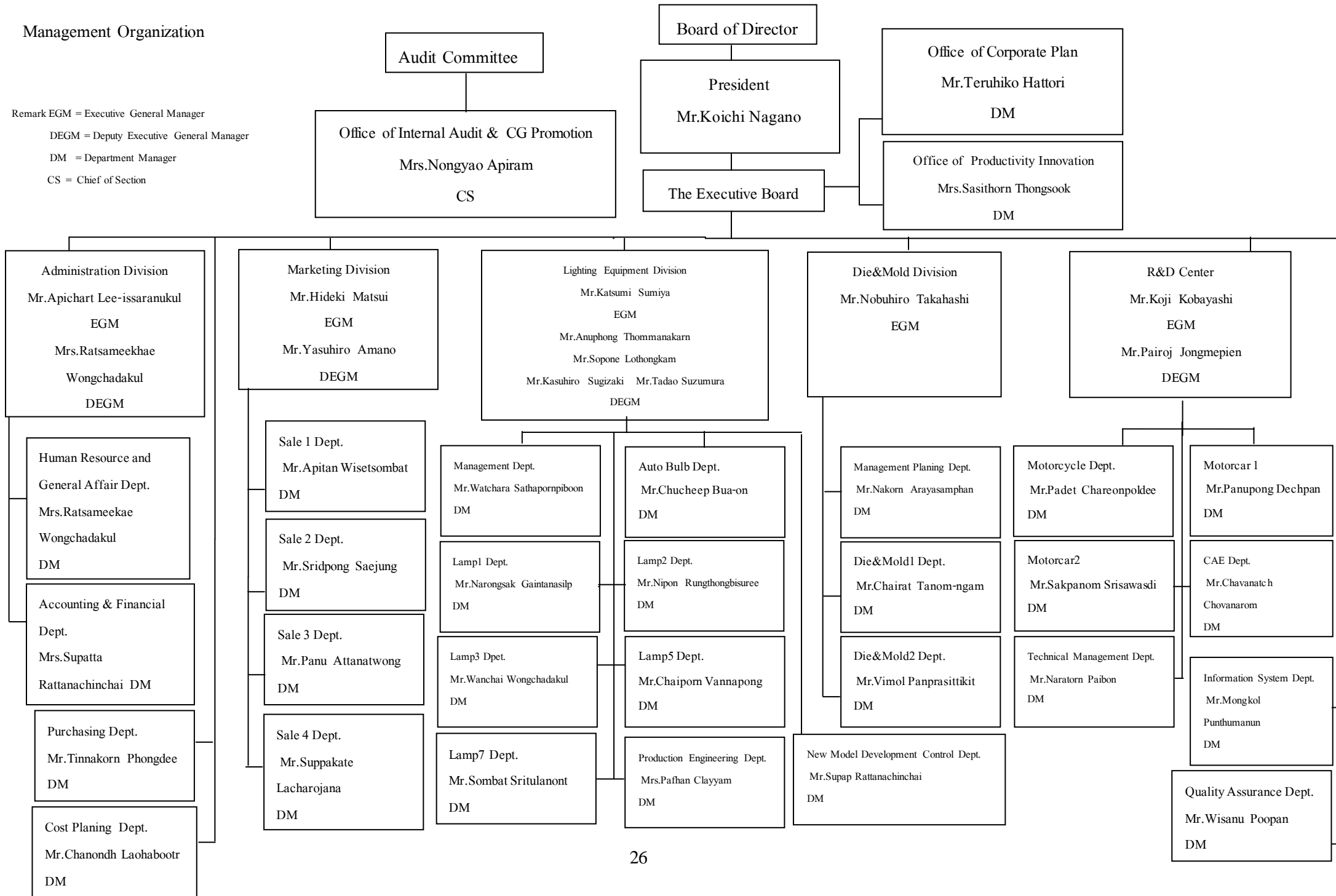
Management Organization

Remark EGM = Executive General Manager

DEGM = Deputy Executive General Manager

DM = Department Manager

CS = Chief of Section



### 8.3 Company Secretary

The Board of Directors has appointed Mrs. Sudjai Srifuengfung. Held the position of company secretary Since July 4, 2008 by the properties of the incumbent secretary of the Company is as attached document 1

### 8.4 Remuneration for the company's management

#### (1) Remuneration in cash

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

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

#### (A) The Board of director remuneration for 2015 , details as follows

Name	Position	Director Fee (Baht)		
		Director	Audit Committee	Total
Mr.Apichart Lee-issaranukul	Executive Chairman	205,000		205,000
Mr.Koichi Nagano	President	205,000		205,000
Mr.Thanong Lee-issaranukul	Director	200,000		200,000
Mr.Katsumi Sumiya	Director	205,000		205,000
Mrs.Pimjai Lee-issaranukul	Director	200,000		200,000
Mrs.Pornthip Sethiwan	Director	200,000		200,000
Mr.Krisada Vissavateeranon	Independent Director and Audit Committee Chairman	205,000	405,000	610,000
Mr.Chokechai Tanpoonsinthana	Independent Director and Audit Committee	205,000	285,000	490,000
Mr.Suchart Phisitvanich	Independent Director and Audit Committee	205,000	285,000	490,000
Mr.Picharn Sukparangsee	Independent Director	205,000		205,000
Mr.Katsutoshi Ino *	Director	190,000		190,000
Mr.Toru Tanabe	Director	190,000		190,000
<b>Total</b>		<b>2,415,000</b>	<b>975,000</b>	<b>3,390,000</b>

Remark Company only has Audit Committee

### The executive board remuneration

In year 2015 the company paid the remuneration for executive board as salary and bonus to 6 person amount 44.52 million baht

**(2) Other remuneration**

-None

**8.5 Personal**

Total employees as at March 31st , 2016 were 3,055 persons . The company paid for employee’s remuneration in year 2015 were 1,274.70 Million Baht as salary , bonus , provident fund and other welfare such as Public transportation , Shift expense and Medical expense , details as follows;

Division	Male	Female	Total
Administration	51	59	110
Marketing	17	25	42
Production	1,568	1,308	2,876
Japanese	27	-	27
Total	1,663	1,392	3,055

The number of employees decreased 4% from last year, during 3 year the number of employee are in this level that not any significant changing .

Policy of personal ‘ s development

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

That for 3 years ago, the Company does not have any conflict or dispute with employees and the company was awarded the Outstanding Labor and Welfare Labor 10 years continuously since 2007 – 2015 certification system and standard of Thai workers. (MRT. 8001-2546) complete level from the Ministry of Labor.

## **9. The Corporate Governance**

### **9.1 The corporate governance policy**

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

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

### **9.2 Director**

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

#### The Board of Directors

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

Board of Directors as of 31 March 2015 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 Board of Directors

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

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

#### The Executive Board of Directors

Consist of 3 directors and 4 executives , The role and responsibility is to develop policy and direction and inspect the implementation

#### Authority of the Executive board

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

#### Audit Committee

Consisting of 3 independent directors; one of those has enough knowledge and adequate experience to review the reliability and accuracy of financial statement. Role and responsibility is clearly stated in the audit committee charter, amended for additional roles on 24 October 2008 to be in accordance with the notice from Stock Exchange of Thailand subject: Qualification and scope of work for audit committee B.E.2551.



Authorities of audit committee are as follow

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

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

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

Mr.Chokechai Tanpoonsinthana

2003 - Present Independent Director and Audit Committee Chairman

Advance Information Technology PCL.

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

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

2008 - 2011 Audit Committee Chairman United Securities PCL.

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

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

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

Total numbers of audit committee meetings held during fiscal year 2015 are 9 times. Details of meetings are as follows:

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

Name	Position	Board of Director Meeting	
		Number of Meeting	Number of Attend the Meeting
Mr.Krisada Visavareeranon	Independent Director and Chairman Audit Committee	9	9
Mr. Chokechai Tanpoonsinthana	Independent Director and Audit Committee	9	9
Mr. Suchart Phisitvanich	Independent Director and Audit Committee	9	9

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

#### (1) Independent Director

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

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

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

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

4. Do not have and have not any business relationship with the company, subsidiaries, associated companies, major shareholders or those exercising control over the company in the manner

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

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

5. Is not and has not been an auditor of the company, subsidiary, associated company, major shareholder or those with controlling power over the company and not be and have not been a substantial shareholder of , a person having power to control over , or a partner of any auditing firm or office in which the auditor of the auditor of the company , subsidiary , associated company , major shareholder or those with controlling power over the company unless such an independent director has not been a person referred to above for at least two years.

6. Is not and has not been a professional advisor , including legal or financial advisor who obtains fee more than 2 million baht a year from the company , subsidiary , associated company , major shareholder or those with controlling power over the company and is not and have not been a substantial shareholder of , a person having controlling power over , or a partner of any of such

professional service provider firm or office , unless such an independent director has not been a person referred to above for at least two years.

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

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

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

Process of recruiting independent directors

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

Business relationship of independent directors - Have , 1. The company paid for law service to Bangkok Global Law Offices that Mr.Picharn Sukparangsree be director in amount 0.46 million baht , this transaction was not over than the company ‘s definition .

**(2) The Nomination of Directors and top management**

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

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

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

3. Persons who obtain the highest vote and the next highest vote appoints (in descending order) shall be appointed as directors in order to fill the number of position of director required to be appointed at that time. In the case where more than one person obtains equal votes , and the number of directors with such vote exceeds the remaining number of directors positions to be appointed, the chairman shall have a casting vote in respect of those with equal votes.

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

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

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

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

#### **9.4 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

## **9.5 Internal information controlling**

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

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

In 2015, the Company increased its information security by prohibiting the visitors to the Company from photographing within the Company's premise without approval. Furthermore, no audio recorders, communication devices, and cameras shall be allowed in tight security areas such as Research and Development Department, New Product Development Department, and Production Engineering Department

## **9.6 Auditor's remuneration**

### **A. Audit fee**

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

### **B. Other service fee**

Reviewing compliance with conditions of BOI promotion certificate amount 0.23 million baht.

## **9.7 Other practice from the corporate governance**

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

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

### **1. Rights of Shareholders**

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

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

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



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

### The Invitation Letter

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

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

### Facility

The company will arrange commuting transportation as facilitation for shareholders.

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

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

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

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

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

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 inquires 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.

In year 2015 the company invited the shareholders to proposed the agendas in advance for the 2015 Annual General Meeting since January 15 to April 16, 2015 that there was no any proposal 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 The board has developed prevention measure of using internal information as follows: None of director, executive, or employee can use internal information for the sake of personal benefits. Employees working in department involving with internal information, executive, and director are prohibited from trading the company securities for 1 month before the disclosure of financial statement or information to public and within 24 hours after the disclosure hereof. This rule is described in the code of conduct for the board and employees. The rule also specify that director, executive, and

accounting manager is obliged to declare the number of shares they own to the board of directors every time during the board of directors meeting.

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

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

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

2.6 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.

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

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

3.1 Customers , Most of the company products are sold to automaker; therefore, the company's customers mean the purchasers of the products and the end-users as well. Customer policy is as follows:

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

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

The company sets up 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.

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

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

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

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

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

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

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

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

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

#### 3.4 Shareholders

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

#### 3.5 Society and Community

The company recognizes the importance of society and local communities that the company have become a part of society , so from founding to the present the company has met with representatives of local communities, 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 Annual Report

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

### **4. Disclosure and Transparency**

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

#### 4.1 Information Policy

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

#### 4.2 Communication

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

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

In addition, the company has appointed Investor Relations officer; in charge of providing general news and respond to inquiries, coordinating with staff or involved person to provide news and answer to inquiries, monitoring financial and information reporting system notified to various regulatory agencies. To contact Investor Relations, please call 02 581 5462 ext.1164 or [info@thaistanley.com](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 year 2014 , Mr.Suchart Phisitivanich , Independent Director and Audit Committee attend the seminar ‘ The Challenge of Audit Committee with finance and non financial data ’ arranged by The Securities and Exchange Commission on February 11 , 2015

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

In 2014, the board has done self- performance evaluation , in overall, covering all roles and responsibilities of the committees, since 2007 until end of accounting period as of 31 March 2015, based on May 2015 evaluation, the result is Very good and the result, notices, and suggestions shall be taken into account to improve the performance of the board in the future.

## **10. Social Responsibility**

### **10.1 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.

### **10.2 Operation and report**

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

The company disclose Social Responsibility report from eight principles of sustainability and social responsibility guidelines of the Company that issued by the Stock Exchange of Thailand. The



issues revealed through consideration of the management that show on this annual report page and company website [www.thaistanley.com](http://www.thaistanley.com)

In 2015 The company operation of social responsibility is as follows.

### **1. Fair Business Operations**

The Company conducts its business with honesty and integrity and in accordance with moral and ethical principles. The Company has adopted the Code of Conduct for directors and employees at every organizational level to use as a guideline in carrying out their duties with honesty and integrity and in compliance with applicable laws and regulations.

The Company has printed and distributed moral and the code of conduct to directors and employees, including via internal communication; moreover, the ethical code of conduct for directors and employees is included in the annual new employee orientation course.

In 2015, in order to ensure the Company's business ethics, the Stanley Group also established the Stanley Group Code of Conduct for our employees to abide by.

#### Fair competition

The Company complies with the rules of fair competition. Although not many companies have operated automotive lighting business, the Company will exercise considerable care to avoid any act that may lead the Company to gain market monopoly, reduce competition, or eliminate competition.

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

#### Respect for proprietary rights of other entities

The Company takes its customers' secrets seriously. The customer owns the exclusive rights of the product designed and developed together by the customer and the Company. The Company shall assign a responsible person for each product to oversee its design, production, and delivery.

The Company has adopted the Information Security Policy to ensure the protection of the Company's information and customers' secrets. The Company's IT manages information access and computer equipment and programs. The policy is reviewed and evaluated at least once every year by the IT manager to present to the Risk Management Committee and Board of Directors. Additionally, the Internal Audit Office will also conduct an audit on information security every year.

In 2015, the Company increased its information security by prohibiting the visitors to the Company from photographing within the Company's premise without approval. Furthermore, no audio recorders, communication devices, and cameras shall be allowed in tight security areas such as Research and Development Department, New Product Development Department, and Production Engineering Department.

#### Social Responsibility Promotion among Stakeholders within the business chain

The Company supports and participates with stakeholders, including customers and suppliers, in activities related to CSR. Presently, Company stakeholders prioritize and increasingly implement CSR activities i.e. environmental activities, application to ISO14001 standards etc. The Company actively participates in such activities and promotes stakeholders' news to employees.

#### Responsible Political Involvement

The Company has established policies that forbid political involvement; however, the Company does not limit the rights of its employees but enables the use of legally permitted political rights. The Company permits employees to request leave in advance for election rights without deducting working hours.

During 2015, the Company has neither been accused nor penalized for violation of various laws or regulations.

## **2.Anti – Corruption**

The Company has established the following Anti-Corruption policies which are considered business ethics: All forms of corruption are strictly forbidden among directors, executive management, and employees including entities relevant to company operations; this covers offering, promising, soliciting, demanding, and giving or accepting bribes and other forms of incentives including assigning other parties to give or receive bribes or incentives on behalf of oneself concerning company interests and operations. Over the past year, the Company has provided training courses in business ethics as part of the general business knowledge course provided by the Company to all new employees.

The Department manager of each department has a duty to assess and test matters in this regard together with matters concerning risk in various areas and to duly notify the Risk Management Committee once per year at the minimum; furthermore, internal audit agencies assess this matter

annually and present the results at the meetings of Audit Committee and Board of Directors respectively.

The Company imposes severe penalties for corruption in the line of duty by termination of employment without compensation following consideration by the Award & Punishment Committee; during the past year, upon corruption risk assessment, the Company has not found any significant risk. The Company has declared its intention to join Thailand's Private Sector Collective Action Coalition Against Corruption. It is currently preparing the necessary documents to submit for certification, which is expected to be granted in 2016.

### **3.Respect for Human Rights**

The Company has created the Guide to Managing Human Resources in accordance with Thailand's labor standards as follows:

#### **- Citizen and Political Rights**

Discrimination The Company has declared its strong intention to prevent discrimination at work including employment, pay and other remunerations, benefits, training and development opportunity, promotion and transfer, dismissal, and retirement based on national origin, race, religion, language, age, sex, marital status, personal view on gender, physical or mental disability, HIV or AIDS status, political interest, and other personal views.

Child Labor The Company has never employed children under 15 years of age or supported any person related to the Company or any organization to employ children under 15 years of age. It has no policy to employ or promote to employ children in any dangerous work or to work in an unhealthy and unsafe environment.

Pregnancy The Company shall not employ pregnant women in any dangerous and unhealthy work as prescribed by laws. Pregnant employees shall be provided with safe working environment and shall not be dismissed, demoted, or lose any benefit due to their pregnancies.

The Company has informed all of its suppliers of these regulations in order to promote respect for human rights.

Freedom of Association and Collective Bargaining The Company grants its employees the rights to freely join any committee, to bargain collectively, and to select or elect their representatives.

Today, many representatives elected by the employees have served as members of the Welfare Committee and Occupational Safety and Health Committee.

Since the Company was founded, we have never had a labor union or labor dispute.

- Economic, Social, and Cultural Rights

The Company is determined to improve the life quality of its employees. It provides annual salary increment and welfares such as traveling allowance, uniform and laundry service, birthday and New Year gift, meal allowance when working overtime or outside the Company, hospital expense for employee and family, and low interest loan program. The Company also increases its employee welfares annually.

The Company has carried out various activities to promote good health including employee sport games such as badminton and volleyball, sport day in November, and outdoor trips. It has also organized festival activities to promote Thailand's social and cultural tradition including sprinkling water onto Buddha image during Songkran festival, candle procession during the Buddhist Lent, and New Year's food offering to Buddhist monks.

In September, 2015, the Company was awarded Outstanding Workplace for Labor Relations and Welfare by the Ministry of Labor for the 10th consecutive year.

#### **4.Treatment of labor**

The Company has established policies according to Thai labor standards considered as CSR in labor aspects whereby the Company is determined to comply according to Thai labor laws and standards including other related regulations and standards. The Company strives to develop the quality of life of its employees including workplace environment and to review the sufficiency and suitability of policies annually. In addition to applying Thai labor laws within the Company throughout the entire organization, the Company extends coverage to its suppliers and sub-contractors accordingly.

The Company discloses all aspects concerning respect for rights at work according to human rights principles and grants protection to working conditions under human rights guidelines.

The Company implements the STARs Plan as principles aimed at human development within the Company categorized under the following 6 systems:

1. Qualification: The Company has established hierarchies to reflect the ability to perform duties among employees and to determine fair compensation rates .

2. Position: The Company has explicitly established duties, roles, authority, and accountability within agencies for each position.

Promotions occur following assessment according to criteria set forth by the Promotion Committee.

3. Rotation: Interdepartmental changes occur to rotate the nature of duties among staff for the purpose to build and develop competencies and ultimately achieve promotion.

4. Evaluation: The Company schedules performance evaluation to assess increase in wages, bonuses, and promotions and to identify strengths and weaknesses of employees to ultimately achieve further development of competencies; assessment criteria are based on principles of justice, suitability, and acceptance.

5. Wages: Compensation structure is comprised of base salary, competency wages, position wages, and various support i.e. overtime pay, holiday pay, food allowance, diligence allowance, shift allowance etc. The Company increases wages annually according to the pay raise index i.e. the minimum increase required by government and inflation which is an index that indicates increases in living expenses and industry conditions.

6. Competency development: To enhance the competencies of its employees, the Company has established policies to develop capabilities by training programs according to position or rank, strategic training, function-specific training, and self-training. Such training includes both internal and external programs, additionally employees are sent to undergo training and apprenticeship at companies in the Stanley group overseas.

In 2015, the Company has provided 37 internal training courses for a total of 1,787 employees at an average of 12 training hours per person and external training courses for 385 persons i.e. opportunity and crisis in the ASEAN economic community, planning and goal-setting, systematic thinking, skills enhancement and development by coaching etc. Additionally, the Company has sent 32 employees to Japan for training and skills development.

The Company is accredited with Thai Labor Standards 8001 – 2553 from the Ministry of Labor and is evaluated annually.

## Health and safety in the workplace

The Company has established policies and operational guidelines in areas of safety, sanitation, and workplace environment alongside regular duties of its employees and is considered a primary responsibility during operations; the Company has been accredited with OHSAS18001 standards since 2011.

The safety policies implemented by the Company include the following duties:

- Stringent compliance with laws, rules, regulations, and standards relevant to safety, sanitation, and workplace environment.
- Continuous support and promotion for improvements rendered to the environmental conditions and safe methods of operations; this includes use appropriate use of hazard prevention equipment and maintenance of good sanitation among all employees.
- Support and promotion for various safety activities to evoke safety consciousness among all employees, both directly involved in the operations and external members i.e. training, motivation, public relations, and safety competitions.
- All superiors at every level must be a good example in leadership, training, coaching, motivation, and invoking consciousness for employees to conduct operations with safe methods. Furthermore, all employees must maintain personal safety and safety of colleagues including company assets as a priority during operations.
- Strictly adhere to 5S (Seiri, Seiton, Seiso, Seiketsu, Shitsuke) operational principles in the workplace to prevent accidents and illness caused by work operations.
- Campaign and promote participation among all employees in safety and sanitation projects launched by the Company; all employees are entitled to present their opinions aimed at continuously improving work conditions and safety methods.
- Promote human resources and budget for management of safety, sanitation, and workplace environment to ensure safety among company employees and third parties.
- Continuously promote policies with CCCF (Completely Check – Completely Find Out) activities to achieve zero accident goals both internally and externally.
- Regularly conduct operational evaluation according to established policies.

In 2015, the Company set the following occupational safety and health objectives: zero lost time injury and zero severe fire accident, 8,000,000 hours free of lost time injury, zero fatal accident outside work, and reducing lost time machinery accidents and lost time illness incidence by 50% from last year. Except for the 8,000,000 hours free of lost time injury, the Company has achieved all other objectives.

In 2015, the Company opened the Safety Dojo to build and promote understanding and awareness on safety among the employees. The Safety Dojo is a full safety learning and training center, with station simulations showing various accidental risks.

Furthermore, the Company has established the 7 Ways to Create a Traffic Safety Culture Project, which included:

1. Speed limit 20 km/hour while driving in Company area
2. Always wear a helmet
3. Drivers and passengers must wear seat belt all the time
4. Driving under the rules of the Company and according to the law
5. Don't driving in manner danger (Don't slice off , don't overtaking)
6. Don't racing
7. Physically not ready (Don't drive) ( Don't call , sleepy, drink, tired)

This project, which continued from last year, provided education and training to all employees to ensure safety driving practice.

The Company continues to implement other safety-related activities i.e. safety training, daytime and nighttime fire drills, emergency drills and preparation, weekly expo for safety, environment, and energy conservation.

In July 2015, the Company was awarded Outstanding Workplace in areas of Safety, Sanitation, and Workplace Environment for the 12th consecutive year.

#### 5. Responsibility toward Consumers

The Company prioritizes product research and development and designs lighting products aimed at providing maximum benefits to automotive users to ensure safety of drivers and commuters, aesthetics, illumination, durability, and environmentally-friendly qualities.

The Company has arranged for the Quality Assurance department to examine the quality of all products both prior to, and following, distribution. Moreover, this department handles complaints from customers and product users.

In areas of Bulb product, the Company actively collaborates with The Sittipol groups in organizing events to meet and greet distributors nationwide where comprehensive and accurate knowledge concerning automotive lighting is increasingly provided to users.

## **6. Environment and Energy Conservation**

The Company has founded the following philosophy concerning environmental aspects:

“Determined to sustain the environment and use natural resources wisely through all activities performed by the Company to further maintain and ensure the natural integrity of this world”

To achieve the environmental philosophy, the Company has established the following environmental policies:

1. The Company drives various activities aimed at environmental conservation, pollution prevention, minimal environmental impact, and continuous improvement in every process from the design phase to development, production, and industrial waste management; whereby the Company is determined to comply with relevant environmental laws, rules, and regulations and request cooperation from parties with activities aligned with the Company.

2. The Company implements training and communication of the fundamental philosophy, environmental policies, and various environmental activities to all employees and relevant parties to enhance understanding and knowledge and to create good environmental consciousness.

3. The Company is prepared to publicly disclose the fundamental philosophy, including environmental policies and activity status.

In 2015, the Company had the following environmental objectives:

1. Reducing water consumption by 1% from year 2014 as measured by water use rate per product and per employee

Operations , To included recycling water to be used in water spray, toilet, and plant watering systems and promoting water preservation via various media such as wire broadcasting programs Monday Meeting and environmental education. – Objective had been achieved.



2. Reducing waste to be disposed of by landfilling by 1% from year 2014

Operations , To included promoting waste separation and improving waste treatment focusing on reuse and recycle, auditing waste management by the Environment Committee quarterly, training on waste management to build environmental conscious, and encouraging every office to create at least one waste reduction project per office. – Objective had been achieved.

3. Reducing the use of paper by 1% from year 2014

Operations , To included improving evaluation of compliance to focus on using Excel program, developing operational system on non-used materials via information system, and promoting at least one paper reduction project per office. . – Objective had been achieved.

The Company continues to implement environmental operations i.e. monitoring and follow-up by senior management, expansion of green areas within the Company premises, recycle of treated water to further use as water curtain during painting operations, to flush toilets, and to water plants and lawn without any wastewater released outside the Company.

In areas of waste disposal, the Company focuses on separation of waste into various categories, destruction of waste and further sales to private recycle entities. Moreover, the Company prioritizes 5S activities to ensure cleanliness within all areas.

In 2015, the measurement of pollution within the Company including noise, waste water, heat, and are quality showed standard results.

**Energy conservation activities:**

The Company has established the following energy conservation policies:

1. The Company drives all production processes, including other activities relevant to energy use, to conserve energy and maximize efficient energy usage which is considered a core part of Company operations.

2. The Company strives to enhance energy usage efficiencies within the organization as appropriate to the characteristics and volume of actual energy used as aligned with industrial attributes and suitable technology; furthermore, the Company continuously applies best practices as appropriate.

3. The Company is determined to properly manage and conserve energy according to relevant energy conservation laws, rules, and regulations.

4. The Company considers energy conservation a primary duty and responsibility; all management and employees in every level are required to participate and cooperate in compliance with energy conservation measures, and to regularly monitor and report to the Energy Conservation Committee to express intent to continuously enhance energy usage efficiency.

5. The Company sufficiently and suitably allocates resources relevant to energy management and conservation to enable achievement of all goals and objectives set forth concerning energy management.

6. The Company strives to seek and obtain renewable energy sources including alternative energy to ensure sustainable energy conservation. The Company is prepared to reveal, relay, and broadcast all its energy conservation activities to relevant parties and the general public.

In 2015, the Company had three objectives on energy preservation:

1. Reducing electricity consumption by 1% from year 2014 as indicated by electricity use rate per one product for the lamp factory, electricity and LPG use rate per 100 products for the bulb factory, electricity use rate per working hour for indirect offices, and electricity use rate per production volume (for public utility offices)

Operations , To included encouraging employees to participate in electricity saving activities via SNAP Kaizen Sheet, improving energy saving monitoring by adding more monitoring and operation result collecting methods, and improving the use of power meter to measure electricity consumption and energy saving activities. - Objective had been achieved.

2. Developing computerized electricity consumption monitoring and control system for factories  
Operation , The system will be completed by the end of 2015. - Objective had been achieved and analysis has been conducted to improve the equipment and other shortcomings.

3. Promoting participatory energy saving through Car Pool Program and Shutting off Electricity on the Third Sunday of Every Month Campaign

Operations , To included creating a campaign to promote turning off electricity for one day every month (Sunday), promoting energy saving via media such as wire broadcasting program Monday Meeting, Energy Committee Patrol one a month, and Energy Holiday Patrol once every three months.

– Objective had been achieved. The electricity consumption was reduced by 1,534,671.72 kWh and Co2 emission was reduced by 867.69 Ton.Co2.

Additionally, the Company continues to promote and campaign reducing energy use via various media i.e. voice programs and Energy Committee Cross Check Patrol activities organized once a month.

The Executive Board of Management continues to monitor and provide guidance to energy conservation activities on a quarterly basis; the Company opened the PQC multi-purpose building with cafeteria, library, fitness center, an area for engineering works that support production, and simulation training for production staff prior to actual manufacturing. This building applies environmental conservation concepts with LED lighting system and dimming switches; moreover, some recreation areas use natural light.

### **7.Participation in Community and Social Development**

The Company is located at Ban Klang sub-District, Muang District, Pathum Thani; since the Company is not based within an industrial estate, the Company is cautious not to affect the nearby communities. Nevertheless, the Company has never had a dispute with the local community. The Company coordinates and cooperates with the Ban Klang municipality, a representative of the community, in organizing various community activities i.e. candle parade during the Buddhist lent, dry food for alms during the New Year period, use of local community snacks and products during the shareholder meeting etc.

Community development efforts applied by the Company primarily take the form of hiring since 80% of Company employees comprise of Pathum Thani residents of which a major portion are locals. Additionally, the Company offers opportunities for state-owned higher education institutes to visit the factory works to gain additional industry knowledge and understanding.

### **8.Innovations, and Communication of Innovations, obtained from Operations with Corporate Social and Environmental Responsibility and Stakeholders**

Presently, LED (Light Emitting Diodes) technology provides an energy-efficient and long lifetime source of lighting; companies within the Stanley Group continue to manufacture and develop LED lighting across a wide range of applications i.e. street lights and a source of light and warmth for vegetable cultivation etc. The Company continuously promotes and supports the use of this technology to customers, partners, and the community.

**10.3 The company operation that have an impact on social responsibility**

- None

**10.4 The social and environment activity (after process) by Stanley Thailand Foundation**

The Stanley Group has founded the Stanley Thailand Foundation since 1993 to conduct social activities generally within the Pathum Thani province which is considered the local community of Thai Stanley. The 2015 activities were launched by Stanley Thailand Foundation , as follows:

1.Education activities:

1.1 Scholarships for year 2015 awarded to 1,418 students from 28 schools within Pathumthani province and 8 schools in Nakorn Ratchsima that donated with Sirivit-Stanley .

The Foundation provides support for personal education expenses to cover high school levels until bachelor degree and has selected 2 students to enter the project with 1 student graduating with bachelor degree; presently, 28 students are enrolled in the program.

1.2 Sponsor to the 15th Stanley Science Project Contest at the primary and junior high school levels

1.3 Donated bicycle 300 set to 30 school in Ladlumkaew , Thanyaburi , Lamlookka and Nhongsua District and donated with Lao Stanley Co.,Ltd. to give stationaries and sport equipment to 2 school in Laos.

1.4 Donated computer and accessories to Watsadet School , Suanprikthai , Muang , Pathumthani.

1.5 Library books donated to 83 schools in Pathumthani and Nakorn Ratchsima.

2.Environmental activities include garbage bins donated to local communities via the Ban Klang Municipality, Khu Kwang Municipality, and Suan Prik Thai Administrative Organization at Pathumthani.

3. Social Activities to support charitable organizations include items for everyday use donated to AIDS victims at Wat Prabatnamphu, Lopburi Province and mentally impaired children at Ruampanya Person Lane Association, Nonthaburi.

## **11. Internal Control and Risk Management**

### **11.1 The board of director comment on internal control**

The three members of Audit committee has meeting with the Board of Directors meeting No. 2/2016 on 27th May 2016. The Board of Directors have evaluated for the internal control system from Office of Internal report and reviewing the progress of internal control of Working System that approved in the past year that cover to reviewing the financial report , the company operations are in compliance with the law on securities and exchange , the Stock Exchange of Thailand regulations and laws relevant to the company's business , reviewing of the connected transactions or the transactions that may lead to conflicts of interests as well as the disclosure of such transaction , reviewing the risk management that relate to internal control system . In fiscal year 1st April 2015 – 31st March 2016 , there were 9 audit committee meeting that with auditor but without management 4 times and meeting with the auditor , the management and Internal Audit 5 times.

The Audit Committee has reviewed the internal audit system and had considered the evaluation of internal control in accordance with the guidelines established by The Securities and Exchange Commission (SEC), it was found that there were no significant faults and there was appropriate attention and maintenance of the activities and accurate ,so the audit committee has the opinion that the company's activities in fiscal year 1st April 2015 – 31st March 2016 has been according to the appropriate internal control system and accordance to internal control framework of COSO , the finance report is accurate , complete and reliable. Operations are concordant with adequate , transparent and reliable Corporate Governance standards and there is continuous improvement for better quality of the business operating system report and the disclosure information were care in accordance with the appropriate internal control of the company.

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

### **11.2 The opinion of the Audit Committee in the event of a different opinion of the board of the activities of the company.**

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

### **11.3 Chief of Office of Internal Audit**

(1) The Executive Board has appointed Mrs.Nongyao Apirum was the chief of office of internal audit in year 2012 that has experience working in Accounting and Finance department for 17 years and used to attend the training course related to the audit such as Fundamentals for New Internal Audit course 1 and 2 from The Federation of Accounting Professions – Under the Royal Patronage of His Majesty the King , Audit Report Writing , Risk Based Audit , Certified Professional Internal Auditor of Thailand (CPIAT-18), The Corporate risk management - COSO-ERM , Internal controls on financial reporting from The Institute of Internal Auditor of Thailand

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

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

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

**12. The related transactions**

Since last 3 years, there was no event of spending the income from stock sales for any of the shared interest person.

The company has the significant trade with the related company by purchasing and sales items. The company’s auditor gave the explanation in the Note 26 Page 41 - 43 of the financial statement on 31<sup>st</sup> March 2016. The purchasing items form the related company are those particular raw materials or merchandise from the same production source at the great quantity to reduce the production cost. The company received the confirmation report from the related company about the sales of raw materials as the regular trading business. The sales items are mostly exporting by set up the sales price from cost fee plus the profit. Royalty fee to a related company at the rate of 3% of sales minus the cost of importing raw materials from that related company, and specified as the regular trading business, details as follows:

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

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2016	The reasonable of transactions
1. Stanley Electric Co.,Ltd.	1. Major shareholder of Stanley Electric Holding Asia-Pacific PTE, holding 30.54% 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 form the related party in accordance with the agreement	Purchased 680.62 million baht Balance 197.34 million baht  Sold amount 34.31 million baht Balance 2.47 million baht  Amount 255.21 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.

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2016	The reasonable of transactions
		<p>4. Designed and Development Fee is charged in case design and development product for Thai Stanley's products</p> <p>5. Technical Fee is charged for the specialist come for assistance in production technics.</p> <p>6. Training fee is charged for send Thai Stanley ' employee to training and practice.</p> <p>7. Commission is charged for an agent to connected with customers</p> <p>8.Other Income</p>	<p>Amount 137.50 Million baht</p> <p>Amount 6.43 million baht</p> <p>Amount 14.37 million baht</p> <p>Amount 20.03 million baht</p> <p>Amount 1.70 million baht</p>	<p>In the normal course of business and same practices in Stanley Group</p> <p>In the normal course of business and same practices in Stanley Group, pricing are charged same as outsider.</p> <p>In the normal course of business and same practice in Stanley Group</p> <p>In the normal course of business and same practice in Stanley Group</p>
<p>2 .Lao Stanley Co.,Ltd.</p>	<p>1. Thai Stanley holding 50%</p> <p>2. Common Director 2 persons</p> <p>- Mr.Apichart Lee-issaranukul</p> <p>- Mr.Koichi Nagano</p>	<p>1. Selling goods</p> <p>2.Other Income</p>	<p>Sold amount 333.77 million baht</p> <p>Balance 69.96 million baht</p> <p>Amount 0.44 million baht</p>	<p>Specifically products Pricing are charged in the normal course of business and same practice with the outsider.</p> <p>In the normal course of business and same practice in Stanley</p>



Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2016	The reasonable of transactions
		3.Royalty Income	Amount 0.32 million baht	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.Katsumi Sumiyal -Mr.Toru Tanabe 3. Thai Stanley holding share 20%	1. Purchasing goods  2.Selling goods	Purchased amount 195.14 million baht Balance 42.13 million baht  Sold amount 25.21 million baht Balance 2.80 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.
4.Asian Stanley International Co.,Ltd	1.Common major shareholder as Stanley Electric Holding Asia-Pacific PTE Holding 67.5% 2.Common Director 2 persons - Mr.Apichart Lee-issaranukul - Mr.Toru Tanabe 3.Thai Stanley holding 15% 4. Holding Thai Stanley 0.44%	1. Purchasing raw material  2.Selling goods	Purchased amount 671.94 million baht Balance 71.98 million baht  Sold amount 2.49 million baht Balance 0.09 million baht	Specifically products Pricing are charged in the normal course of business and same practice with the outsider. Pricing are charged in the normal course of business and same practice with the outsider.

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2016	The reasonable of transactions
5. PT.Indonesia Stanley Electric	<p>1. Common major shareholder as Stanley Electric Co.,Ltd. Hoding 60 %</p> <p>2. Common director 3 person as - Mr.Apichart Lee-issaranukul - Mr.Koichi Nagano - Mr.Toru Tanabe</p> <p>3.Thai Stanley holding 10%</p>	<p>1. Purchasing raw material</p> <p>2.Selling goods</p> <p>3.Other Income</p>	<p>Purchased amount 79.42 million baht Balance 0.02 million baht</p> <p>Sold amount 354.55 million baht Balance 36.90 million baht</p> <p>Amount 0.26 million baht</p>	<p>Specifically products Pricing are charged in the normal course of business and same outsider.</p> <p>Pricing are charged in the normal course of business and same practice with the outsider.</p> <p>In the normal course of business and same practice in Stanley Group</p>
6. Sirivit Stanley Co.Ltd.	<p>1.Thai Stanley holding 15%</p> <p>2.Common director 2 persons as -Mr.Apichart Lee-issaranukul - Mr.Koichi Nagano</p>	<p>1. Purchasing raw material</p> <p>2. Selling raw material</p>	<p>Purchased amount 327.38 million baht Balance 38.04 million baht</p> <p>Sold amount 10.84 million baht Balance 2.22 million baht</p>	<p>Specifically products Pricing are charged in the normal course of business and same outsider.</p> <p>Pricing are charged in the normal course of business and same outsider.</p>
7. Inoue Rubber (Thailand) Public Company Limited	<p>1.Thai Stanley holding 0.02%</p> <p>2.Common director 4 person as - Mr.Apichart Lee-issaranukul - Mr.Thanong Lee-issaranukul - Mrs.Pimjai Lee-issaranukul - Mrs.Pornthip Sethiwan</p>	<p>1. Purchasing raw material</p>	<p>Purchased amount 16.44 million baht Balance 2.91 million baht</p>	<p>Pricing are charged in the normal course of business and same practice with the outsider.</p>

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2016	The reasonable of transactions
8. The Sittipol 1919 Co.,Ltd.	<p>1.The shareholders holding 3.34%</p> <p>2.Common director 2 persons as</p> <p>- Mr.Thanong Lee-issaranukul</p> <p>- Mrs.Pornthip Sethiwan</p>	1. Selling goods,	<p>Sold amount 160.47 million baht</p> <p>Balance 43.00 million baht</p>	Pricing are charged in the normal course of business and same practice with the outsider.
9. Lumax Industries Co.,Ltd.	<p>1.Thai Stanley holding 1.73%</p> <p>2. Common major shareholder as Stanley Electric Co.,Ltd. Holding 26.31 %</p> <p>3.Common Director 1 person</p> <p>- Mr.Toru Tanabe</p>	<p>1. Purchasing goods</p> <p>2. Selling goods</p> <p>3.Other Income</p>	<p>Purchased amount 1.29 million baht</p> <p>Balance - million baht</p> <p>Sold amount 65.08 million baht</p> <p>Balance 3.72 million baht</p> <p>Amount 2.63 million baht</p>	<p>Pricing are charged in the normal course of business and same practice with the outsider.</p> <p>Pricing are charged in the normal course of business and same practice with the outsider</p> <p>In the normal course of business and same practice in Stanley Group</p>
10. Bangkok Global Law Offices Limited	<p>1. Common director 1 person as</p> <p>- Mr.Picharn Sukparangsee</p>	1. Law service	<p>Purchased amount 0.46 million baht</p> <p>Balance - million baht</p>	Pricing are charged in the normal course of business and same practice with the outsider.

2.Transaction with the company whose Stanley Electric Co.,Ltd. Is the major shareholders of Stanley Electric Holding Asia-Pacific PTE , LTD (holding 100%) major shareholder of the company, the transaction are purchasing and selling in raw material or goods that are specific materials which are manufactured on a large scale at one source for cost saving benefit. Pricing are charged in the normal course of business and same practice with the outsiders, details as follows :

Company Name	Transaction Amount in 2014		Balance as at 31 March 2015	
1. Guangzhou Stanley Electric (China)	Purchased amount	187.22 million baht	44.70	million baht
	Sold amount	2.38 million baht	0.47	million baht
	Other Income amount	0.17 million baht	0.07	million baht
2. Stanley Electric (Asia Pacific) (Taiwan)	Purchased amount	2.68 million baht	-	million baht
	Sold amount	1.28 million baht	0.02	million baht
3. Shenzhen Stanley Electric Co.,Ltd.	Purchased amount	61.18 million baht	7.13	million baht
	Sold amount	- million baht	-	million baht
4. Stanley Electric US Inc. (U.S.A)	Purchased amount	6.47 million baht	0.45	million baht
	Sold amount	134.65 million baht	109.28	million baht
	Other income	0.14 million baht	-	million baht
5. Tianjin Stanley Electric Co.,Ltd. (China)	Purchased amount	3.67 million baht	0.04	million baht
	Sold amount	0.19 million baht	0.12	million baht
6. II Stanley Co.,Inc (America)	Purchased amount	- million baht	-	million baht
	Sold amount	0.02 million baht	-	million baht
7. Shanghai Stanley Electric	Purchased amount	8.91 million baht	1.22	million baht
	Sold amount	- million baht	-	million baht
8. Stanley Electric Hungary	Purchased amount	- million baht	-	million baht
	Sold amount	0.04 million baht	-	million baht
9. Stanley Electric Do Brazil LTDA	Purchased amount	0.50 million baht	-	million baht
	Sold amount	94.87 million baht	4.14	million baht
10. Stanley Iwaki Works Ltd.	Purchased amount	- million baht	-	million baht
	Sold amount	1.92 million baht	0.05	million baht
11. Stanley Electric (Asia Pacific) HongKong	Purchased amount	0.15 million baht	0.07	million baht
	Sold amount	- million baht	-	million baht
12. Wuhan Stanley Electric Co.,Ltd.	Purchased amount	- million baht	-	million baht
	Sold amount	3.05 million baht	0.50	million baht
13. Chongqing Hua Yu Stanley	Purchased amount	- million baht	-	million baht
	Sold amount	0.11 million baht	-	million baht
14. Tianjin Stanley Electric Technology Co.,Ltd.	Purchased amount	4.04 million baht	3.97	million baht
	Sold amount	- million baht	-	million baht

The approval for the related transactions

In Year 2015 , 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 2015, that have transaction may cause conflict of interest, that transaction with related parties company and normal course of business.

### **Part 3 Financial Statement & Operation Result**

#### **13. Financial Statements**

##### (1) Summary of Financial Status and operation for 3 year

A) For the past 3 year we assure the financial position and the results of its operations and its cash flows in conformity with generally accepted accounting principles.

##### B) Table of the Financial Statement

Thai Stanley Electric Public Company Limited

Statement of Financial Position

As at 31 March 2014 to 31 March 2016

(Financial statement in which the equity method is applied)

	Audited					
	Mar 31,2016	(%)	Mar 31,2015	(%)	Mar 31,2014	(%)
<b>Asset</b>						
<b>Current Assets</b>						
Cash and cash equivalents	1,839,888	12.77	2,350,313	17.68	2,667,175	21.33
Short-term investment held to maturity	2,120,000	14.71	727,358	5.47	159,913	1.28
Trade and other accounts receivable , net	2,282,885	15.85	1,884,060	14.17	1,663,302	13.30
Inventories , net	772,442	5.36	939,180	7.06	729,396	5.83
Corporate income tax refundable	35,804	0.25	35,804	0.27	35,804	0.29
Other current assets	8,485	0.06	10,291	0.08	6,380	0.05
<b>Total current assets</b>	<b>7,059,504</b>	<b>49.00</b>	<b>5,947,007</b>	<b>44.73</b>	<b>5,261,970</b>	<b>42.08</b>
<b>Non-current assets</b>						
Investments in associates	931,423	6.46	728,045	5.48	601,562	4.81
Long-term investments , net	112,681	0.78	138,380	1.04	137,940	1.10
Property , plant and equipment, net	5,536,093	38.43	5,823,148	43.80	5,975,284	47.78
Intangible assets , net	731,687	5.08	633,700	4.77	508,441	4.06
Other non-current assets, net	35,882	0.25	23,625	0.18	20,879	0.17
<b>Total non-current assets</b>	<b>7,347,766</b>	<b>51.00</b>	<b>7,346,898</b>	<b>55.27</b>	<b>7,244,106</b>	<b>57.92</b>
<b>Total assets</b>	<b>14,407,271</b>	<b>100.00</b>	<b>13,293,905</b>	<b>100.00</b>	<b>12,506,076</b>	<b>100.00</b>

Thai Stanley Electric Public Company Limited  
Statement of Financial Position

As at 31 March 2014 to 31 March 2016 (Unit : Thousand Baht)

	Audited					
	Mar 31,2016	(%)	Mar 31,2015	(%)	Mar 31,2014	(%)
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Trade accounts payable - other companies	515,856	3.58	499,825	3.76	460,247	3.68
- related companies	428,297	2.97	370,910	2.79	232,632	1.86
Other accounts payable - other companies	176,226	1.22	154,773	1.16	281,971	2.25
- related parties	141,174	0.98	148,707	1.12	113,384	0.91
Accrued corporate income tax	124,546	0.86	159,832	1.20	160,083	1.28
Advance received from customers	-	-	-	-	12,085	0.10
Accrued expenses	257,133	1.78	217,340	1.64	223,881	1.79
<b>Total current liabilities</b>	<b>1,643,232</b>	<b>11.41</b>	<b>1,551,388</b>	<b>11.67</b>	<b>1,484,284</b>	<b>11.87</b>
Non-current liabilities	92,780	0.64				
Deferred tax liabilities , net			59,977	0.45	45,765	0.37
Provision for post-employee benefits	163,313	1.13	143,208	1.08	144,192	1.15
<b>Total liabilities</b>	<b>256,093</b>	<b>1.77</b>	<b>203,186</b>	<b>1.53</b>	<b>189,956</b>	<b>1.52</b>
<b>Shareholders' equity</b>	<b>1,899,326</b>	<b>13.18</b>	<b>1,754,574</b>	<b>13.20</b>	<b>1,674,240</b>	<b>13.39</b>
Authorised Share capital						
Premium on share capital	383,125	2.66	383,125	2.88	383,125	3.06
Retained earnings	504,250	3.50	504,250	3.79	504,250	4.03
Appropriated						
Legal reserve	38,313	0.27	38,313	0.29	38,313	0.31
Unappropriated	11,624,962	80.69	10,689,308	80.41	9,990,720	79.89
Other components of equity	(42,704)	(0.30)	(75,664)	(0.57)	(84,572)	(0.68)
<b>Total shareholders' equity</b>	<b>12,507,945</b>	<b>86.82</b>	<b>11,539,331</b>	<b>86.80</b>	<b>10,831,836</b>	<b>86.61</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,407,271</b>	<b>100.00</b>	<b>13,293,905</b>	<b>100.00</b>	<b>12,506,076</b>	<b>100.00</b>
Book Value * (Baht)	163.24		150.59		141.36	
Par Value (Baht)	5.00		5.00		5.00	
Number of share (thousand shares)	76,625		76,625		76,625	
Weighted average ordinary number of share (thousand shares)	76,625		76,625		76,625	

\* Calculated by using The Weighted Average number of ordinary share

Thai Stanley Electric Public Company Limited

Statements of Income

As at 31 March 2014 to 31 March 2016

(The equity method) (Unit : Thousand Baht)

	Audited					
	Mar 31,2016	(%)	Mar 31,2015	(%)	Mar 31,2014	(%)
<b>Revenue</b>						
Sales	10,672,224	100.00	9,523,829	100.00	10,268,617	100.00
Dividend income	9,376	0.09	10,851	0.11	41,766	0.41
Gain on exchange rates , net	19,371	0.18	22,474	0.24	7,022	0.07
Others	146,643	1.37	255,920	2.69	310,382	3.02
<b>Total Revenue</b>	<b>10,848,881</b>	<b>101.65</b>	<b>9,813,074</b>	<b>103.04</b>	<b>10,627,787</b>	<b>103.50</b>
Cost of sales	8,929,410	83.67	7,808,825	81.99	8,080,350	78.69
Selling and administrative expenses	774,854	7.26	727,656	7.64	830,962	8.09
<b>Total Expenses</b>	<b>9,704,264</b>	<b>90.93</b>	<b>8,536,481</b>	<b>89.63</b>	<b>8,911,312</b>	<b>86.78</b>
Operation profit	1,405,261	13.17	1,276,593	13.40	1,716,475	16.72
Share of profit from investment in Associates	217,352	2.04	168,534	1.77	130,545	1.27
Profit before income tax	<b>1,622,612</b>	<b>15.20</b>	<b>1,445,127</b>	<b>15.17</b>	<b>1,847,021</b>	<b>17.99</b>
Income tax	319,172	2.99	287,480	3.02	359,508	3.50
<b>Net profit for the year</b>	<b>1,303,440</b>	<b>12.21</b>	<b>1,157,648</b>	<b>12.16</b>	<b>1,487,512</b>	<b>14.49</b>
Net profit per share	17.01		15.11		19.41	
Par Value (Baht / Share)	5		5		5	
Weighted Average Number of Share (thousand share)	76,625		76,625		76,625	

Auditor      Ms.Varaporn Vorathitikul  
 Certified Public Accountant (Thailand) No.4474  
 PricewaterhouseCoopers ABAS Limited



Thai Stanley Electric Public Company Limited  
Statements of Cash flows  
For the years ended 31 March 2014 to 31 March 2016

(Unit: Thousand baht)

	Audited		
	Mar 31,2016	Mar 31,2015	Mar 31,2014
<b>Cash flows from operating activities:</b>			
Profit before income tax for the year	1,622,612	1,445,127	1,847,021
Adjustments to reconcile profit before income tax			
For the year to net cash provided by operations:			
Depreciation and amortisation	1,227,311	1,146,172	1,031,075
Interest income	(55,112)	(42,369)	(45,997)
Gain on sale of long-term investment	(261,911)		
Share profit (loss) from investments in associates	(217,352)	(168,534)	(130,545)
Dividend income from			
- Long-term investments	(9,376)	(10,851)	(41,766)
Gains on disposal of property , plant and equipment , net	(3,623)	(96,331)	(224)
Reversal of allowance for slow moving inventories and net realizable value lower than cost of inventories	(3,002)	(11,936)	3,349
(Reversal of ) Allowance for doubtful account	9,514	(636)	(273)
(Reversal of ) Provision for post-employment benefit	23,121	(257)	12,886
Unrealised gain on exchange rates	(184)	(566)	(236)
Cash flows before changes in operating assets and Liabilities	2,331,998	2,259,818	2,675,291
Changes in operating assets and liabilities			
Trade and other account receivable	(412,611)	(208,178)	371,579
Inventories	169,739	(197,847)	111,581
Other current assets	1,806	(3,911)	844
Other non-current assets	(12,257)	(2,746)	(1,039)
Trade accounts payable- other companies	16,031	39,578	(104,142)
Trade accounts payable related parties	57,386	138,278	(67,993)
Other accounts payable other companies	2,499	(62,431)	(36,818)
Other accounts payable related parties	(7,383)	34,838	(17,449)
Advance received from customers	-	(12,085)	(26,555)
Accrued expenses	39,793	(6,541)	(22,369)
Payments for post-employment benefits obligation	(3,015)	(726)	(457)
Cash generated from operation	2,183,987	1,978,047	2,882,473
- Interest received	19,452	34,936	40,859
- Income tax paid	(329,896)	(275,745)	(420,611)
<b>Net cash received from operating activities</b>	<b>1,873,543</b>	<b>1,737,238</b>	<b>2,502,722</b>

Thai Stanley Electric Public Company Limited  
Statements of Cash flows  
For the years ended 31 March 2014 to 31 March 2016

(Unit: Thousand baht)

	Audited		
	Mar 31,2016	Mar 31,2015	Mar 31,2014
<b>Cash flows from investing activities:</b>			
Purchases of property , plant and equipment	(740,366)	(1,013,844)	(907,451)
Proceeds from disposals of property , plant and equipment	4,470	207,730	8,549
Interest received on short-term investments held to maturity	32,835	5,489	4,975
Cash receipts from sale of long-term investment	290,000	-	-
Dividends received from			
- Investment in associates	59,880	42,746	39,146
- Long-term investments	9,376	10,821	41,766
Purchase of intangible assets	(279,920)	(281,134)	(162,205)
Cash receipts from short-term investment held to maturity	4,987,000	1,003,000	770,000
Cash payment on short –term investment held to maturity	(6,379,642)	(1,570,445)	(820,208)
Net Cash used in investing activities	<b>(2,016,367)</b>	<b>(1,595,606)</b>	<b>(1,025,428)</b>
<b>Cash flow from financing activity :</b>			
Dividends paid	(367,786)	(459,060)	(517,186)
<b>Net cash used in financing activities</b>	<b>(367,786)</b>	<b>(459,060)</b>	<b>(517,186)</b>
Net decrease in cash and cash equivalents	(510,610)	(317,428)	960,108
Cash and cash equivalents at beginning of the year	2,350,313	2,667,175	1,706,831
Effects of exchange rate changes	184	566	236
<b>Cash and cash equivalents at end of the year</b>	<b>1,839,888</b>	<b>2,350,313</b>	<b>2,667,175</b>

Non – cash transaction :

Outstanding liabilities arisen from purchases of plant ,

Equipment and intangible assets	65,405	46,602	110,884
---------------------------------	--------	--------	---------

Accrued dividend income from investment in associate	3,813	10,000	-
--	-------	--------	---

## (C) Financial ratio

Thai Stanley Electric Public Company Limited  
Ratio of financial statement

(The Company Only)

		Audited		
		Mar 31,2016	Mar 31,2015	Mar 31,2014
<b>Liquidity Ratio</b>				
Current Ratio	(Times)	4.30	3.83	3.55
Quick Ratio	(Times)	3.80	3.20	2.92
Cash Ratio	(Times)	1.34	1.14	1.55
Receivable Turnover Ratio	(Times)	5.12	4.30	5.55
Collection Period	(Days)	70.31	83.72	64.86
Inventory Turnover	(Times)	106.04	108.36	88.30
Sale Period	(Days)	3.39	3.32	4.08
Account Payable Turnover	(Times)	7.74	9.99	10.37
Payment Period	(Days)	46.51	36.04	34.72
Cash Cycle	(Days)	27.19	51.00	34.22
<b>Profitability Ratio</b>				
Gross Profit Margin	(%)	16.33	18.01	21.31
Operation Profit Margin	(%)	13.17	13.40	16.72
Other profit Margin	(%)	-.***	-.***	-.***
Cash margin	(%)	133.32	136.08	145.81
Net profit margin	(%)	11.73	11.80	14.00
Return on Equity	(%)	10.84	10.38	14.39
<b>Efficiency Ratio</b>				
Return on Assets	(%)	9.41	8.97	12.27
Return on Fixed Assets	(%)	47.69	36.51	40.15
Asset Turnover	(Times)	1.96	0.76	0.88
<b>Financial Policy Ratio</b>				
Debt to Equity	(Times)	0.15	0.15	0.15
Interest coverage Ratio	(Times)	-.**	-.**	-.**
Fixed Charge Coverage	(Times)	0.79	0.85	1.62
<b>(CASH BASIS)</b>				
Pay- out Ratio	(%)	*	34.53	32.51

\* It will be approved from the ordinary shareholders' meeting year 2016 and calculate from Net Profit – The company only

\*\* The company have no interest payment . \*\*\*The company have no other profit

## 14. Management Analysis and explanations

### 14.1 Overview results operations

In 2015, the Company's all revenues and profit were increased , sale increased 12.06% and operating profit increased 10.08% better than the automotive industry in Thailand that slow down continue from year 2013 – 2016 , from the overall economy is stagnating due to reduced agricultural productivity from the hot weather , that motorcar sold decreased 9% and motorcycle sold decreased 4% from previous year , the export sale increasing 7% and growth trend .

#### Operating result and profitability

In 2015, The total sale were 10,672.22 million baht, increased on the previous year 1,148.39 million baht or increased 12.06%, detail as follows.

Domestic sale was 71.49% of total sale and increased 7.03% from the previous year and export sale was 28.51% of total sale and increased 27.01% from the previous year. The export sale that growth same as trend of automotive industry and the domestic sale better than the industry from product Lamp and Die & Mold.

Sale by product as Automotive Bulb was 6.02% decreased 4.89% from the previous year and Lamp was 86.85% of total sale and increased 10.48% from the previous year from lamp for Pick-up Passenger Vehicle (PPV) , Die & Mold and design sold was 7.13% of total sale and increased 65.78% from the previous year that sold to Stanley company group in USA.

Expense – Cost of sale was 8,929.41 million baht or 84% of total sale and increased 14.35% from the previous year , the cost of sale increased more than sale from increasing production and from fixed cost such as depreciation and labor cost that can not control to decline and production cost from newly model that first time to production so the company must more test to production but now the production is stable and test cost can control and decreasing , the gross margin was 1,742.81 million baht or 16% of total sale and increased 1.62% from the previous year

Selling and Administration expense was 774.85 million baht or 7.26% of total sale , decreased 6.49% from the previous year.

Operation profit was 1,405.26 million baht or 13.17% of total sale and increased 10.08% from the previous year , that operation profit ratio was 13.17% decreased as few from the previous year ratio was 13.40%

Net profit was 1,303.44 million baht or 12.21% of total sale and increased from the previous year 12.59% and net profit ratio was 11.73% that decreased as few from the previous year that ratio was 11.80%.

The company approved the 2nd agreement of New Cost Management System program with Stanley Electric Co.,Ltd., Japan , that expected to cost control sustainable and increasing in profitability .Now the company started to use this program with new model , the result was slightly but can not affecting the overall profitability clearly.

#### Asset Management

##### Total Assets

Total Assets of the Company were 14,407.27 million baht increase from the last year 8.38 %.

The main item as follows,;

- Trade accounts receivable and other account receivable , net were 2,282.88 million baht , increase 21.17% due to increased of total sales .

- Inventories were 772.44 million baht , increased 17.75% also due to production , main inventory from work in process was 52.62% , raw material and packaging 28.15% and finished goods 11.84%. The company have policy to production as customer order not more stock for inventory control cost , the company have inventory provision 22.28 million baht main in expired raw material and packaging.

- Property, plant and equipment net were 5,536.09 million baht decreased 4.93%, that the company slow down to investment in equipment and machinery due to automotive industry trend decreasing. The company ratio for return on asset was 9.47% increased from the previous year that ratio was 8.97% , fixed asset return ratio was 47.69% increased from the previous year that ratio was 36.51% and asset turnover ratio was 1.96 times increased from the previous year that ratio was 0.76 times.

##### Total Liabilities

Total liabilities of the company were 1,899.33 million baht increased from last year 8.25% which comes from the trade account payable and other account payable due to production trend increasing in quarterly 4 (January-March 2016), so the company account payable turnover ratio was 7.74 time , nearly the previous year ratio was 9.99 times

### Shareholders' equity

Total shareholders' equity was 12,507.95 million baht increased 8.39% from the previous year and return on equity ratio was 10.84% increased from the previous year that ratio was 10.35%

### Cash flow structure

In 2015, the company had cash and cash equivalents, net 1,839.89 million, decreased 21.72 % that from as at March 31, 2016 the trade account payable increased 7.44% from the previous year but enough for use in our business , that current ratio was 4.30 times that good ratio and to classified as cash flows from operating activities amount 1,837.54 million baht used in investing activities was 2,016.37 million baht and financing activities for dividend by 367.79 million baht .

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

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

The Company adopts the policy to use cash flow to invest and spend in the company. Do not focus on lending , in year 2015 the company has no outstanding debt and interest expense. There are only account payable liabilities and commercial liabilities as usual , the company has a debt to equity shareholders ratio was 0.15 times same as last year, which is very small because the company has very little debt.

### **14.2 Factors or events that could affect the financial position or operations significantly in the future.**

The Economic and automotive industry are the main factors that affect the operation of the company directly and current political situation affects the economy and the automotive industry. The production and sales decrease drastically.

Companies need to take measures to reduce costs and slow down investment to comply with this a situation

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

## CERTIFICATION OF THE ACCURACY OF INFORMATION

We have reviewed the information contained in the Annual Information Disclosure Form and, with carefulness in our capacity of the Company's Executive Directors or as top executives in charge of accounting, hereby certify that the information is correct, complete and true and do not cause any misunderstanding or concealment. We further certify that

(1) The financial statements and financial information summarized in the Form of annual Data Disclosure are correctly, completely, and materially stated pertaining to the financial position, operating results and cash flow of the Company and its subsidiaries companies.

(2) We are responsible for fine disclosure system to ensure that the Company has accurately and completely disclosed material information of the Company and subsidiaries as well as supervising the compliance of the system.

(3) We are responsible for good internal control and overseeing the conformity to such system. We informed the internal control evaluation as at May 27, 2016 to the auditors and the Audit Committee. The report included any shortcomings and major changes in the internal control system as well as any dishonesty that might affect the financial statements of the Company and subsidiaries.

As evidence of our making of certification of information accuracy, we have authorized Mr. Apichart Leeissaranukul to initial all the pages of this document. Any information without Mr. Apichart Leeissaranukul's signature will be treated as non-certified information.

Name	Position	Signature
Mr. Apichart Leeissaranukul	Executive Chairman	<i>Apichart Leeissaranukul</i>
Mr. Koichi Nagano	President	<i>Koichi Nagano</i>
Mr. Thanong Leeissaranukul	Director	<i>Thanong Leeissaranukul</i>
Mr. Tadao Suzumura	Director	<i>Tadao Suzumura</i>

Name	Position	Signature
Authorized Person Mr. Apichart Leeissaranukul	Executive Chairman	<i>Apichart Leeissaranukul</i>

## Attached 1

( List of Directors , Managers , and experience)



## 1. List of Directors, Managers, and experience

1.Name – Surname	Mr. Apichart Lee-issaranukul
Position	Executive Chairman and Executive General Manager Administration Division.
Date of Appointment	Year 1988
Age	53
Education Degree	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)
% of Holding	5.87%
Relations	Son Mr.Vitya Lee-issaranukul and Mrs.Porndee Lee-issaranukul Brother Mr.Thanong Lee-issaranukul,Mrs. Pimjai Lee-issaranukul and Mrs. Pornthip Sethiwan
Working Experience	1991-Present Director Inoue Rubber (Thailand) Public Co.,Ltd. 1992-2013 Executive Vice President Thai Stanley Electric PCL 2013-Present Executive Chairman Thai Stanley Electric PCL 1992-Present President Sopa-Kanok International Co.,Ltd 1993-Present Director Pacific Industries Co.Ltd. 1993-Present Deputy Chairman Stanley Thailand Foundation 1995-Present Director Sungold Holding Limited 1996-Present Executive Vice President Asian Stanley International Co.,Ltd 1997-Present Director Sirivit Stanley Co.,Ltd. 1997-Present Director Daido Sittipol Co.Ltd. 1999-Present Chairman Lao Stanley Co.,Ltd. 2000-Present Director Vietnam Stanley Electric Co.,Ltd. 2002-Present Director Investor Club Association 2004-Present Executive Director Investor Club Association 2005-Present Director Listed Companies Association 2006-Present Director PT Indonesia Stanley Electric 2006-Present Director Total Oil (Thailand) Co.,Ltd.
2.Name – Surname	Mr. Koichi Nagano
Position	President
Date of Appointment	July 3, 2009
Age	56
Education Degree	Bachelor of The Faculty of Engineering , Hosei University , JAPAN

<p>% of Holding</p> <p>Relations</p> <p>Working Experience</p>	<p>0.00%</p> <p>None</p> <p>2009-Present Director Thai Stanley Electric PCL.</p> <p>2013-Present President Thai Stanley Electric PCL.</p> <p>2010-Present Director Sirivit – Stanley Co.,Ltd.</p> <p>2011-Present Deputy Chairman Stanley Thailand Foundation</p> <p>2013-Present Director Top Hightech Co.,Ltd</p> <p>2013-Present Director PT Indonesia Stanley Electric</p> <p>2013-Present Honorary Chairman Lao Stanley Co.,Ltd.</p>
<p>3.Name – Surname</p> <p>Position</p> <p>Date of Appointment</p> <p>Age</p> <p>Education Degree</p> <p>% of Holding</p> <p>Relations</p> <p>Working Experience</p>	<p>Mr. Thanong Lee-issaranukul</p> <p>Director</p> <p>Year 1983</p> <p>56</p> <p>Bachelor of Business Administration – Commercial , Nanzan University, JAPAN.</p> <p>4.19%</p> <p>Son Mr.Vitya Lee-issaranukul and Mrs.Pomdee Lee-issaranukul</p> <p>Brother Mr.Apichart Lee-issaranukul, Mrs. Pimjai Lee-issaranukul and Mrs. Pornthip Sethiwa</p> <p>1983 - Present Director Thai Stanley Electric PCL.</p> <p>1986 - Present Managing Director The Sittipol 1919 Co.,Ltd.</p> <p>1986 - Present Director Inoue Rubber(Thailand) PCL.</p> <p>1993 - Present Director Sopa-Kanok International Co.,Ltd.</p> <p>1995 - Present Executive Director Total Oil (Thailand) Co.,Ltd.</p> <p>1995 - Present Director Sungold Holding Co.,Ltd.</p> <p>1995 - Present Director Toei Inoac Co.,Ltd.</p> <p>1995 - Present Director IRC (Asia) Research Co.,Ltd.</p> <p>1996 - Present Vice Chairman Daido Sittipol Co.,o.,Ltd.</p> <p>1996 - Present Executive Dircector Seng Ngun Hong Co.,Ltd.</p> <p>1996 - Present Chairman Bike Clinic Co.,Ltd.</p> <p>1998 - Present Director The Studio Production Co.,Ltd.</p> <p>2001 - Present Chairman Smart Sport Promotion Co.,Ltd.</p> <p>2001 - Present Chairman Kanok-Sopa Foundation</p> <p>2003 - Present Director SK Rubber Co.,Ltd.</p>

4.Name – Surname	Mrs. Pimjai Lee-issaranukul
Position	Director
Date of Appointment	Year 1983
Age	55
Education Degree	Master of Business Administration operation Management, Drexel University, USA. Bachelor of Engineering Chulalongkorn University
Training	Certificate Directors Certification program Thai Institute of Director (IOD) Capital Market Academy Leadership Capital Market (CMA)
% of Holding	2.84%
Relations	Daughter Mr.Vitya Lee-issaranukul and Mrs.Porndee Lee-issaranukul Sister Mr.Apichart Lee-issaranukul , Mr.Thanong Lee-issaranukul and Mrs.Pornthip Sethiwan
Working Experience	1983-Present Director Thai Stanley Electric PCL. 2013-Present Chairman Inoue Rubber (Thailand) PCL 2007-2013 President Inoue Rubber (Thailand) PCL 1986-2007 Executive Vice President and Managing Director Inoue Rubber (Thailand) PCL 1993-Present Director Sopa-Kanok international Co.,Ltd. 1995-Present Chairman Toei - Inoac Co.,Ltd. 1995-Present Director IRC Asia Reseach Co.,Ltd. 1995-Present Director Sungold Holding Co.,Ltd. 2001-Present Director Kinno Hoshi Engineering Co.,Ltd. 2003-Present Director S.K. Rubber Co.,Ltd. 2006-Present Director Dido Sittipol Co.,Ltd. 2010-Present Global Advisory Board Member Babson College , Ma, U.S.A 2010-Present Executive Board as External Advisory Expert Faculty of Engineering Chulalongkorn University
5.Name – Surname	Mrs. Pornthip Sethiwan
Position	Director
Date of Appointment	Year 1990
Age	49
Education Degree	Bachelor of Commerce and Accountancy, Commerce major Chulalongkorn University.

Training	Certificate Director Accreditation Program Thai Institute of Director (IOD)
% of Holding	2.82%
Relations	Daughter Mr.Vitya Lee-issaranukul and Mrs.Porndee Lee-issaranukul Sister Mr.Apichart Lee-issaranukul, Mr. Thanong Lee-issaranukul and Mrs. Pimjai Lee-issaranukul
Working Experience	1980 - Present Director Thai Stanley Electric PCL. 1985 - Present Director Seng Ngun Hong Co.,Ltd. 1990 - Present Executive Director The Sittipol 1919 Co.,Ltd. 1990 - Present Director Pacific Industries (Thailand) Co.,Ltd. 1991 - Present Director Inoue Rubber (Thailand) PCL. 1993 - Present Director Sopa-Kanok International Co.,Ltd. 1993 - Present Director Bike Clinic Co.,Ltd. 1996 - Present Director Daido Sittipol Co.,Ltd. 2003 - Present Director SK Rubber Co.,Ltd. 2006 - Present Director IRC Asia Research Co.,Ltd.
6.Name – Surname	Mr. Katsumi Sumiya
Position	Director and Executive General Manager Lighting Equipment Division
Date of Appointment	July 5 , 2013
Age	57
Education Degree	Bachelor Faculty of Economic , Aichi University , JAPAN
% of Holding	None
Relations	None
Working Experience	2007 - 2011 Department Manager Lamp 3 Department Thai Stanley Electric PCL. 2011 - 2013 Deputy Executive General Manager Lighting Equipment Division Thai Stanley Electric PCL. 2013 – Present Director and Executive General Manager Lighting Equipment Division Thai Stanley Electric PCL 2013 – 2015 Director Sirivit – Stanley Co.,Ltd. 2013 – Present Director Stanley Thailand Foundation 2014 – Present Second Deputy General Director Vietnam Stanley Electric Co.,Ltd.

8.Name – Surname	Mr. Toru Tanabe
Position	Director
Date of Appointment	June 26 , 2012
Age	57
Education Degree	Bachelor Faculty of Electric Engineering , Hosei University , JAPAN
% of Holding	None
Relations	None
Working Experience	<p>2010 – 2011 Director Integrated Components Division Superintendent Stanley Electric Co.,Ltd.</p> <p>2010 – Present Director , Research &amp; Development &amp; Technology Superintendent Stanley Electric Co.,Ltd.</p> <p>2012 – Present Director Thai Stanley Electric PCL.</p> <p>2012 – Present Director SL Lighting Corporation</p> <p>2012 – Present Director Tianjin Stanley.Co.thd</p> <p>2012 – Present Director Stanley Electric U.S.Co.,Inc</p> <p>2012 - Present Director II Stanley Co.,Inc</p> <p>2014 – Present Director Asian Stanley InternationalCo.,Inc.</p> <p>2014 – Present Director Stanley Electric Sales of India PVT.Ltd.</p> <p>2014 – Present Director Stanley Electric Trading (Shenzhen) Co.,Ltd.</p> <p>2014 – Present Director Stanley Electric Holding Asia-Pacific PTE .Ltd.</p> <p>2014 – Present Director Stanley Electric Korea Co.,Ltd.</p> <p>2014 – Present Director Stanley Electric (Asia Pacific) Ltd.</p> <p>2014 – Present Director Vietnam Stanley Electric Co., Ltd.</p> <p>2014 – Present Director Lumax Industrial Ltd.</p> <p>2014 – Present Director PT.Indonesia Stanley Electric Co., Ltd.</p>
8.Name – Surname	Mr. Katsutoshi Iino
Position	Director
Date of Appointment	July 4 , 2014
Age	55
Education Degree	Bachelor of Economy Industrial Management , Nihon University , Japan
% of Holding	None
Relations	None
Working Experience	<p>1985 – 2005 Department Manager , Accounting Department Stanley Electric Co.,Ltd.</p>

	<p>2008 - Present President Stanley Electric PAL Co.,Ltd.  President Stanley Electric Holding of America ,  President Stanley Electric Holding Europe Co.,Ltd.  President Stanley Electric Holding Asia-Pacific PTE , Ltd.  President Stanley Electric (China) Investment Co.,Ltd.</p> <p>2009 – Present Director and Chief Corporate Management Officer  Stanley Electric Co.,Ltd.</p> <p>2014 - Present Director Thai Stanley Electric PCL.</p>
<p>9.Name – Surname</p> <p>Position</p> <p>Date of Appointment</p> <p>Age</p> <p>Education Degree</p> <p>Training</p> <p>% of Holding</p> <p>Relations</p> <p>Working Experience</p>	<p>Mr. Krisada Visavateeranon</p> <p>Independent Director and Audit Committee Chairman</p> <p>October 15 , 1999</p> <p>66</p> <p>Master of Engineering Kyoto University, JAPAN  Bachelor of Engineering Kyoto University , JAPAN</p> <p>Certificate - Directors Certification program , Audit Committee Program  Thai Institute of Director (IOD)</p> <p>None</p> <p>None</p> <p>1975 - 2007 Associate Professor Chulalongkorn University  1997 – 2014 Executive Director Technology Promotion Association  (Thailand-Japan)  1999 - Present Independent Director and Audit Committee Chairman  Thai Stanley Electric PCL.  2007 – 2014 Chancellor Thai-Nichi Institute of Technology  2009 – Present Audit Committee Textile Prestige PCL  2012 – Present Director Wazeda Education (Thailand) Co.,Ltd.</p>
<p>10.Name – Surname</p> <p>Position</p> <p>Date of Appointment</p> <p>Age</p> <p>Education Degree</p>	<p>Mr.Chokechai Tanpoonsinthana</p> <p>Independent Director and Audit Committee</p> <p>March 31, 2000</p> <p>68</p> <p>Master of Business Administration (Quantitative Analysis &amp; Finance)  University of Wisconsin (Madison Campus)  Master of Civil Engineering University of Wisconsin at Madison, U.S.A.</p>

Training	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)
% of Holding	None
Relations	None
Working Experience	2000-Present Independent Director and Audit Committee Thai Stanley Electric PCL. 2003-Present Independent Director and Audit Committee Chairman Advance Information Technology PCL. 2013 – Present Independent Director and Audit Committee Witcorp Co.,Ltd.
11.Name – Surname	Mr.Suchart Phisitvanich
Position	Independent Director and Audit Committee
Date of Appointment	June 7 , 2010
Age	70
Education Degree	Master of Electrical Engineering Louisiana Tech University USA. Bachelor of Electrical Engineering Chulalongkorn University
Training	Certificate - Director Certification Program Thai Institute of Director. (IOD)
% of Holding	None
Relations	None
Working Experience	1968 – 1970 Electrical Engineer Electricity Generating Authority of Thailand 1972 – 2006 Engineer in Project Monitor Division Director of BOI unit for Industrial linkage Division Director of Electronic and Electrical Division Director of Textiles and other Light Industry Division Assistant Secretary General of BOI Investment Advisor Office of the Board of Investment (BOI) 2006-Present Executive Advisor for the Board Navanakorn PCL. 2006-Present Director Investor Club Association

	<p>2010-Present Independent Director and Audit Committee Thai Stanley Electric PCL.</p> <p>2011 – Present Monitoring and Evaluation Committee Ministry of Industry</p>
<p>12.Name – Surname</p> <p>Position</p> <p>Date of Appointment</p> <p>Age</p> <p>Education Degree</p> <p>Training</p> <p>% of Holding</p> <p>Relations</p> <p>Working Experience</p>	<p>Mr.Picham Sukparangsee</p> <p>Independent Director</p> <p>June 7, 2010</p> <p>55</p> <p>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</p> <p>Certificate Director Certification Program Thai Institute of Director. (IOD)</p> <p>None</p> <p>None</p> <p>1987 – 2005 Associate / Partner International Legal Counsellors Thailand 2005 – 2015 Director Siam City Law Offices Limited 2010 – Present Independent Director Thai Stanley Electric PCL. 2015 – Present Managing Director Bangkok Global Law Offices Limited</p>
<p>13.Name – Surname</p> <p>Position</p> <p>Date of Appointment</p> <p>Age</p> <p>Education Degree</p> <p>% of Holding</p> <p>Relations</p> <p>Working Experience</p>	<p>Mr. Hideki Matsui</p> <p>Executive General Manager Marketing Division</p> <p>May 22, 2015</p> <p>52</p> <p>Bachelor Department of Mechanical Engineering , Nihon University , Japan</p> <p>None</p> <p>None</p> <p>2000 – 2006 General Manager of Sale 1 , Marketing Division Thai Stanley Electric PCL. 2006 – 2011 Manager of Sale Department 1 , Motorcycle Division Stanley Electric Co.,Ltd. 2011 – 2015 General Manager of Sale Department 1 , Motorcycle Division Stanley Electric Co.,Ltd. 2015 – Present Executive General Manager , Marketing Division Thai Stanley Electric PCL.</p>



14.Name – Surname	Mr.Nobuhiro Takahashi
Position	Executive General Manager Die&Mold Division
Date of Appointment	June 1 , 2009
Age	57
Education Degree	Shonan Institute of Technology, Japan
% of Holding	None
Relations	None
Working Experience	1983 - 2009 Manager , Die & Mold Factory Stanley Electric Co.,Ltd. 2009 – Present Executive General Manager, Die&Mold Division Thai Stanley Electric PCL.
15.Name – Surname	Mr.Koji Kobayashi
Position	Executive General Manager R&D Center
Date of Appointment	July 5 , 2013
Age	53
Education Degree	Bachelor of Mechanical Engineering Meisei University , Japan
% of Holding	None
Relations	None
Working Experience	1986 - 2011 Engineering Technology Center Division Stanley Electric Co.,Ltd. 2011 – 2013 Manager Engineering Technology Center Division Stanley Electric Co.,Ltd. 2013 - Present Chief of Center R&D Center Thai Stanley Electric PCL
16.Name – Surname	Mrs.Sudjai Srifuengfung
Position	Company Secretary
Date of Appointment	July 4 , 2008
Age	57
Education Degree	Bachelor of Accountancy Thammasart University
Training	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
% of Holding	None
Relations	None

Working Experience	1999 – 2002	Department Manager Accounting & Financial Department Thai Stanley Electric PCL.
	2002 – 2015	Deputy Executive General Manager Administration Division Thai Stanley Electric PCL.
	1999 – 2008	Board of Director Secretary Thai Stanley Electric PCL.
	1999 – 2013	Audit Committee Secretary Thai Stanley Electric PCL
	2008 – Present	Company Secretary Thai Stanley Electric PCL.
	2002 – Present	Director Lao Stanley Co.,Ltd.
	2015 – Present	Advisor Administration Division Thai Stanley Electric PCL.

## 1.2 Company Secretary

The Board of Directors has appointed Mrs. Sudjai Srifuengfung. 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

### 3. Data Director in Associated and Related Company

Company List	Company	Associated Company		Associated Company						
		Lao Stanley Co.,Ltd.	Vietnam Stanley Electric Co.,Ltd.	Stanley Electric Co.,Ltd.	The Sittipol (1919) Co.,Ltd.	Inoue Rubber (Thailand) Public Company Limited	Top Hitech Co.,Ltd.	Sirivit – Stanley Co.,Ltd.	Asian Stanley International Co.,Ltd.	PT. Indonesia Stanley Electric
Name List	Thai Stanley Electric Public Company Limited	Lao Stanley Co.,Ltd.	Vietnam Stanley Electric Co.,Ltd.	Stanley Electric Co.,Ltd.	The Sittipol (1919) Co.,Ltd.	Inoue Rubber (Thailand) Public Company Limited	Top Hitech Co.,Ltd.	Sirivit – Stanley Co.,Ltd.	Asian Stanley International Co.,Ltd.	PT. Indonesia Stanley Electric
1. Mr.Apichart Leeissaranukul*	X	X	/			/		/	//	/
2. Mr.Koichi Nagano*	/	**					/	/		/
3. Mr.Thanong Lecissaranukul*	/				//	/				
4. Mrs.Pimjai Laochinda	/					X				
5. Mrs.Pornthip Sethiwan	/				//	/				
6. Mr.Katsumi Sumiya	/									
7. Mr.Toru Tanabe	/		/	/					/	/
8. Mr.Katsutoshi Iino				/						
9. Mr.Krisada Visavateeranon	/									
10. Mr.Chokechai Tanpoonsinthani	/									
11. Mr.Suchart Phisitvanich	/									
12. Mr.Picharn Sukparangsee	/									

Remark: /= Director

X = Chairman

// = Executive Director

\* = Director are authorized to sign on behalf of the company

\*\* = Honorary Director

### 3. The Director , Management and Authority history punishment

All of Director , Management and Authority had no history of any legal wrongdoing.

**Attached 2**

(List of Director of Subsidiary Company)

**None**

**Attached 3**

(Chief of Office of Internal Audit)

### 3.1 Report of Audit Committee

#### Report of the Audit Committee

The Audit Committee of the Thai Stanley Electric Public Company Limited was appointed following a resolution at the Board of Directors Meeting on 5 July 2013. The Audit Committee's scope of responsibility was assigned in the "Audit Committee Charter", which was revised on 24 October 2008, according to the regulations of the Stock Exchange of Thailand.

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

In fiscal 2015, running from 1st April 2015 – 31st March 2016, the Audit Committee performed its duty according to the responsibility as delegated by the company's Board of Directors which corresponding to the regulations of the Stock Exchange of Thailand. There were 9 Audit Committee meetings, of which 4 meetings was a non-management meeting with an auditor and the other 5 meetings were performed with executives, auditors, and internal auditors attending as necessary. The Audit Committee members attended all the meetings. Major activities were as follows.

1. Reviewed the financial report. The Audit Committee reviewed the interim and annual financial statements of 2015 that were reviewed and audited by the auditor for propose to The Board of Director Meeting. The Audit Committee were questioning and listening to the executives' and auditors' clarifications concerning the correctness and completeness of the financial statements and the adequacy of information disclosure for the year 2015. The Audit Committee agreed with the auditors that the financial statements were correct and adhered to the general accepted accounting principles.

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

3. Reviewed the company's operating information and internal control system to evaluate the sufficiency, appropriateness and effectiveness of the internal control by considering the annual internal audit

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

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

5. Reviewed and opined related transactions or transactions that may have conflicts of interest, and disclosure of such transactions to comply with regulation of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC). The external auditors opined that the significant transactions with related persons were disclosed and shown in the Financial Statement and Notes to the Financial Statements. The Audit Committee had the same opinion as the external auditors and also considered that such transactions were reasonable and beneficial to the business of the company and were disclosed correctly and completely.

6. Considered appointing the external auditors and their remuneration for the year 2016 for propose their appointment to the Board of Directors for approval at the annual ordinary shareholder's meeting for the year 2015. The Audit Committee considered the performance, independence and remuneration and agreed to propose appointing Miss Varaporn Vorathitikul, Certified Public Accountant (Thailand) No. 4474 and/or Mrs. Unakorn Phruithithada, Certified Public Accountant (Thailand) No. 3257 and/or Mr. Prasit Yuengsrikul, Certified Public Accountant (Thailand) No. 4174 and/or Mr. Vichien Khingmontri, Certified Public Accountant (Thailand) No. 3977 in the name of the PricewaterhouseCoopers ABAS Co., Ltd. as the Company's auditors for 2015. The Audit Committee has the following opinions regarding the external auditors;

- They demonstrate a good work standard and expertise in auditing and have performed their duty efficiently.

- The aforesaid audit company and auditors have no relationship or stakes with the Company/ executives/ major shareholders or persons related to those mentioned. Therefore there will be auditing independence and opinion in the Company's financial statement.



- The remuneration is deemed appropriate.

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

Mr. Krisada Visavateeranon  
Chairman of the Audit Committee

### 3.2 Chief of Office of Internal Audit profile

Name – Surname	Mrs. Nongyao Apirum
Position	Chief of Section Office of Internal Audit
Appointment date	4 July 2002
Age	50
Education Degree	Bachelor of Business Administration Sukhothai Thammathirat Open University
Training	Fundamentals for New Internal Audit Course 1 Fundamentals for New Internal Audit Course 2 Federation of Accounting Professions Under the Royal Patronage of His Majesty the King Audit Report Writing Risk Based Audit , Certified Professional Internal Audit of Thailand (CPIAT-18) The Corporate Risk Management COSO-ERM Internal Controls on Financial Report The Institute of Internal Auditor of Thailand
% of Holding	None
Relations	None
Working Experience	1985 – 1996 Accounting & Financial Department Thai Stanley Electric PCL. 1996 - 2002 Section Manager Accounting & Financial Department Thai Stanley Electric PCL. 2002 – Present Chief of Section Office of Internal Audit Thai Stanley Electric PCL. 2013 – Present Secretary Audit Committee Thai Stanley Electric PCL.

**Attached 4**

( Details on the asset valuation list )

- None