



FORM 56-1 One Report  
FISCAL YEAR 2021  
(1 April 2021 – 31 March 2022)

Thai Stanley Electric Public Company Limited

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**Part 1**

**Business operations and results**

**1. Structure and operation of the company group**

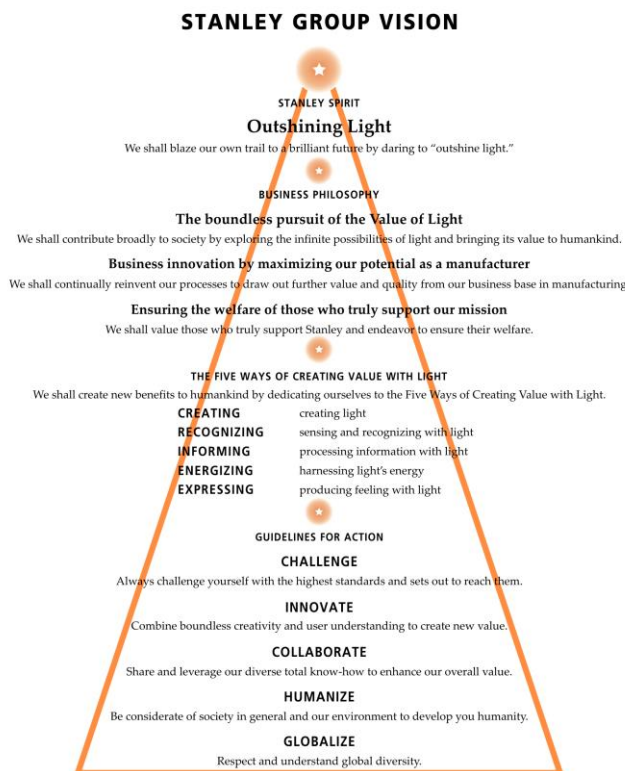
**1.1 Policy and business overview**

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.

**1.1.1 Vision Objective Goal / Business Strategies**

The company adheres to the vision of the Stanley Group as a guideline in conducting business as follows:



The company sets business goals and strategies each year in accordance with the Stanley Group business plan by focusing on the operating results, both sales and profits, product quality and production, safety of employees and the environment Including employee development and promoting ethics.

The Board has set a policy for directors, executives and employees, including corporate governance policies, Code of conduct for Directors and Employees which has been published as a

document and distributed to directors, executives and employees for acknowledgment and implementation in this regard, the Board of Directors has determined the yearly plan for reviewing the policy, rules and regulations.

### 1.1.2 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 Co., Ltd. (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: Asian Stanley International Co.,Ltd , Lao Stanley Co., Ltd. and Vietnam Stanley Electric Co., Ltd. Stanley Electric Engineering India PVT Ltd. PT. Indonesia Stanley Electric, that also took shares in various companies, such as Inoue Rubber (Thailand) Public Company Limited, Sum Hitech Co., Ltd. (in 2015 the company sold shares to major shareholder of Sum Hitech Co.,Ltd. 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.

During years 2002 - 2011 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. 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,

During year 2012 - 2016 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. The automotive industry fell again after delivery of the car from the first car out. The demand for automotive consumer that was used prior to the year 2012, making the auto industry downturn and the decline continued, Agricultural

crops production less so the public revenue less and to spending was less than normal. Only Exports and motorcycle market have continued to grow slightly. The automotive manufacturers including companies as part manufacturers have tried hard to remedy the situation and results of operations.

During year 2017 - 2020, the automotive industry returned to recover. Sales and production of cars and motorcycles constantly increasing which mainly domestic sales, the export market is still at a slow level. In order to support the increased production and new model of lighting products. The company invested in the expansion of the 7th lamp manufacturing plant and new Mold factory, which will begin production in 2019 and start the construction of the Lamp 8 factory which will be completed and start production in 2020. The company built new buildings, namely, a molding plant and a research and development center (DMT). We also invested in capital-increase shares of Electro Polymers (PVT) Ltd in Pakistan. In late 2019 towards early 2020, the world suffered the outbreak of Covid-19. Automakers who were our customers subsequently suspended some production, which significantly affected our production.

In 2021, the ongoing epidemic situation of COVID-19 affects the industry, causing shortages of semiconductor parts in automotive manufacturers because the production to stop and postpone the production periodically affects the production and performance of the company.

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.

### 1.1.3 Use of funds from fundraising

-

### 1.1.4 Commitments from the offer for sale of securities

-

### 1.1.5 Name and Company location

Company name	Thai Stanley Electric Public Company Limited
Registration number	0107536000765
Head Office Location	29/3 Moo 1, Bangpoon-Rungsit Road, Ban Klang , Muang , Pathum Thani 12000
Business type	Manufacturing and distribution of automotive lighting equipment
Telephone	02-581-5462-3 Fax 02-581-5397, website www.thaistanley.com
Paid-up capital	383,125,000. - baht (three hundred eighty-three million, one hundred twenty-five thousand baht only) These are 76,625,000 ordinary shares with a par value of 5 baht per share.

## 1.2. Conduct of business

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

The company does not provide segment information for the mold and product design business, which has different characteristics from automotive lamps and lamp sets, because of the sales of this business accounted for only 0.68 percent of the sales

### 1.2.1 Income Structure

(The Equity Method)

Revenues	31 March 2022		31 March 2021		31 March 2020	
	(Million Baht)	%	(Million Baht)	%	(Million Baht)	%
Domestic Sale Revenues	8,260.63	58.98	7,698.72	63.46	9,655.09	61.37
Export Sale Revenues	5,321.70	37.99	4,028.89	33.21	5,495.00	34.93
Total Sale Revenues	13,582.33	96.97	11,727.61	96.67	15,150.09	96.30
Dividend Income	24.30	0.17	60.40	0.50	86.13	0.55
Gain on Exchange Rate	20.30	0.15	24.09	0.20	16.61	0.11
Interest Income	19.54	0.14	20.45	0.17	53.82	0.34
Other Income	78.97	0.56	57.07	0.47	107.16	0.68
Share of profit from investment in Associate	281.61	2.01	241.89	1.99	318.84	2.03
Total revenues	14,007.05	100.00	12,131.51	100.00	15,732.65	100.00

### 1.2.2 Product information

#### (1) Nature of Products and business innovation development

**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 other products in addition to the main products, including

- Dies & Molds and Design, in support of the core business and for sale to other industrial operators. The details of the Dies & Molds and Design segment are not identified in this filing because their sales account for only 0.68% of the Company's total sales.

Other factors affecting the business opportunity of the company are obtaining investment promotion certificates from the Office of the Board of Investment ((BOI) total 18 copies. Currently, the company still receives tax benefits from 1 certificate, as important detailed are follows

1. 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 years.

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 has 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.

**Business innovation development** - Stanley Group strives to create values to humanity and the society at large. We practically open up to new creativity or business innovations. We have pursued our goals through the following items:

- To set an organization management system are establishment of Satellite division to implement marketing strategies, build good relationship with customers to be a real partnership and to expand the automotive market share in the region by collaborating with the Satellite segment of the Stanley Group, with the goal of becoming the number one electrical system manufacturer in Thailand.
- Product design and development, the company focuses on product design to meet the needs and satisfaction of customers, with a beautiful appearance and have modern technology. As well as upgrading from being an automotive lighting device come to be a lighting system with technology and functions of the Stanley group, which is a safe lighting system suitable for all local automotive users and based on the use of environmentally friendly raw materials.

The company has a product design center including research and development. Almost of the expenses is the compensation for the personnel of the center and has been included in the cost of the product.

- Production management, the company organized improvement activities to increase production efficiency, namely SNAP (Stanley New Approach for higher Productivity) activity, which is an activity that causes improvements in all dimensions and can be measured by reducing concrete costs. It has been a management strategy of the Stanley Group since 1999 and is now elevated to the Stanley Group's global corporate culture.



The company's goal of SNAP is to be the primary tool for employees to think about improving every process throughout the organization by establishing the Office of Productivity Innovation (OPI) to support SNAP activities by overseeing SNAP activities within the company and expanding to related business partners such as companies in the Stanley Group.

QCC (Quality Control Cycle) Activities, the company encourages employees throughout the organization to do QCC activities as a subgroup of employees by brainstorming to solve problems, increase efficiency, develop work processes and present to the company. It is organized as a competition for presentations and prizes are given to encourage the activities. However, if the topic of improvement affects the customer's product the company has also submitted the work of these groups to compete at the customer group level further. The company appoints the QCC committee to support, educate and measure activities that for to achieve the objectives and goals of the company. In addition, QCC activities include training to develop skills and knowledge on problem analysis by QCC principles, including the application of QCC tools to group members.

THAI STANLEY PRIZE AND CHALLENGE PRIZE AWARD activities from activities to improve and develop various works that can be taken to a higher level or affect the costs in a concrete way such that department can submit their work to participate in the annual THAI STANLEY PRIZE AND CHALLENGE PRIZE AWARD activity. The company set up a committee of THAI STANLEY PRIZE AND CHALLENGE PRIZE AWARD from Department Manager for selecting projects or activities to propose to the Executive Board for decision. The winning project or activity will receive a cash prize and if eligible at the Stanley group level, the company will continue to participate in the contest as well.

## **(2) Marketing and Competition**

### **a. Policy and marketing**

Because of competition in the automotive lighting industry is relatively low competition. Therefore, the Company's competitive policy or strategy is to try to produce all kinds of products of high quality at reasonable prices. Pricing is based on the cost of production plus standard profit.

In addition, the company has a policy to expand other automotive-related product lines in line with the needs of the automotive market to expand market share.

### **Distribution channels and customer base**

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.

#### **1. Domestic Sale**

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 2021, the company's domestic sales accounted for 60.82 % of total sales, an increase of 7.30% from the previous year, and the export sales was 39.18% of total sales, an increase of 32.09% from the previous year. Part of it is sales to Stanley Group and the other part is sales to customers in the Free Zone\*.

*\*Free Zone is a designated area. For the benefit of customs duties in the industry, commerce, or other businesses that are beneficial to the country's economy in which the person wishing to establish a free zone must obtain a license from the Director-General (source : [www.custom.go.th](http://www.custom.go.th))*

### b. Competition situation

The Company's policy in competitive to practice under the rules of the competition will 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 3 main manufacturers in Thailand. However, if compare by size of company, the potential for production and competitiveness there is only 1 company that be similar to the company and another are difference size. The company has advantages in terms of diverse customer base, 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 so can obtain lower cost financing through the Stock Exchange of Thailand. At present, our estimated market share remains high considering that our products are featured in vehicles in this country. We have been rated high by our customers in terms of price, quality and delivery.

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.

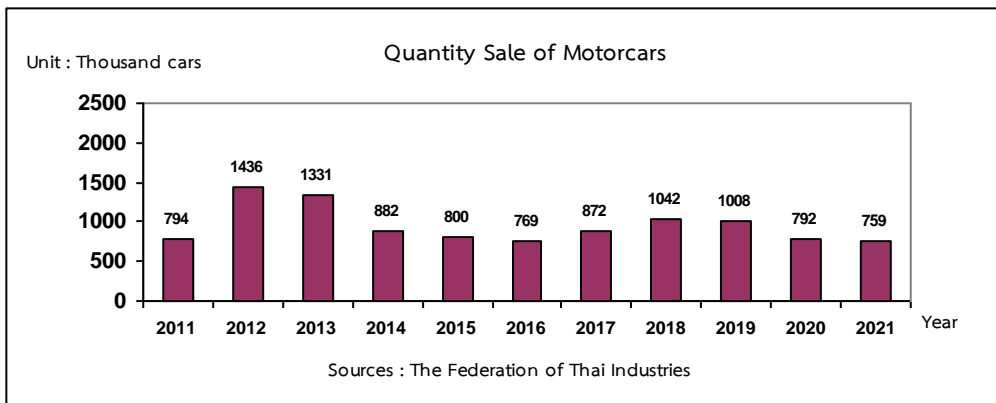
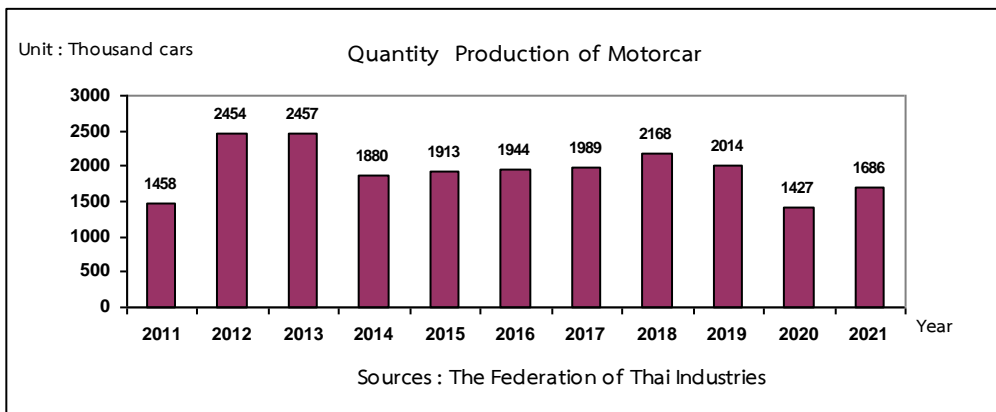
4) The Company benefits greatly from the modern technology and valuable experience transferred from its joint venture partner, Stanley Electric Co., Ltd. of Japan, thereby increasing customers' confidence in the Company.

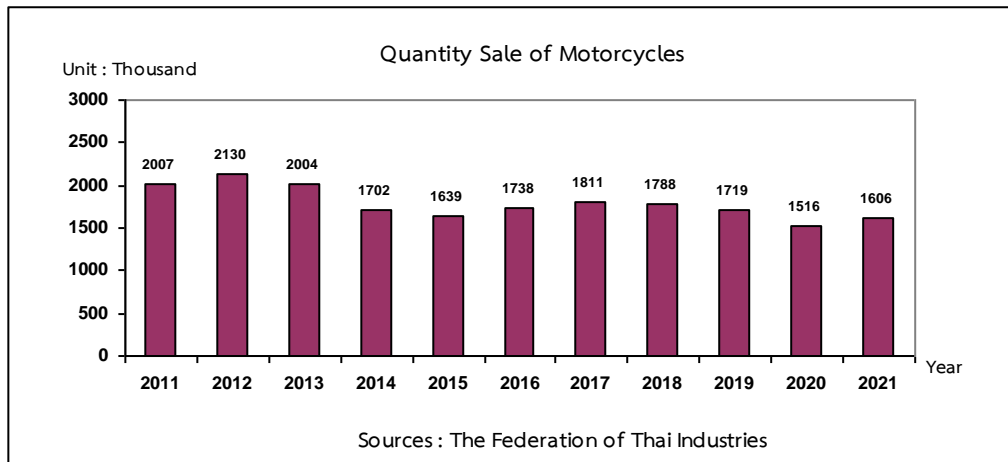
Because there are so few operators in this industry, the Company has the bargaining power over its customers at a particular level. However, the course of business is still based on the facts, especially, the basis of the actual cost of manufacturing plus standard profit.

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 the year 2020 continues to the present, the outbreak of the Covid-19 virus spread around the world, affecting businesses including vehicles causing heavy slowdown. In addition, by 2021, most automotive manufacturers have a shortage of semiconductor components. As a result, production has been postponed until the production halts periodically.

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

**(3) Product and service supplies**

a. Manufacturing and raw material

The Company has three manufacturing plants as follows:

1. Automotive bulb plant 1 factory, all production from customers' orders and the other portion supplies the Company's lamp plant. The capacity = 113 million pieces per year
2. Automotive Lamp plant 5 factory, All production from customers' orders. The capacity = 40.5 million pieces per year.
4. Die and Mold plant 1 factory , All production from customers' orders and the other portion supplies the Company's lamp plant . The capacity = 400 sets per year.

The total capacity utilization of the company in 2021 is approximately 70%.

- Raw Material, The Company currently acquires 82% of materials from local suppliers and 18% import from foreign suppliers. The price has some changes but in a controllable level by our Purchasing Department using the serious supplier management. At present, there are approximately 130 trading partners for all types of raw materials.

The proportion of raw material purchases domestic and international in the past 3 years are follows:

Unit : Million Baht

Sources	31 March 2022		31 March 2021		31 March 2020	
	Amount	%	Amount	%	Amount	%
Local	5,536.06	81.78	3,924.24	72.66	5,000.81	71.13
Foreign	1,233.74	18.22	1,476.60	27.34	2,029.74	28.87
Total	6,769.80	100.00	5,400.84	100.00	7,030.55	100.00

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

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

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

3.A single source provides the material on the basis of the alliance among the members of the Stanley Group, resulting in economies of scale. The material is distributed to all other members worldwide. The price of material provided by Stanley Electric Co., Ltd. of Japan and the Stanley Group is fixed at a reasonable and favourable level. The pricing formula is the actual cost plus administrative expenses. If some kinds of general material can be acquired from other suppliers on favourable conditions, the Company has absolute discretion to proceed with that procurement without abiding by any commitments within the Stanley Group.

#### **(4) Assets used in business operations**

The importance characteristics of primary fixed assets and intangible assets that the company used in business.

The main fixed assets are land and land improvements, factory buildings and other structures such as buildings, canteen and welfare building, wastewater treatment plant, waste disposal plant and employee car parking.

All assets are located at 29/3 Bang poon-Rangsit Road, Banklang, Muang , Pathum Thani . In which the company is the owner of the title and there are no obligations or guarantees. (Details are disclosed in Attachment 4)

Intangible assets include computer programs. Product design cost including development products. Most of the transactions are made with affiliates. (Value is shown in the notes to the financial statements)

Investment policy relating to subsidiaries and associates

On 31 March 2022, the Company's investments in joint venture company and associates' company in the automotive lighting business totalled 1,908.90 million baht, or 8.28% of total assets. The Company expects to increase investments in this business for the next three years. However, the combination of actual and future investments is capped at 10% of its total assets.

**(5) Undelivered Projects**

- None

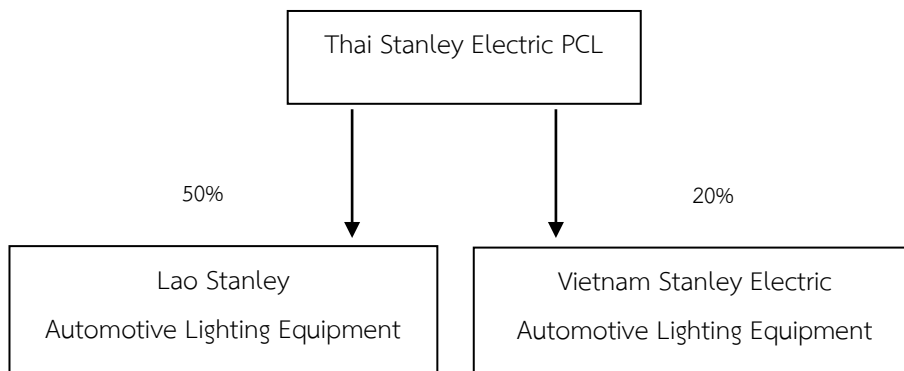
**1.3 Company group holding structure**

**1.3.1 Company group holding structure**

(1) Business division policy of companies in the group

The company has 2 related company that manufacture of Lighting Equipment are the joint venture company - Lao Stanley Company Limited at The Lao People's Democratic Republic and the associate company - Vietnam Stanley Electric Company Limited at Socialist Republic of Vietnam which are in the business of lighting equipment. The operations and management based on the consideration of the Board of Directors of each company based on the policy of Stanley group.

(2) The shareholding structure diagram of the group of companies



(3) Holding Company

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

No	Name/Address/Type Of Business	Capital Registered	Amount or Number Of Share Hold	Investment Ratio (%)
1.	Lao Stanley Co.,Ltd. KM.7 Luangprabang Road, Vientiane, Laos - Manufacturer of automotive lighting equipment Telephone: 85621 222171-3 Facsimile : 85621 222174	USD 500,000	USD 250,000	50
2.	Vietnam Stanley Electric Co.,Ltd. Hanoi , Vietnam - Manufacturer of automotive Lighting equipment Telephone: (844) - 8 534546 Facsimile : (844) -8 531337	USD 8,300,000	USD 1,660,000	20
3.	Top Hightech (Thailand) Co.Ltd Saha Ratana Nakorn Industrial Park , 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 (paid – up 21 million baht)	6.00 million baht (paid – up 3.00 million baht) common stock 600,000 shares	15
6.	P.T. Indonesia Stanley Electric Jakarta, Indonesia. - Production and Sales of Automotive lamps for motorcycle and motorcar, Die & Molds Telephone : (021) 59404510 Facsimile : (021) 59404506	USD 7,500,000	USD 750,000	10
7.	Electro Polymers (PVT) Ltd. Karachi, Pakistan - Manufacturer of automotive Lighting equipment Telephone : +9921-32360041(42) Facsimile : +9921-32360043	PKR 9,240,000	PKR 79,050,000 common stock 93,000 shares	10.06

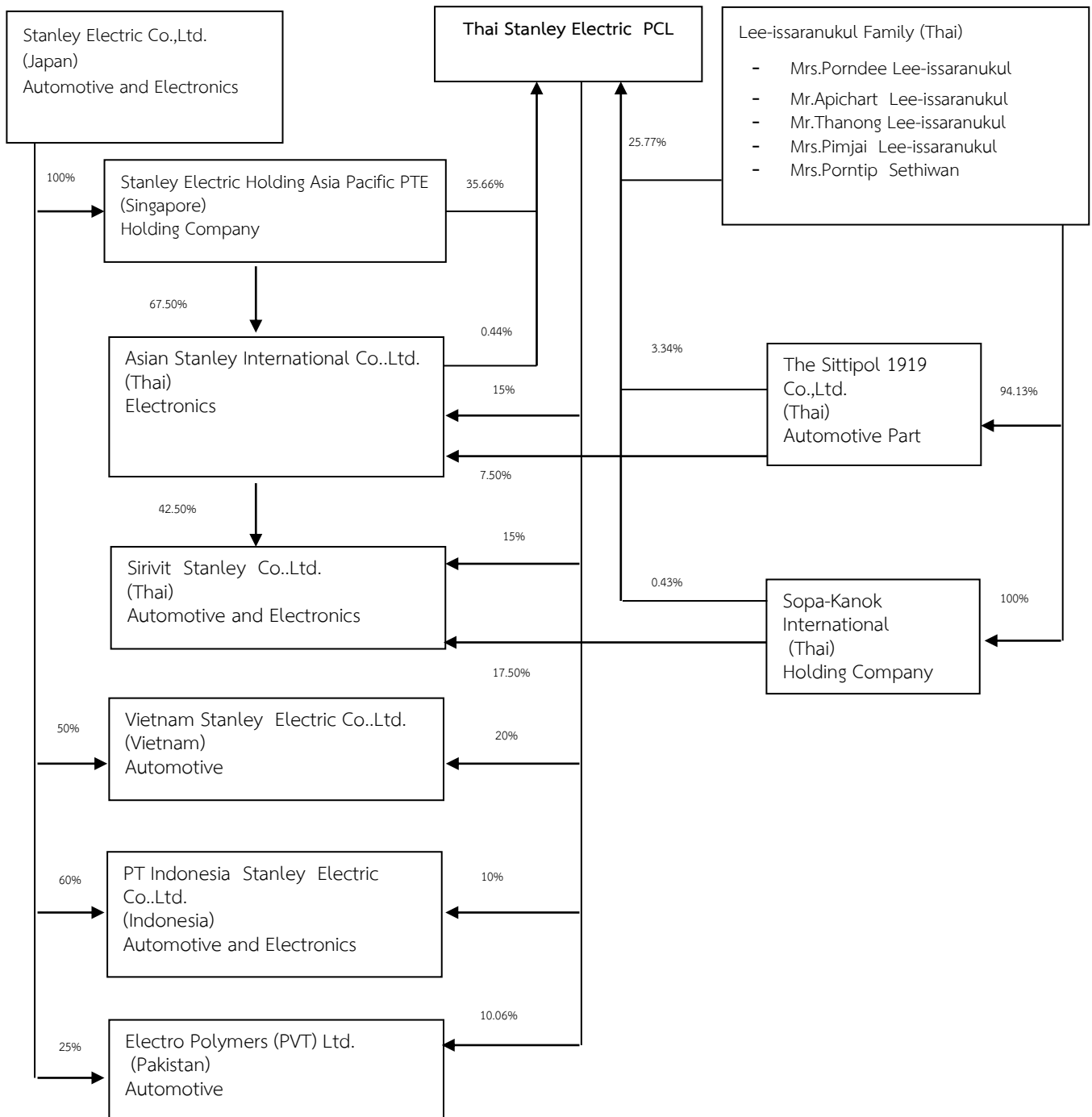
**1.3.2 Conflict of interest person with holding shares in the Company**

- None

**1.3.3 Major shareholder group Relationship**

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

Business operations are in accordance with company policy that accordance with the policies of Stanley Electric Co., Ltd., Japan The company and Stanley Group rely on technical assistance for production and product design and marketing activities to lead to receiving new purchases of products





### 1.3.4 Shareholders

(1) Major shareholder list

(A) Top ten shareholders as at the last closing book date July 13, 2021.

Shareholder Name	Number of Share (Share)	% of holding
1.Stanley Electric group	27,655,450	36.10
- Stanley Electric Holding Asia-Pacific PTE	27,320,950	35.66
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,655,596	29.57
- Mrs.Porndee Lee-issaranukul	4,486,956	5.85
- Mr.Apichart Lee-issaranukul	5,468,771	7.14
- Mr.Thanong Lee-issaranukul	4,144,855	5.41
- Mrs.Pimjai Lee-issaranukul	2,841,495	3.71
- Mrs.Porntip Sethiwan	2,831,195	3.69
- The Sittipol (1919)	2,556,074	3.34
- Sopa-Kanok International Co.,Ltd.	326,250	0.43
3. Thai NVDR Co.,Ltd.	3,743,681	4.87
4. NORTRUST NOMINEES LTD-CL AC	1,970,600	2.57
5. BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	1,273,000	1.66
6. MR.KENNETH RUDY KAMON	1,130,500	1.48
7 MR.PARINYA TEIANWORN	1,000,000	1.31
8. ABERDEEN STANDARD LONG TERM EQUITY FUND	959,000	1.25
9 ABERDEEN STANDARD SMALLCAP FUND	595,500	0.78
10. AIA COMPANY LIMITED-EQAP-D FUND 1	539,900	0.71

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 *	27,655,450	36.10
- Stanley Electric Holding Asia-Pacific PTE	27,320,950	35.66
- Asian Stanley International Co.,Ltd.	334,500	0.44

Shareholder Name	Number of Share (Share)	% of holding
2. Lee-issaranukul Family	22,655,596	29.57
- Mrs.Porndee Lee-issaranukul	4,486,956	5.85
- Mr.Apichart Lee-issaranukul	5,468,771	7.14
- Mr.Thanong Lee-issaranukul	4,144,855	5.41
- Mrs.Pimjai Lee-issaranukul	2,841,495	3.71
- Mrs.Porntip Sethiwan	2,831,195	3.69
- The Sittipol (1919)	2,556,074	3.34
- Sopa-Kanok International Co.,Ltd.	326,250	0.43

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

\*\* Lee-issaranukul Family is the major shareholder and executive management in Sittipol 1919 ( holding 94.13%) and Sopa Kanok International (Holding 100%)

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

(3) Shareholder's Agreement - None

#### 1.4 Amount of registered capital and paid-up capital

1.4.1 The company has a registered capital of 383.125 million baht and fully paid. Divided into ordinary shares, amount 76,625,000 shares, par value of 5 baht per share

1.4.2 Other shares

-None

1.4.3 Shares or Convertible Securities

-None

#### 1.5 Other Securities

-None

#### 1.6 Dividend payment policy

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

The dividend payment information for the past 5 years is as follows:

Payment Year	2021	2020	2019	2018	2017
Earnings Per Share (Baht) **	13.85	26.07	25.81	21.65	16.58
Dividend Per Share (Baht)	5.50	8.25	8.25	7.00	5.00
Dividend Ratio (%) * **	44.42	34.72	35.28	36.03	34.15
Remark					
** From the equity method is applied and	31 Mar	31 Mar	31 Mar	31 Mar	31 Mar
*** From the company only	2021	2020	2019	2018	2017
As at date					

## 2. Risk Management

### 2.1 Policy and Risk Management Plan

The risk management policy is as follows.

To control and reduce the impact of the risks that may arise and maintain the sustainable business objective, including control the implementation also complies with the international laws and standards.

The company is determined to

1. Risk Management & Control being a part to control the strategic management policy and management objectives of the Company
2. Designate the risk management team or committee to consider the risk factor, a likelihood and severity, which have an effect on the company's strategic management policies, compliance with laws or relevant standard.
3. Manage the risk that may affect the operation of the company to be at the highest efficiency and to be an acceptable level.
4. Assign the responsibility person to be audit and evaluate to the operations risk management in business process within the company.
5. An effective Risk Management & Control process be conformed to the international standards and not conflict with good governances and laws of Thailand.
6. Assign the responsibility person to report the effectiveness of Risk Management & Control system to the company's Risk Management Committee and Audit Committee.

Risk management operations the company defines the duties and responsibilities of this related person and various departments as

The Risk Management Committee, consists of the Chairman of the Risk Management Committee, is the President and the members are the Executive Board and the executives of each department.

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

The Risk Management and Control Section, Corporate Governance Department has the following duties and responsibilities:

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

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

The Risk management in 2021, The company requires risk assessment by the management and a meeting of the Risk Management Committee to consider the results of the risk assessment, including the determination of risk mitigation measures.

## **2.2 Risk factors to the business operation of the company**

### **2.2.1 Business risks**

1. Fraud Risk Corruption is a serious problem and hinders the sustainability of the company. This may result in both financial and non-financial losses such as profits, fines, reputation, image of the company. Corruption can occur even in cases where the company has strict internal measures and controls.

The Company has established an anti-corruption policy, Code of Conduct for Directors and employees including other related policies. There is training to educate employees. There was a self-assessment based on the Private Sector Collective Action against Corruption. Provide channels for whistleblowing and receiving complaints. In 2021, the Company did not find any complaints about corruption.

2. Production Risks, The Company has assessed risks related to production such as the risk of halting the delivery of raw materials from suppliers. The risk of developing and starting a new product, the risks involved in the procedure New production processes or technologies, quality risks that do not meet the customer's requirements, etc.

The Company has established measures to control risks such as having an information system to support of raw material in case the supplier is unable to deliver raw materials. There is regular control and evaluation of suppliers, training of workers to have knowledge and skills to work on a regular basis. And has been certified to international standards of quality management system IATF16949 and ISO9001 to build confidence in quality. There is a strict preventive internal audit system both raw material quality production process as well as delivering products to customers.

3. Information System Risks, the Company has increasingly used computer information systems in our operations, both in various data storage systems, as well as in the production process to increase production efficiency. Therefore, there may be a potential for security risks of information systems or from various technological threats that may be caused by a system failure or from an attack by a malicious person including the risk of leaking confidential information, including during the COVID-19 outbreak. There are some employees who have to work from home, which may have a chance to leak information.

The Company has established guidelines for its operations to control and prevent risks including setting rules and regulations on the use of information technology systems, disaster prevention plans of information technology systems, and back up plans to serve as a guideline for risk prevention and

management. Including the establishment of an Information Security Committee to communicate knowledge in information within the organization continuously.

4. Electrical System Risk, The Company has a production system that consists of a large number of machines and equipment, which requires electricity to work. If there is a problem in the distribution of electricity from electricity using may affect both the production system directly or various support systems, which will result in the Company's operations being interrupted.

The Company has established measures to prevent and reduce risks by purchasing additional electricity from private agencies and preparing a BCP plan to support emergency situations.

5. Risks from Natural Disasters and other disasters, The Company continues to focus on fire risks. and flooding because that may cause widespread impact and damage. The Company has established preventive measures by assign a responsible agency for rigorous surveillance, prepare a plan for emergency situations and set up a TOP GUN team to respond in case of emergency

6. Epidemic risk, the epidemic of coronavirus (Covid-19) which continues to spread and a new wave of outbreaks has resulted in an increase in the number of infected people that leading to the issuance of measures to prevent and control the epidemic of the government sector. The company has strictly complied with various government measures. To prevent and control the spread of the Coronavirus (Covid-19) infection within the company by including internal management measures such as,

- Establish a BCP committee to monitor the situation and manage the crisis.
- Encourage employees to receive vaccinations thoroughly, The company helps to provide additional alternative vaccines.
- Establish measures to prevent the spread of the epidemic such as screening, social distancing. and provide protective equipment such as alcohol gel, masks.
- Arrange for ATK checks with employees during long holidays or employees who are at risk groups.
- Control activities that are at risk of spreading the disease such as meetings, training and seminars that change to do through the online system.
- Communicate with employee to understand and educate about the epidemic situation.

## 2.2.2 Risk from investment of equity holders

Risk from major shareholders holding more than 25% of equity

The Company has two groups of major equity holders who hold more than 25% of its equity, are Stanley Electric Co Ltd, Japan, and the Lee-issaranukul Family, both of whom are founders of the company. They have collaborated with each other without conflict and therefore poses no risk of either one exercising a veto vote or opposing a resolution to be adopted at a shareholders' meeting that may affect investment and thereby prevent them from enjoying a return, rights or benefits or risk losing all or part of their investment.

### 3. Driving business for sustainability

#### 3.1 Policy and Sustainability Management Goals

The Company's policy is to achieve business goals effectively, being 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.

#### Determining sustainability issues by importance

for sustainable business operations The Company has prepared a list of issues related to sustainability to connect with stakeholders. and assess the level of importance to draw conclusions and determine sustainability issues, as well as to set goals and procedures as follows:

#### Connecting sustainability issues with stakeholders

stakeholders Sustainability Issues	customer	Supplier	Employee	Shareholder	Government agency, Local organization, Various regulatory agencies	Local community
<b>environmental issues</b>						
1. Water management	*				*	*
2. Management of waste from production processes and solid waste	*				*	*
3. Greenhouse Gas Management	*					
4. Energy Management					*	
5. Pollution Management, Noise, Odour	*				*	*
<b>social issues</b>						
6. Employees Treatment			*	*	*	*
7. Occupational Safety Management			*	*	*	*
8. Communities and society Treatment				*	*	*
9. Corporate culture			*			
<b>economic issues</b>						
10. Performance Management / Corporate Governance				*		
11. Anti-Corruption		*		*	*	
12. Risk Management	*			*	*	
13. Compliance				*	*	
14. Responsibility to customers and products	*			*		
15. Supplier Management		*				
16. Data Protection and Information Systems	*					

**Determining sustainability issues by importance**

importance to stakeholders

High





Performance Management / Corporate Governance Risk Management Anti-Corruption Data Protection and Information Systems Greenhouse Gas Management Energy Management Supplier Treatment	Responsibility to customers and products Employees Treatment Occupational Safety Management Communities and society Treatment Water management Compliance Management of waste from production processes and solid Pollution Management, Noise, Odor
	Corporate culture

High

importance to the company

**Sustainability Goals**

According to the sustainability issues linked to stakeholder groups, the Company has formulated management policies and business goals of the Company and combine it with the SDG's goal of international sustainability, setting the sustainability goals and corresponding management services as follows:

	Goal No. 6: Ensure availability and sustainable management of water and sanitation for all	Target - Reduce the use of tap water - Bring water into the system and circulate it.
	Goal No. 7: Ensure access to affordable, reliable, sustainable and modern energy for all	Target - Increase the use of renewable energy by Increase the installation area of Solar cell
	Goal No. 13: Take urgent action to combat climate change and its impacts	Target - Reduce electricity consumption - Reduce CO2 emissions - Cultivate the concept of sustainable development, - Training for knowledge Environmental and energy conservation for employees at all levels.
	Goal No.10 : Reduce inequality within and among countries	Target - Implement the concept of STARS Plan and implement human resource measures to have the ability to think through the end of the process.

### 3.2 Impact management for stakeholders in the business’s value chain

#### 3.2.1 The business’s value chain

As our business is to produce an automotive lamp for sales and distribution to automakers, our value chain starts from product design to meet the needs and the best interest of both automakers, who are our customers, and consumers. When a product is proposed to automakers and they make an order, the production process will start. Quality raw materials are selected and the production will go through a high-tech process as well as quality control procedures before the products are delivered on time to customers. Besides, when our customers incorporate our products into their cars and deliver to consumers, we continue to guarantee our products with the automakers.

Process Concern Person	Offering and product design	Production	Delivery	Quality Assurance
Inside Company	Satellite Division Design Division	Purchasing Department Production Department	CD Section	Quality Assurance Department
Outside Company	Customer (Automaker)	Supplier - Material Supply - Others support production	Supplier - Transportation Delivery	

The company has established a specific department to take care of and to sets a policy to operate on the purchase – sale of goods and assets as a guideline. There are management and operations for each group divided by activities as follows:

#### Main Activity

1. Import of production inputs - The main stakeholder is supplier of raw materials and various factors to be used to produce the products of the company. There are both domestic and export and the Stanley group companies. The company has arranged the Purchasing Department to be the unit responsible for liaising with raw material suppliers mainly. The company has a policy to strictly comply with agreements, contracts with suppliers by adhering to conducting business with honesty both for oneself and others under relevant laws and regulations.

The important operations are as follows:

- Supplier selection , The Purchasing Department is responsible for selecting suppliers based on the qualifications required by the Executive Board . According to purchasing policy that consider cover to company documents, performance, environmental, employee practical and human rights. At present, the company constantly selects new suppliers for price competition, especially raw materials, and reduce the risk of relying on one supplier too much



- Supplier Evaluation , after selection and business dealing together , our Purchasing Department also has an annual assessment in quality, delivery and price etc.

- Supplier Development , The company has extended production improvements to suppliers as well. The company adheres to the policy of quality assurance, by establishing the principle of not buying, not producing, or passing on defect. Therefore, the development of quality to the supplier is beneficial to both the supplier to increase the competitiveness and the company to get quality raw materials on time delivery and the cost is not too high.

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.

- Supplier Meeting The Company arrange for Meeting with business partner is also held with the purpose to keep partner updated about the company movement and to hear opinions 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.

**2. production practice** - The main stakeholders are company employees, started with the design presentation to customers to be selected as a product manufacturer production planning, production, quality inspection until delivery to customers. The company aims to create a production that is suitable and consistent with the orders from the customers. The production process is in accordance with the standards set forth by both the company and the international standards that the company has received, such as the ISO/TS 16949 standard (Quality Management System for the Automotive Industry). Increase work skills for employees on a regular basis. Each step of the performance is monitored by the management. Improvements to improve productivity with SNAP (Stanley New Approach for higher Productivity)

**3. Distribution/Outbound Logistics** - The main stakeholders are the company's freight forwarders. At present, the transport system mainly used by transport operators is mainly used. There is a department to take care of the delivery of each factory to coordinate primarily by focusing on delivery to meet the needs of customers

**4. Marketing and sales** – The main related parties are customers. The Company's direct customers are mainly automobile manufacturers in Thailand, and indirect customers are users of vehicles with the Company's products included. The Company has customer relationship management. The Company has established policies regarding customers as follows:

**Management:** To meet customer satisfaction first and foremost by improving standards in key areas, including quality, cost, delivery, development, safety, and human relation through the plan – do – check cycle.

**Quality:** To develop a quality assurance system that meets international standards and to deliver products with confidence in gaining customer satisfaction and trust.

**Actions that matter to customers** In addition to producing to deliver products to customers The company also communicates, coordinates, attends meetings and participates in activities with customers regularly from various operations lead to being evaluated by customers The company is assessed annually by customers in terms of quality, price, delivery and other aspects. In general, morale rewards are also offered. The company continues to be trusted and receives awards from customers regularly. In 2021, the company received awards from customers as follows

1 . Awards from TOYOTA DAIHATSU ENGINEERING & MANUFACTURING COMPANY LIMITED are 3 awards as follows:

- 2021 Outstanding Performance Supplier for Early Achievement of 2025 target in Environment (CO2 Reduction) Award (22 February 2022)
- 2021 Outstanding Performance Supplier in VA Award (22 February 2022)
- Runner up “Cost Improvement” Award (22 February 2022)

2. Award from NISSAN MOTOR THAILAND COMPANY LIMITED as Global Quality Award

**5 . After sales service** - The key stakeholders are customers and users of the company's products. The company has a Quality Assurance Department responsible for product quality assurance. Giving suggestions about products, giving advice and receive complaints from both the car manufacturer's customers and the car users who have the company's products in order to be satisfied with the quality of products and services

### Support activities

From the main activities that focus on various operations for quality products that mainly meet the needs of customers, the company has also taken other actions to support activities including.

The company has also issued policies and procedures for controlling customer data to avoid various risks that can be properly applied to customer data. The Company considered the customers' information that is the most important asset.

The Company has adopted the competition policy and guidelines that promote fair competitive practices and as normal business.

Product Design and New Technology Exhibition, because each vehicle or motorcycle model uses specific automotive lamp, the Company's research & development and sale teams work with individual customers to design products that truly meet the needs of each customer.

Furthermore, Stanley Group has organized a exhibition to present automotive lamps designed by the Group's research & development teams and other products to customers.

### 3.2.2 The Stakeholder Analysis in business value chain

The Company divides stakeholders in the value chain of our business into 2 groups as follows:

1. Direct Stakeholders that directly affect the company are customers, suppliers, employees, shareholders and communities.
2. Indirect Stakeholders that indirectly affect the company are government agencies, local organization and various regulatory agencies

The company underlines the priority and simultaneously acknowledges the rights of each group of stakeholders. The policy governing the rights of stakeholders is further described in the corporate governance policy and the Code of Conduct of directors and employee's topic. Stakeholders may contact us or file a grievance via our email at [companysecretary@thaistanley.com](mailto:companysecretary@thaistanley.com) where an agency and specific procedures are arranged to handle the matter.

The Company considers related issues between the Company and stakeholders and is managed as follows:

Stakeholders	Participation channels	Issues of Interest	The Company's action
Customers	<ul style="list-style-type: none"> <li>- Annual meeting</li> <li>- Information sessions</li> <li>- Policies relating to activities</li> </ul>	<ul style="list-style-type: none"> <li>- Production capacity, Product quality, Delivery</li> <li>- Compliance with customer's policies and various laws</li> <li>- Business Continuity Plan (BCP)</li> <li>- Confidentiality new product</li> </ul>	<ul style="list-style-type: none"> <li>- Requiring the Satellite Division to exclusively look after each client</li> <li>- Attending customers' Meetings</li> </ul>

Stakeholders	Participation channels	Issues of Interest	The Company's action
Suppliers	<ul style="list-style-type: none"> <li>- Supplier meeting</li> <li>- Informing sessions</li> <li>- Policies relating to activities</li> </ul>	<ul style="list-style-type: none"> <li>- Purchasing order target/plan</li> <li>- Related policies and practices affecting purchasing orders</li> </ul>	<ul style="list-style-type: none"> <li>- Requiring the Purchasing Department to look after groups of suppliers based on what they order (i.e. raw materials and others)</li> <li>- Organizing annual meeting</li> <li>- Providing management advices regarding production and other criteria.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Electing/appointing a representative to sit in the Welfare and other committees</li> <li>- Communicating policies and other information</li> <li>- Appointing employee representatives to attend meetings with other Departments</li> <li>- Providing contact and grievance channels both within Thai Stanley and representative companies</li> </ul>	<ul style="list-style-type: none"> <li>- Policies, goals, business directions</li> <li>- Remunerations, welfare and other staff benefits</li> <li>- Capacity building</li> <li>- Work environment, Health, Safety, Security and Environment (HSSE)</li> <li>- Facilities, rest space</li> <li>- Other health promotion and relaxation activities</li> </ul>	<ul style="list-style-type: none"> <li>- Have management representatives attend meeting with every Department</li> <li>- Representing employees through an election process in the Welfare Committee</li> <li>- Appointing employees at various subcommittees</li> <li>- Organizing activities and providing welfare to employees annually</li> <li>- Arranging necessary facilities such as library and fitness center</li> <li>- Providing contacting/grievance Channels</li> <li>- Providing channels to communicate with employees such as through information board, Lotus Note mail, PA system and Meetings</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>- Annual Shareholders' Meeting (AGM)</li> <li>- Investors Relations (IR)</li> <li>- Annual Report and other reports</li> </ul>	<ul style="list-style-type: none"> <li>- Performance and business Goals</li> <li>- Dividend payment policy and other management policies</li> </ul>	<ul style="list-style-type: none"> <li>- IR acting as a point of contact for information</li> <li>- Organizing an AGM</li> </ul>

Stakeholders	Participation channels	Issues of Interest	The Company's action
Shareholders (Continue)	- Company website	- Code of Conduct and anti-corruption practices - Qualifications of Board of Directors	- Disclosing information through various channels such as website, annual report, SD report and MD&A - Organizing company visit (as appropriate)
Public agencies, local administration organizations, regulatory agencies	- Attending projects - Attending meetings - Paying courtesy visits	- Legal compliance - Public Private Participation (PPP) - Management of impacts against communities and the society	- Collaboration by attending meetings and activities - Arranging company visit (as appropriate) - Supporting activities
Local communities	- Attending activities at various Projects - Attending meetings - Paying courtesy visits - Providing grievance/complaint channels	- Managing impacts against Communities - Promoting or assisting communities	- Coordinating with local Representatives - Supporting or attending local activities - Inviting local representatives to attend our activities

### 3.3 Sustainability management in environmental dimensions

#### 3.3.1 Environmental Policies and Practices

##### The environmental policy

In the Company's activities must operate in accordance with the environmental vision. All employees must be aware of their roles and responsibilities in the environment in their work which has the following activities policy

1. The Company is committed to operating, controlling and protecting the use of resources and the environmental impacts arising from the operation all activities of the company to comply with environmental laws and other relevant requirements including the change of the world in the new century in the Stanley group.

2. The company is committed to developing and improving the environmental management system related to processes, products and services continually to prevent and reduce environmental impacts as well as expanding the results to those related to the activities of the company.

3. The company supports and promotes the organization of various environmental activities both inside and outside the company, such as environmental management in the work area. (Environment Shop Floor Management) , Training, public relations, etc.. to help stimulate environmental awareness among stakeholders of the organization, including the conservation, prevention and reduction of both direct and indirect environmental impacts.

4. The company discloses the environmental policy. To communicate and demonstrate commitment to control, protect, develop and improve the environmental management system to stakeholders and the public

5. The Company regularly and continuously assesses its compliance with the policies set out above.

The 2021 environmental policy is zero environmental disasters by enhancing environmental potential and compliance.

The environmental target for 2021 are:

- CO2 emissions vs. Value added down 2% from 2019
- Water consumption compared to Value added decreased by 2% from 2019
- The amount of waste disposal is reduced by 2% from 2019 and promotes recycling within the area and defines the source of Recycle.

Environmental slogan “Stanley joins together to reduce the use of water, paper and plastic bags.”

**Environmental practices** The Company has appointed an Environment Committee and ER – Environment Responsibility, consisting of executives and employees from all departments. There are currently 73 persons. Acts to push, recommend, and environmental management systems which considers the relevance of environmental laws and other requirements and to follow Environmental Management Policy of the Company and the Stanley Group (Japan Stanley Environment Policy) The Safety & Environment Department is responsible for driving various operational activities covering all areas For environmental activities in 2021 are as follows:

### **1. Activities to reduce the use of important resources**

1.1 Water The company has a need to use water for production and consumption in the company each year in large quantities. The water sources are as follows - Raw water and tap water from

government agencies accounted for 82.95% of the total amount of water used. The company regularly measures water quality 12 times a year.

Target: Reduce water usage rate by 2% from base year 2019 (Company level) by using indicators as water usage rate per value added.

#### Operation

1. Recycle water is used in the water curtain system of the coating process in the Lamp factory, lawn watering system and use in the bathroom (Flush) at PQC Welfare Building. Currently uses recycled water, accounting for 65.04% of the total wastewater volume.

2. Change toilet sanitary ware to a water-saving model and change the bathroom sink faucet to a sensor in the whole company.

The results obtained in 2021 were as targeted. Can reduce water consumption 67,649 m<sup>3</sup>/ MTB.

1.2 Paper - work of various departments both the office and the production department use a lot of paper. The company aims to reduce its usage by finding other tools such as various computer programs.

Target : Reduce paper usage rate by 2% from base year 2019 (company level) by modifying conformity assessment method through the use of Excel, establishing a system for processing waste material through the use of the unit's program of Information System Department and create a campaign to reduce the use of paper in every unit, at least 1 project per unit, the results are in accordance with the target.

Result on target can reduce paper usage by 2,224 reams

1.3 Waste Disposal The Company campaigns for employees to be aware of the cost-effective use of resources. Reduce the use of plastic bags, waste sorting, etc.

Target: Reduce the amount of waste sent to landfill by 2% from the base year 2019 (company level)

Operation - Implementation of waste sorting campaigns and changing waste disposal methods by pushing to get rid of Reuse and Recycle, organized monitoring activities from the Environment Committee every quarter to check the waste management of each unit and public relations to raise awareness by training on Company waste management for employees as well as campaigning for all agencies to create a project to reduce the amount of waste at least one project per unit.

Result on target, the company emphasizes on separating waste into different categories, destroying waste and selling it to the private sector for further recycling. In addition, 5 S activities are emphasized by emphasizing cleanliness in all areas.

## **2. Monitoring by management and external agencies**

In order to improve and maintain a good environment always, the company requires top executives to monitor every area on a monthly basis. In 2021, the company provides external standards agencies to measure various pollution values within the company, such as noise, waste water, heat and air quality, the measurement results are within the standard.

## **3. Environmental training**

The company requires Organizing regular environmental training, including regulatory courses ISO14001: 2015, internal waste management courses, etc.

## **4. Environmental campaign activities**

To encourage employees to participate in environmental conservation such as organizing the World Environment Day exhibition, activities to reduce the use of plastic bags within the company. Green Factory Project activities where executives and employees join together to plant trees to increase green space in the company on the last working day of the year.

## **5. The Learning Center of the Environment and Energy Conservation**

Source This Center has been established under the principle of 3 Rs of Reduce, Reuse and Recycle and is part of the Thai Stanley Farm Project, which is carried out on the basis of the sufficiency economy principle where land within the company is used for the benefit of employees and to increase the green area within the compound.

Objective The company realizing the importance of health, safety and environmental conservation, which is a strong foundation for a business to remain friendly to the ecology, the environment and surrounding environment which also includes a good quality of life of employees, The company is inspired to have the Safety & Environment Department set up the Learning Center for Environment and Energy Conservation for a sustainable learning process of employees and the public at large. The 196-square meter center, which is located next to the Lamp 7 Factory, has been established under the 3R principles, namely, Reduce, Reuse and Recycle.



Plans and operations The center has a two-phase operation plan. Phase 1 operation has partially started since December 12, 2021. For Phase 2, the full-scaled operation will start in May 2022. Phase 1 operation consists of recycling and reducing the CO<sub>2</sub> emission through the use of alternative energy, vegetable gardening carried out under the principle of sufficiency economy, sustainable ecology and waste reduction by separating and selling it. Phase 2 operation will include learning activity outside the company's premise with an emphasis on hand-on practice so that the knowledge can actually apply in every day's living to generate incomes, reduce expenses and create a network where knowledge can be effectively transferred

The company did not find any illegal environmental practices and no environmental accidents. In addition, the Company has no conflicts or complaints on environmental issues from communities and external agencies. The company has been certified with the ISO14001 system since 2002 until the present.

### **Energy Conservation Management and greenhouse gas**

The Company's business operations are related to energy such as electric power and fuel energy for use in production including transportation. The company therefore promotes the implementation of valuable energy conservation operations maximum benefit finding renewable energy as well as creates an organizational culture on energy conservation with systematic and continuous management.

### **Energy Conservation Management**

The company appoints the energy conservation committee, which is a representative from all departments in the company. Currently there are 23 person who perform energy management duties. in accordance with the energy conservation policy and the Company's energy management methods, coordinate, supervise and prepare reports on energy conservation and support executives to take legal action, with the Safety & Environment Department as a driving force for various activities.

### **Energy conservation policy**

1. The company is committed to energy management and energy conservation in compliance with energy conservation laws and regulations related.

2. The Company regards energy conservation as the duty and responsibility of the management and employees at all levels to cooperate in complying with the specified energy conservation measures.

Including regular monitoring and reporting to the Energy Efficiency Committee. This is to express our intention to continually improve energy efficiency.

3. The Company allocates sufficient and appropriate resources related to energy conservation and energy management. In order to carry out energy management according to the objectives and goals that has been set.

4. The company pushes the production process including other activities related to energy use for energy conservation and the most efficient use of energy. This is considered part of the company's operations.

5. The company continues to improve the energy efficiency of the organization to suit the nature and amount of energy actually used. To be consistent with the characteristics of the appropriate technology industry and to apply good practice appropriately and continuously.

6. The company seeks clean energy to contribute to energy conservation and sustainable environment and publicize energy conservation activities to stakeholders

7. Reduce CO2 emissions according to annual indicators 2021

**Energy conservation slogan 2021** Make contributions to the analysis of electrical energy.

Choose to provide clean energy for use.

### **Analysis of key issues and approaches to energy management**

The main energy that the company uses in its business operations are as follows

1. Electric power, at present, the company needs to use electricity for production, accounting for 8.65% of the company's total expenses, divided into

The direct way is the use of electricity from the government sector. (Provincial Electricity Authority) about 38.98%

The indirectly are purchases from the private sector approximately 59.87% and from clean energy production approximately 1.15%.

2. Fuel , Most of the company uses about 100% of its vehicles and it is not used in the manufacturing process.

In 2021, the company has set target and take action on energy conservation as follows:

- Reduced carbon dioxide (CO<sub>2</sub>) emissions by 1% from 2019 base year (company level) with activities to monitor energy consumption using yellow cards, training to raise awareness of energy use and promote clean energy use (Clean energy)

At present, the Company has installed solar cells on the roof of Lamp 7 factory and the roof of the multipurpose building PQC which consists of a cafeteria, library, exercise room and an area for engineering, production support and trial training for production staff before entering the actual production factory Electricity capacity (Capacity) : 1.2 MW, which can reduce electricity consumption in 2020 (Produced Energy) : 1,190,896 kWh/Year สามารถลดการปล่อย CO<sub>2</sub> Emission : 708.58TonCO<sub>2</sub>/Year , and can help reduce electricity costs (Reduce Electric Consumption): 5,013,672.79 baht/year and the company plans to expand the capacity of Solar Cell in the future at the Lamp 7 factory building, the extension and the Lamp 8 factory building.

The company also has activities to reduce the use of electricity with a target of 2% reduction from the year 2019, which has an electricity consumption of 8.9377 TonCO<sub>2</sub>/MTHB, with activities to reduce energy consumption to achieve the set goals as follows:

- Installing a Power Meter and taking electricity usage data to analyze where there is a fault
- Holiday Energy Reduction Program which will campaign to stop the production process on Sunday, 1 day per month. This makes it possible to reduce electricity consumption almost as targeted. The electricity consumption is 8.9377 TonCO<sub>2</sub>/MTHB.

In addition, the Company also organizes campaign activities for employees to participate in the cost-effective use of resources as follows:

- Establish a culture of environment and energy conservation which is conveyed out as pictures and messages attached to different areas make it easy for employees to see.
- Public relations campaign via voice over the line every day at 11:30 AM.
- Monitoring from the Energy Efficiency Committee in every department, every week to provide conservation activities covering all areas
- Quarterly audits from top management to provide advice on ongoing energy conservation activities
- Energy Conservation Potential Assessment and energy management status.

\* Note: The company has to prepare greenhouse gas emissions data by hiring a carbon footprint reviewer. (which has been registered with the Greenhouse Gas Management Organization - TGO.)

### 3.4 Sustainability management in the social dimension

#### 3.4.1 Social policy and practice

The Stanley Group's business philosophy in addition to the development of being a product manufacturer, The Company focuses and values 4 groups who support the company are Customers, Suppliers, Employees and Shareholders. Currently, we also include groups of stakeholders such as local communities and government agencies and others with awareness of participation in society. The operations in various fields are as follows:

##### 1. Labour management and HR development

Year 2021, the company has a policy to manage personnel. is the realization of the STARS Plan\* concept and personnel measures. Build people who are capable of thinking through the process. by defining personnel guidelines and taking action on the part of Organizational Development / Hiring Strategy with appropriately and recruiting experienced specialists in specific fields to make the concept of the STARS Plan a reality (*\* STARS Plan is the Stanley Group's HR management system, which consists of six sub-systems are chain of command, positions, job rotation, performance assessment, wages and remunerations and, finally, capacity building. The STARS Plan has been created under the principles of fairness, recognition and rationality*)

##### Labor Management

The Company realizing in the value of our human resources by has established a labor management system to provide fair protection and treatment to our employees because we believe that this will result in higher quality of life and better productivity. The company has set a policy for Thai labor standards. as a guideline for compliance with the requirements of labor laws including other regulations related.

##### Thai Labour Standard Policy

1. Thai Stanley Electrics commits to comply with the provisions of the Thai labour laws, requirements of the Thai labour standard as well as other relevant laws and regulations.
2. Thai Stanley strives to enhance the quality of life of our employees as well as workplace environment and welfare as appropriate and will work to have them improved or enhanced on a continued basis.
3. Thai Stanley will review the adequacy, the suitability and the effectiveness of our policy, work regulations and performance results.

The management convenes annually to review the adequacy and suitability of this policy. In addition, the Thai labour standard will apply not only internally to the entire organization but also to suppliers and subcontractors.

The company take the Certified of Thai Labour Standard (TLS 8001-2010), the complete version from the Ministry of Labour Which has been assessed by the Ministry of Labour annually.

The Company has issued its Labour Management Manual, considered an ultimate document of the labour management system according to the Thai Labour Standards explained below:

## Human rights issues

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

**Pregnancy** Female employees who are pregnant are not allowed to work in jobs that may jeopardize their health as designated by the laws. Pregnant employees will be offered work in an environment that will not threaten their wellbeing and pregnancy. There won't be any termination, or reduction of job responsibility, rights or benefits as a result of the pregnancy. The company has arranged a breastfeeding area as welfare for female staffers who return to work after giving birth to their babies.

## Issues of inequality and discrimination

**Discrimination** The Company has expressed its intention not to support any discrimination action on employment, payment of wages and other financial supports, social welfares, training and development opportunities, promotion, employment termination, and retirement, which are due to the difference of nationality, race, religion, language, age, gender, marital status, sexual orientation, disability, HIV infection, preference of a political party, or personal concept and idea.

The company will never hinder, interfere, or conduct any action deemed to have affected the employees' rights and their routine practices without causing any damage to the company.

**Hiring of the Disabled** The company fully supports the Act to Promote and Improve Life Quality of the Disabled, B.E 2550 (2007) Section 33 and Section 35 where three disabled persons have been recruited to work at various departments.

In addition, The company also offers income-generating opportunities for the disabled by allowing 28 disabled persons to sell goods in the company on a monthly basis under the market of the disabled and caregivers of the disabled project (Section 35).

**Freedom of Business Association and Negotiation** The Company provides its employees with the right to join various committees in the company and fully possess the right of negotiation, selection, or election of corporate representatives. The company will never hinder or interfere with the exercise of employees' rights.

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

At present, the company has 10 representatives of employees elected to be the Welfare Committee and 16 of the Occupational Safety, Health and Environment Committee, with elections every 2 years. The company provides measures to facilitate the employees' representatives in performing various duties. Equal to other employees without being harassed, transferred, terminated, or practiced that is not fair

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

Welfare and enhancement of quality of life. The Company strives to improve quality of life of our staff to reflect the current economic condition. We increase salary and welfare annually. Adequate and appropriate welfare such as –

- Hygienic facilities are clean and sanitary toilets, clean water, first aid necessities, daily healthcare service offered by doctor and a professional nurse available throughout office hours, clean canteen and healthy and inexpensive food are provided and has been assessed by the Pathum Thani Provincial Public Health Office by receiving the Safety Canteen Award.

- Supporting knowledge and interests outside working hours, including library and internet (Library Café), fitness room, yoga room, etc.

- Other welfare such as income tax issuance, travel allowance, employee uniform (4 sets for the first year, 2 sets for the following year) and laundry service, birthday gifts and new year gifts, food allowance in case of overtime work and when working outside the company, Medical expenses that cover employees' families, including parents, spouses and children, etc. and from the COVID-19 situation that affects a lot of household income The company provides special loan benefits to help alleviate problems and reduce informal debt for employees' families.

And for organizing activities within the company in the field of health promotion, such as organizing internal sports, competitions group colour sports activities. Recreational activities include organizing tourism for each agency. Due to the COVID-19 situation, activities must be cancel. As for the various festival activities to promote the good society and culture of Thailand, such as the arrangement of bathing Buddha images during the Songkran festival. Candle Procession , Dry food offering activity New Year's Ceremony, The company can still operate in some activities.

THAI STANLEY FARM - by the principle of sufficiency economy

In December 2021, the company initiated the Thai Stanley Farm Project inspired by the principle of sufficiency economy as part of our welfare to enhance the living quality of our employees and to help reduce living expenses as the costs of living keep rising. A land behind the Lamp 7 Factory has been allocated as a learning center of the environment and energy conservation as well as an area for vegetable gardening. Staff interested in planting and tending the garden can collaborate in cultivating and taking care of vegetable plots by spending time after work, whenever they are free or during weekends. Final products can be consumed or sold. This project not only enhances collaboration but also nurtures team spirit and harmony within the organization.

During Phase 1 of this project, Thai Stanley supported budgets for seeds, tools and other farming equipment as well as training courses offering farming and fertilizer-making knowledge for employees signing in to join the program and those about to retire. The goal is to enable staff to use what they learn after retirement or to later train the next class of other interested employees. Regarding final products, aside from consumption and sales, healthy seeds were selected for further use and distribution to employees.

Promoting the Use of Technology, we have produced a QR Code as an option for employees who use smart phones to download employee's manuals, training manuals and other types of manual in a more convenient manner. In addition, corporate work forms are accessible through the intranet via a program. This includes, for example, the Human Resource Management System (HRMS), employees can apply for leave according to the rights of the employee by allowing supervisors to approve through the system, reservation for the use of the meeting room in the company, the reservation of the use of the company car, etc.

The company have implemented the cashless project since 2017 in which we encourage employees to use less cash while making payments by relying more on Siam Commercial Bank's mobile application to pay, for example, food in the company's canteen and return of advance to our Finance & Accounting Department. The idea is to reduce the use of cash, increase transaction speed, promote sanitation by having vendors contact fewer banknotes and coins and foster technology that will help the country transiting into the Thailand 4.0 digital age.

Discipline and punishment The company determines the principle of disciplinary action in accordance with the law on labour protection to be paid to employees and will not perform or encourage the use of physical, mental or compulsive punishment methods intimidate. And set preventive measures and solving problems to prevent employees being trespassed. Harassment or sexual harassment expressed by words, gestures, physical contact or by other methods

In addition to carrying out internal labour activities in the company, for outside the company has always participated in labour activities with government agencies. In November 2021 the Company received the Outstanding Workplace Award for Labour Relations & Welfares from the Ministry of Labour for the 16th consecutive year.

#### Human Resources Development

The company has implemented the STARs Plan as a principal system to develop our human resources. The plan covers the capacity-building process and career advancement programs, which can be specified into six systems as follows.

1. Qualification, We determine job qualifications to reflect capacity levels of employees when it comes to their performances. The qualification is also used to determine fair and suitable remunerations.

2. Position, About duties, roles, authority and responsibility in each position of each department are clearly described. Promotion and qualification system are evaluated based on the criteria set by the Promotion Committee.

3. Rotation, this refers to the practice of rotating employees to work at another department to handle different types of work in order to create and enhance their capacity, which will finally allow them to be promoted.

4. Evaluation, The evaluation system determines criteria for evaluation, which will be used to support the increase of salary, awarding bonuses, promotion and career advancement. The system also

reflects strengths and weaknesses of employees for further development. The evaluation criteria are based on the principles of fairness, suitability and acceptability.

5 .Wage, The wage structure consists of base salary, competency allowance, title/position allowance and other assistance benefits such as overtime pay, overtime holiday pay, food stipend, attendance allowance and transportation and shift allowance. There will be an annual salary increase, which will be based on the following indexes: the government's increase of minimum wage, an inflation rate that indicates changes of the cost of living, and the industrial situation.

6. Skill Development, We strive through our policy to enhance employees' skill where minimum training hours for each level or position of employees are pre-determined.

The company will review training courses suitable for employees, namely, strategic training, training based on department work and self-development. The training can be internally and externally. Employees may be sent to train and work overseas with companies within the group.

Labor policy for the year 2021, The Company sets personnel development policy; with a target all employees must take training at least one course on knowledge or skills in the job

In 2021, the company organized 57 internal training courses, a decrease of 7%\* from the previous year. A total of 2,990 employees attended the training, an increase of 14% from the previous year. The average number of training hours is 25.47 hours per person, an increase of 28%\* from the previous year. And there are 135 outside training, an increase of 85% from the previous year \* Examples of training courses include the Behavioural Based Performance Management System (PMS), Implementing Advanced Leadership Coaching Process for Organizational Excellence. (Advance Coaching) , Training program to slow down unemployment in the automotive industry (Industry 4.0 ) And for safety from the situation of COVID-19, the company refrains from sending employees to train abroad.

\* Due to the COVID-19 pandemic situation, the company cancelled some training programs during the year 2021.and converted to online seminars, about 80% of all seminar.

The Human Resources Department currently implements the Employee Training program to collect training information of all staff. Supervisors will evaluate employee's performance after they have attended training in conjunction with the annual employee performance assessment.

### **Thai Stanley Power Up Project**

The Company conducting a HR reform project called Thai Stanley Power Up to accommodate our growth and the highest customer needs. Starting with the Automotive Lamp Division (LE's Reform Model), the project duration is 4 years, from 2018 - 2021, divided into 6 activities and the project ended in March 2022. The overall performance was able to meet the target. Although some activities have obstacles impacted by Covid 19, but with strict P-D-C-A (Plan-Do-Check-Action) implementation and received support from the management as well as cooperation from relevant department as well .The results of the project enable employees at each level to systematically develop a high level of



competence in their work , including the continuous improvement of the production process, the defect in the production process is continually reduced as well. For the results of the 6 activities as follows:

1. J-CoM (Job Competency Management) is an activity for assessing the ability of personnel in each role. To look for weaknesses and strengths leading to continuous development in the PDCA model. Roles and duties are defined in 6 levels: Executive, Manager, Controller, Auditor, Experienced practitioners and Practitioners. The nature of the work of the LE Division can be divided into 5 types: New Model, Production, Quality, Engineering, Planning

In 2021, there are 1,326 J-CoM participants representing 77% of the LAMP Division, with each employee planning a 5-year upgrade in advance. The proficiency level is broken down into four grades, ABCD. Afterward, discuss with your supervisor for guidance on the guidelines. At the end of the year there will be an actual evaluation. After that, all the data will be recorded in the J-CoM Software Application, processing the report summary. Since 2021, the J-CoM system has been extended to work with HR, QA, PU, DM departments and in the future, it will be extended. to the remaining departments

2. Smart Manager course is a course to build people to grow into future managers , with have skills in finding organizational problems and formulating organizational improvement measures. There are 3 important parts:

1.) Basic Knowledge provides basic knowledge necessary for management.

2.) Smart Management provides 4 key theoretical knowledge, namely TQM, Management study, Team leader, Sensibility

3.) Practice Presentation is a learning-based approach. In 2019 and 2021 to training 2 groups, with the target group of learners being employees at DDM, CS or comparable level. There were 17 students who completed the course. The style of study was to study theory in the classroom and study on the job site.

After completing the study, we surveyed the results of using the knowledge gained and found that the majority of the students applied the knowledge learned to the management within the department and to the 3 Loss Improvement activities and with the personnel within the department. Future progression depends on each annual division's policy.

3. Expert course is a course for building personnel to have a variety of knowledge from New model to Mass Production. There are 3 important parts:

1.) Mini-Expert is a preparation of the necessary basic knowledge.

2.) Expert (New Model) is to give Know about the preparation work for new products

3.) Expert (Mass Production) is to educate about production process control and quality control when entering mass production. The learning style will select people with high knowledge and experience to provide knowledge and pass on experiences to learners in the style of seniors and juniors. The target group of learners is GL, UL or equivalent level. Classes are organized in 1 class. In 2019 - 2020, there are 11 Expert course graduates. After completing the course, there will be follow-up. And from the

survey of the results of the applied knowledge, it was found that most of them applied the learned knowledge to the preparation for the new model., Apply for 3 Loss Improvement activities and educate personnel within the department. Future progression depends on each annual division's policy.

4. The 360° Survey is a 360-degree survey of opinions on individual job duties and the practice of the company's philosophy, supporting the realization of the STARS Plan Policy in 2021. The survey was conducted in 2021 with a group of 132 management-level employees from DEGM, DM, DDM, CS, GL. The scores were: 5 = Excellent, 4 = Good, 3 = Standardized, 2 = Needs Improvement, 1. = should be corrected For 2021, the target score is 3.3. The survey results showed that DM, DDM employees scored an average of 3.5, CS were 3.3 averaged, and GL were 3.2. Overall, the top rated topics were awareness of one's role and customer focus. The topics with low scores were unclear in work and self-improvement. Consequently, the low-scoring topics were developed with three new activities: 1) linking management's goals with actual performance control activities; 2) PDCA reporting on actual results; and 3.) Self-development with 1 person, 1 subject 360 degree surveys are conducted every 2-3 years to study survey data and make continuous improvements.

5 . Quality In House is an activity that works in the form of a committee named 3 Loss Improvement Committee whose mission is to review, analyze, correct and improve problems in the production process. Perform an analysis to determine the cause of the problem and escape. Leading to corrections, improvements and expansions to prevent recurrence continually. In 2019, QIH Software Application has been used to help process problem data in the production process. This makes troubleshooting decisions easier and faster. Each month, a manager and team-level held the meeting to review the effectiveness and efficiency of PDCA work. In addition, the benefits of QIH information can also be applied to the work of the New Model and 3 Loss Improvement activities at each plant. For further operations, the focus will be on continually improving the skills of problem analysis and problem management.

6. The 5S patrol by customer view activity is to detect risks in Quality, Safety and 5S, in the production process and exchanging views in the form of customers. Leading to the prevention of problems and has continually developed processes to control production, quality and safety. From April 2018 to March 2021, a weekly production inspection team found the risk about 5S is 49%, about quality is 29% and about safety is 22%. However, the risks found have been resolved and expand the results to let each factory know the details of the risks in order to prevent problems in advance. In the future operations will be combined with Quality in House activities.

After the POWER UP project is closed, each relevant department will have clearly defined manpower and roles to support the activities for operate continuously and smoothly.

## Safety , Occupational Health and Work Environment

The Company has prioritized safety as the first issue in our management under a concept that “Every employee will leave home for work and be back home safely in all aspects.”

The company has set policies and operations regarding safety, occupational health and working environment along with the regular duties of the employees as follows

1. The Company has determined that work safety is the first responsibility in the performance of all employees. All employees must consider their own safety, colleagues and the Company's assets this is important throughout the working time.

2 . The company complies with laws, regulations, rules and standards related to safety occupational health and work environment including strictly customer safety policies and requirements

3. The company supports human resources and budget for safety management occupational health and work environment to achieve the target of zero accidents both during working hours and beyond.

4 . The Company requires supervisors at all levels to act as role models, leading, training, coaching, motivating and encouraging employees to work in a safe way.

5. The company supports and promotes the improvement of the environment. and continuous safe working methods by adhering to the 5S principle ( Tidying, Convenience, Cleanliness, Sanitation and Nurturing habits) in the working area and within the company in parallel with the search and assessment of hazards (Safety Shop Floor Management) continuously as well as the use of appropriate personal protective equipment to prevent fire , accident at work sick at work Occupational and communicable diseases including the good health of all employees

6 . The Company is committed to supporting and encouraging employees, contractors and outsiders to participate in the activities of Occupational Health and Safety That will help stimulate the consciousness of employees both during working hours and beyond such as safety culture, training, incentives, public relations, competitions, safety recommendations, etc.

7. The company conducts an assessment based on this policy at least once a year.

### Safety Activities

The Safety Committee has been set up to consist of representatives from top management, elected and appointed representatives from our employees. At present we have 33 members Safety Committee to reviews policies and work plans, surveys the way we work as well as consider projects before submitting various operation reports to the Executive Board. The Safety Committee’s term of office is 2 years and it convenes at least once a month. Meanwhile, the Safety and Environment

Department, which directly reports to the management, is a main body to help supporting various units to achieve activities based on corporate goals. It also collects safety statistics as a means to improve and propose a better and safer workplace environment and employees' wellbeing.

The company encourage employees to assess risk from workplace or from work processes where they can file the Hazard Identification and Countermeasure Registration Form ( The Hiyarihut Form) to their supervisors or a responsible body to resolve problems with appropriate measures.

In 2021, the company has set a safety management policy, which is to create a safe and comfortable working environment due to zero accidents/zero accidents , by setting target and results as follows:

Work-related accident = 0 (zero) Outcome: achieved

Work-related incident = 0 (zero) Outcome: achieved

Accident-free working hours 21,000,000 hours worked or more (Man x Hour)

The results were achieved in October 2021 and the company has set a new target of 24,000,000 working hours or more.

Promotion of safety knowledge

The Company also opened the Safety Dojo Center to strengthen understanding and create safety awareness among our employees and third-party contractors. Not only the center assists us to achieve our zero-accident goal, but it also works as a training premise and a center for comprehensive safety learning. A simulation station at the center shows various risk scenarios that could occur from different situations. In addition, The company offers training opportunity to employees at this center each month. The third-party such as government agencies and education institutes may also visit this center as part of their study. But from the epidemic situation of COVID-19 The company therefore refrains from attending the event.

The company has issued guidelines for safety in order to raise awareness of employees' dangers. That can happen within the company, it's called a culture of safety. At present, there are 7 Safety Cultures, 7 The Cultures of Safe Driving , and 6 Safety Culture's Machines to Strengthen safety awareness by emphasizing and promoting public relations in various forms keep employees aware and act accordingly.

The company also organized the following safety activities on a continued basis are

- Safety training such as forklift regulations training, Crane operation, Electrical work, Safety at work chemical storage and responding to emergencies , Training for Safety Officer Supervisory level and safety officer at the level of executive.

- Safety, Environment and Energy Conservation Week Exhibition

Including ongoing safety campaigns such as voice calls, Monday Meetings, and news bulletins within the company.

### **Occupational Health**

Operations The company takes into account the hygiene of employees. by emphasizing cleanliness in all areas elimination of various disease vectors every month regularly Providing facilities and hygiene as well as continually providing knowledge on hygiene such as knowledge about various diseases, health care during different seasons by providing in the form of knowledge boards, etc.

- Target and results The company has set a target for employee sickness to be reduced by 50% from 2020, where the results of operations are in line with the targets.

- Employee health check The company provides health checks for all employees annually with a general health check list and health checks according to risk factors for employees working in special areas, such as employees who work in noisy, dusty, volatile areas, etc.

Health check results The company distributes health check results book to all employees for acknowledgment. In case employees have any questions or want to discuss health problems, they can ask directly from the inspecting physician such information is confidential to employees. The company arranges doctors and nurses to provide services to employees in the company every day. Give basic medicines to private hospital standards

### Implementation of measures to prevent the spread of COVID-19

From the beginning of 2020 to the present the epidemic situation of the Covid-19 virus continues to spread throughout the world. In Thailand, there are still many infected patients. The company continually pays attention to this situation by introducing preventive measures such as

- Set up cleaning equipment points such as hand sanitizer and alcohol throughout the company. Distributing masks for employees to wear to prevent infection at all times from the time of leaving the accommodation to the company and on the way home is the same.
- Body temperature screening of employees and outsiders entering the company territory
- Making various signs for social distancing, social distancing in common areas such as canteens, meeting rooms, etc.
- Publicity of news by increasing the dissemination of video media, the 9 Commandments, Stanley Ruamjai fight against covid-19 Encourage employees to understand and follow such instructions. To prevent infection with COVID-1 9 and employees can scan QR-Code to

communicate with family, relatives, brothers and sisters and friends of employees. In July 2021, the company has provided vaccines to all employees

- At present, the company continues to maintain standards and keep an eye on the COVID-19 virus strongly and continually by adding an ATK check to all employees before the start of the work day every long holiday period, including New Year's Day, Songkran Festival to screen and prevent the spread.

From various activities seriously and consistently causing the company to receive an award on occupational safety and health In 2021, the company received the following awards:

1. The Outstanding Occupational Health and Safety Award for the 18th consecutive year from the Department of Labor Protection and Welfare Ministry of Labor (November 2021)

### **Supporting Local Communities and Society**

The Company is located at Banklang , Pathumthani , and has been established outside the industrial estate location. The company is highly cautious of impacts that may possibly cause to the surrounding communities. Never having any dispute with the community, the Company is in collaboration with Banklang Municipality, representing communal people in organizing tradition-based activities, remarkable examples are the Buddha image bathing, Buddhist lent candle parade, dry-food almsgiving and to use of local food products is a set of snacks at the shareholders' meeting.

For community development, the company has always relied on its unique employment model, where 80% of residents in Pathumthani province and the nearby vicinity are employed. The company offers opportunities for students of local universities to visit factory for more knowledge and broader understanding on product manufacturing and management. But due to the COVID-19 situation therefore refraining from attending activities in the company

Since 2016, the Company invested 22.25% in Pracharath Rak Samakkee Pathumthani (Social Enterprise) Company Limited, that established from government's policy that the objective is to support for more strong local economy , people have more income. At present, products are distributed on a monthly basis from the manufacturers in the group during the convenience market shopping arrangements ,but due to the COVID-19 situation therefore suspended this activity.

## Corporate Social Responsibility Activities of Stanley Thailand Foundation (CSR after process)

The Stanley Group has established the Stanley Thailand Foundation since 1993 with the objective of promoting education, culture, environmental protection and improvement, helping the poor and afflicted and operates for the public benefit or cooperate with other charitable organizations for the public benefit. Almost of the activities are in Pathum Thani province which is considered a local community of Thai Stanley. In 2021, from the Covid-19 epidemic situation, Stanley Thailand Foundation donated medical equipment to support hospitals and medical personnel as follows:

1. Received the opportunity to meet of Her Royal Highness Princess Maha Chakri Sirindhorn to pay tribute to the Chaipattana Fund for the Fight against Covid-19 (and other epidemics) amount 1,000,000 baht for the development of normal patients' rooms into 2 Semi ICU rooms for Pathum Thani Hospital.

2. As on the occasion of the 40<sup>th</sup> anniversary of the establishment of Thai Stanley Electric Public Company Limited. Stanley Thailand Foundation, together with Thai Stanley Electric Public Company Limited has donated medical equipment amount 4,000,000 baht for Pathum Thani Hospital, including a Biphasic Defibrillator , Vital signs with defibrillator, Heart function monitor and Automatic vital signs and Monitor arterial blood pressure and Arterial blood oxygen levels for children , Heart and vital signs monitor, Double-sided neonatal phototherapy machine , Patient transport bed , Automatic heart massage machine , High flow oxygen aerator.

3. Donate medical equipment to Ladlumkaew Hospital To help patients in the situation of the Covid-19 virus epidemic, such as UV light sterilizers, High flow oxygen aerator, 10 liter oxygen concentrator, blood oxygen meter, air purifier, total value 3,696,250 baht

4. Donated money to support the establishment of a Call Center, Surveillance Center and Covid-19 Situation Coordination Center in Pathum Thani Province, amount 200,000 baht and donated electrical appliances for use in the center amount 10,730 baht

5 Donated a refrigeration machine for refrigerating vaccines to Debaratana Nakhonratsima Hospital. Nakhon Ratchasima Province, amount 182,970 baht.

6. Support the Drive Thru project, Find, Give away and End for Pathum Thani people by donating air conditioners and computer equipment amount 220,000 baht

7. Donate daily necessities such as rice, dry food, seasonings, detergent and Dettol liquid to AIDS patients in the hospital of Wat Phrabatnampu Lopburi Province and lame children at Ruamphanya Person Lame Association ,Nonthaburi Province amount 120,000 Baht.

8. Provide survival bags to flood victims in Ban Klang Subdistrict, Mueang District, Pathum Thani Province and those affected by the Covid-19 epidemic in the area of Nakhon Ratchasima Province, total amount 674,488 baht

9. Arranged annual scholarships for the year 2021 to 640 students from 143 schools in Pathum Thani Province and from schools in Nakhon Ratchasima Province. The total scholarship amount is 770,000 baht. In addition, for schools in Nakhon Ratchasima province The Foundation also donated library books to all 8 schools.

Business operations that affect social responsibility - None



## 4. Management Analysis and explanations

### 4.1 Overview results operations

In fiscal year 2021 (April 1, 2021 – March 31, 2022), the Company's overall operating performance improved from fiscal year 2020, with total revenue increasing 15.46% and net profit increasing by 43.29%. From the year 2020 that has been affected by the Covid-19 epidemic situation That affects the whole business system, both in the country and around the world. The epidemic began to decline after vaccination increased in all areas. The government sector has more economic activities. As a result, businesses continue to resume operations. The automotive industry was able to resume production despite some impact from the shortage of parts, but overall the recovery continues as well. The automobile market in year 2021 had a total production of 1,685,705 units, an increase from year 2020, which had a production of 1,426,970 units or increase of 18.13% , and total exports of 959,194 units, an increase of 735,842 units from year 2020, representing an increase of 30.35%. At the same time, domestic sales amounted to 759,119 units, a slight decrease from the year 2020 when 792,146 units were sold, representing a decrease of 4.17%. As for motorcycles, in year 2021 a total production of 1,780,654 units, increased from year 2020, with a total production of 1,615,319 units, an increase of 10.24%. and domestic sales of 1,606,481 units, an increase from 1,516,096 units in year 2020, representing an increase of 5.96%.

For the period January-March 2022, which corresponds to the company's fourth quarter, there were 480,078 cars produced, an increase from the same period of year 2021 with 465,833 units produced, an increase of 3.06%. The total number of exports was 243,124 units, a decrease from the same period of year 2021 when exports amounted to 258,108 units, a decrease of 5.81%. At the same time, domestic sales amounted to 231,189 units, an increase from the same period of year 2021 with 194,137 units sold, representing an increase of 19.09%. As for motorcycles, there were 489,238 motorcycles produced, a decrease from the same period of year 2021, which produced 516,405 units, a decrease of 5.26%.and domestic sales amounted to 448,147 units, an increase from the same period of the year 2021 with sales of 435,443 units, representing an increase of 2.92%.

#### Operating result and profitability

In fiscal year 2021, sales and service revenues accounted for Baht 13,582.33 million, increased 15.81% from the previous year. Details of the sales are as follows.

Domestic sales Baht 8,260.63 million, or 60.82% of total sales, increased 7.30% from the previous year. Export sales Baht 5,321.70 million, or 39.18% of total sales and increased 32.09%, This is in line with the automotive industry that has recovered from the Covid-19 situation.

In terms of product categories, sales of Auto Bulbs total Baht 425.22 million or 3.13% of total sales and increased 17.95% from the previous year. Sales of Automotive Lamps accounted for Baht 13,064.94 million, or 96.19% of total sales and increased 21.37% from the previous year. Mold and design sales total Baht 92.17 million or 0.68% of total sales and decreased 84.71% from the previous year.

Other incomes total Baht 143.11 million, decreased 11.67% from the previous year, most of which were from dividend income was 16.98%, Net gain from exchange rate 14.18%, interest income

13.66%, and other income was revenue from sales of scrap raw materials and defect from production, accounting for 55.18% ,

In Expenses, Costs of sales total Baht 11,092.50 million, or 81.67% of total sales, increased of 11.46% from the previous year.

Gross profit total Baht 2,489.82 million, or 18.33% of total sales and which increased 40.21% from the previous year due to increased production to the break-even point (Economic of Scale).

Sales and administrative expenses total Baht 1,024.34 million or 7.54% of total sales. This increase 15.97% from the previous year which increasing in the same direction as the company's sales.

Operation profits total Baht 1,608.59 million, or 11.84% of total sales and increased 52.55% from the previous year. Net profit total Baht 1,520.80 million, or 11.20% of total sales and increased 43.29% from the previous year due to increased sales and production and the company tried to maintain and control costs.

#### Asset Management

##### Total Assets

As of March 31, 2022, The company's total assets stood at Baht 23,056.66 million, an increase of 7.03% from the previous year, Details are as follows.

Current assets total Baht 9,539.14 million or 41.37% of total assets, which increased 19.24% from the previous year. That consists of items are important as follows:

Cash and cash equivalents total Baht 2,655.94 million or 11.52% of total assets and decrease only 0.28%.

Short-term investment total Baht 3,483.00 million or 15.11% of total assets, which was increased 54.25% from the previous year that is an investment in a fixed deposit type bank deposit that has a maturity of more than 3 Months but not more than 12 months. Net trade receivables and other net receivables total Baht 2,617.50 million, or 11.35% of total assets and increased 2.64% from the previous year , from the overall sale increasing.

Non-current assets Bath 13,517.51 million or 58.63% of total assets, slightly reduced 0.18% , The important items are items of Financial assets measured at fair value through other comprehensive income Baht 1,485.40 million or 6.44% of total assets , increased 11.12%, Investment in an associate Baht 1,885.46 million or 8.18% of total assets increased 10.25% from the previous year, Net property , plant and equipment total Baht 9,076.82 million or 39.37% of the total assets, which decreased 3.47% from the previous year.

This is because the company's profit has increased significantly from the previous year. As a result, the rate of return on total assets increase significantly to 6.82%, which previous year was 5.06%, and the return on fixed assets was 30.48% increase from the previous year that of 24.68%. The asset turnover rate was 0.62 times, also increase from the previous year that was 0.57 times.

## Liabilities

Total liabilities were Baht 3,029.88 million, or 13.14% of total assets, increased 7.26% from the previous year, due to the increase in production causing various purchase items. The Payable Turnover Ratio total 10.61 times, a slight increase from the previous year's rate of 5.95 times.

## Equity

Total equity was Baht 20,026.78 million, or 86.86% of the total assets or an increase by 6.99% from the previous year. And from the net profit increased so the Return on Equity (ROE) was increase to 7.85% , increase from the previous year that of 5.89%.

## Liquidity and Capital Adequacy

The Company had net cash and cash equivalents of Baht 2,655.94 million, a slight decrease of 0.28% from the previous year with a liquidity ratio of 4.62 times, a slight increase from the previous year's rate of 4.07%, which was in the liquidity level high. From the cash flow statement , The Company has cash generated from operating activities of Baht 2,573.10 million, net cash used in investing activities of Baht 2,161.00 million and financing activities by paid dividend of Baht 421.44 million. As a result, cash and cash equivalents in fiscal year 2021 decreased by Baht 9.33 million. If the company still had cash and cash equivalents at the end of the year equal to Baht 2,655.94 million, close to cash and cash equivalents at the beginning of Baht 2,663.33 million, can be considered The Company have enough funds for the operations of the company.

In 2021, the company slows down investments due to the economic conditions affected by the Covid-19 situation, but the company still has investment plans to support production that will use more technology and electricity system as well as investing in molds for use in the production of new automotive lamp products continually.

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

The company remains committed to using cash flow for investment and corporate expenses. In other words, we are not focusing on borrowing. During the past year, we did not record any loan or interest expense liabilities. Our liabilities were limited to trade payables and normal payables resulting from our operation. The Debt to Equity ratio stood at 0.15, which equal from last year, the ratio was considered very low considering that the level of debt was very small compared to the asset size.

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

Economic conditions and the automotive industry is the main factor that directly affects the operations of the company. Currently, the economy is recovering from the Covid-19 epidemic. However, there are still shortages of auto parts and the Russia-Ukraine crisis. As a result, higher oil prices affect the economy as well. Therefore, the situation must be monitored closely and continuously. The company is still trying to use various cost reduction measures to accommodate such situations.

The company continues to focus on and support the budget for research and product development. The customers still have plans to launch new products continuously which the company still has been trusted in the production of lighting equipment all the time.

### 4.3 Information from financial statements and key financial ratios.

(1) Summary Financial Information Performance in the past 3 years

a) Auditing reports for the past 3 years, the auditor has expressed an opinion certifying that the financial statements reflect the financial position, results of operations and cash flows, in material respects, in accordance with the Thai Financial Reporting Standards.

b) Summary of financial statements

Statement of investment by equity method) (Million Baht)

	31 March 2022	31 March 2021	31 March 2020
Statements of Financial Position			
Total current assets	9,539.14	8,000.16	7,990.14
Total non-current assets	13,517.51	13,542.45	12,379.79
Total assets	23,056.66	21,542.61	20,369.93
Total current liabilities	2,065.24	1,967.44	2,469.90
Total non-current liabilities	964.64	857.39	578.22
Total liabilities	3,029.88	2,824.83	3,048.11
Total equity	20,026.78	18,717.78	17,321.82
Total liabilities and equity	23,056.66	21,542.61	20,369.93
Statements of Income			
Revenues from sales and services	13,582.33	11,727.61	15,150.09
Cost of sales and services	11,092.50	9,951.85	12,339.31
Gross profit	2,489.82	1,775.76	2,810.78
Selling and Administrative expenses	1,024.34	883.30	947.58
Other income	143.11	162.01	263.73
Share of profit from investments in an associate and a joint venture	281.61	241.89	318.84
Profit before income tax	1,890.20	1,296.36	2,445.76
Income tax	369.40	235.02	448.27
Net profit for the year	1,520.80	1,061.34	1,997.50
Statements of Cash Flows			
Net cash received from operating activities	2,573.10	2,872.90	3,075.06
Net cash used in investing activities	(2,161.00)	(2,762.65)	(939.37)
Net cash used in financing activity	(421.44)	(632.16)	(631.62)
Net increase (decrease) in cash and cash equivalents	(9.33)	(521.90)	1,504.07
Cash and cash equivalents at beginning of the year	2,663.33	3,177.44	1,672.00
Effects of exchange rate changes	1.95	7.79	1.37
Cash and cash equivalents at end of the year	2,655.94	2,663.33	3,177.44

C) Financial ratio

(Statement of investment by equity method)		Audited		
		31 March 2022	31 March 2021	31 March 2020
<b>Liquidity Ratio</b>				
Current Ratio	(เท่า)	4.62	4.07	3.24
Quick Ratio	(เท่า)	4.27	3.80	2.82
Cash Ratio	(เท่า)	1.28	1.29	1.15
Receivable Turnover Ratio	(เท่า)	5.48	4.53	6.25
Collection Period	(วัน)	66.61	79.47	57.60
Finished Goods Turnover Ratio	(เท่า)	117.18	119.25	154.28
Average selling time of finished goods	(วัน)	3.11	3.06	2.37
Inventory turnover ratio	(เท่า)	18.57	14.03	12.09
Average sales lead time	(วัน)	19.66	3.02	2.33
Payable turnover ratio	(เท่า)	10.61	5.95	5.87
Payment period	(วัน)	34.40	60.50	61.33
Cash Cycle	(วัน)	51.87	21.99	(1.40)
<b>Profitability Ratio</b>				
Gross Profit Margin	(%)	18.33	15.14	18.55
Operation Profit Margin	(%)	11.84	8.99	14.04
Other profit Margin	(%)	_**	_**	_**
Cash margin	(%)	159.96	272.45	144.58
Net profit margin	(%)	11.08	8.93	12.96
Return on Equity	(%)	7.85	5.89	12.00
<b>Efficiency Ratio</b>				
Return on Assets	(%)	6.82	5.06	10.08
Return on Fixed Assets	(%)	30.48	24.68	37.14
Asset Turnover	(เท่า)	0.62	0.57	0.78
<b>Financial Policy Analysis Ratio</b>				
Debt to Equity Ratio	(เท่า)	0.15	0.15	0.18
Interest Coverage Ratio	(เท่า)	_**	_**	_**
Interest-bearing liabilities to earnings before interest expense Income tax Depreciation and Amortization	(เท่า)	_**	_**	_**
Ability to settle obligations	(เท่า)	_**	_**	_**
(CASH BASIS)				
Dividend payout ratio	(%)	*	44.42	34.72

\* Waiting approved from the Annual General Meeting of Shareholders No.1/2022 and calculate from Net Profit – The company only

\*\* The company has no interest expenses , no interest bearing debt \*\*\* The company has no other profits that are not from the operation

## 5. Company Information

### 5.1 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

### (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 Mr. Vichien Khingmontri  
 Certified Public Accountant (Thailand) No.3977  
 PricewaterhouseCoopers ABAS Limited.  
 15th Floor Bangkok City Tower , 179/74-80  
 South Sathorn Road, Bangkok 10120  
 Telephone : 0-2844-1000 Facsimile : 0-2286-5050

Law Consultant Bangkok Global Law Offices Co.,Ltd.  
 540, Unit 1705, 17th Floor, Mercury Tower,  
 Ploenchit Road, Lumpini Sub-district,  
 Pathumwan District, Bangkok 10330 Thailand  
 Tel: +66 (0) 2 252-5895-6 Facsimile : +66 (0) 2 252-5897

### 5.2 Other data

- None

### 5.3 Legal Disputes

-None

### 5.4 Secondary market

-None

### 5.5 Contacted financial institutions (Only if the company issues debt instruments)

-None

## Part 2

### Corporate Governance

#### **6. The Corporate Governance Policy**

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

##### **6.1 Overview of Corporate Governance Policies and Practices**

The board has developed the corporate governance policy since year 2007 with details as follows:

1. Providing of business ethics and code of conduct for directors and employee and monitor for compliance with these codes, and occasionally review and update them.
2. Providing of the clear and appropriate structure, roles, duty, and responsibilities of the board of directors and the executives.
3. Board self evaluation should be conducted.
4. Providing, maintaining, and review the financial control, operating control, and corporate Governance in order to effectiveness and to ensure that all company's activities are conducted in accordance with relevant law and ethical standards, and also performing of risk management and focus to warning signs and unusual transactions.
5. Important information on the company's business is disclosed correctly, accurately, transparency and on a timely basis to shareholders as well as stakeholders.
6. Providing of reliable financial report System and Auditing System, and also evaluating of the adequacy of internal control, risk management, and performance monitoring systems.
7. Making sure that the right of those shareholders and all stakeholders are properly protected and treated.
8. Thoroughly and transparency care taking and resolving of any occurrence of all conflict of interest.
9. Arranging of environmental and social policies.

##### **6.1.1 Policies and practices related to the Board of Directors**

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

The Company has also prepared the Board's Charter, that the objective is to cooperate with the management to operate the business to achieve the highest goals and in accordance with the vision, mission and business ethics and in accordance with the principles of good corporate governance.

#### **6.1.2 Policies and practices concerning shareholders and stakeholders**

The Company has policies and guidelines regarding shareholders and stakeholders, which is to ensure that the rights of shareholders and stakeholders be protected and treated equally. The board and executives will take into account the impact on shareholders and stakeholders in making decisions about the company's activities.

### **6.2 Business ethics**

The company has established a code of conduct for directors and employees and the Stanley Group has issued a Code of Conduct for employees of the Stanley Group that publish and distribute to all employees, executives, directors for serve as a guideline for working and including employees of the Stanley Group.

### **6.3 The significant changings and developments in policies, practices and corporate governance systems in the past year**

#### **6.3.1 Information on significant changes and developments related to the review of policies, practices and the corporate governance system.**

The company requires a three-year review of policies such as corporate governance policy, with the latest review on February 10, 2020. The Board of Directors' meeting has a resolution that the policy is appropriate no further modifications are required. As a requirement in the Regulations Control of The Company, every company regulation must be reviewed every 3 years.

#### **6.3.2 Principles of good corporate governance that have not yet been implemented.**

According to the principles of good corporate governance for listed companies in 2012 of the Stock Exchange of Thailand and principles of good governance for listed companies in 2017, There are still some issues that the Company is still in the process of considering for complete implementation, such as the establishment of sub-committees in Nomination and Remuneration Committee, Determining the tenure of the Audit Committee.

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

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

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

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

The company is committed to ensuring that the basic right of the shareholders is protected and treated in an equal manner as regulated by law. The company gives the right to shareholders to



independently buy, sell, or transfer the securities that they are holding. The shareholders are eligible to receive dividend, participate in the shareholder meeting, freely express opinion in the meeting, and can take part in making key decision such as board election, key business transaction approval, and key company letters amendment. In addition, the company promotes the right of shareholders and facilitates as follows:

1.1 The right to receive important and necessary information

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

The company uses the criteria for determining the list of shareholders (Record Date) for the Annual General Meeting of Shareholders that for all shareholders to have time to consider necessary and sufficient information about the shareholders' meeting, which includes the date, time, venue, and agenda, together with supplementary details for each agenda in advance. The company posts such information on the company's website 1 month before distributing the documents.

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

The Invitation Letter

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

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

Facility

The practice guidelines in normal situations, 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. In 2021, due to the epidemic of Covid-19, the company held a meeting with the E-AGM system.

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. For year 2021 is the E-AGM meeting which uses the meeting program system from standard company to count the votes

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 Banklang 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. In year 2021 is E-AGM meeting, the company asks shareholders to submit questions in advance. The chairman will chose questions related to the meeting to answer and to summary questions and answers as an attachment of the shareholders' meeting's minute of 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 Right to consider appointing directors

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

#### 1.6 The right to propose meeting agendas and to nominate persons to be elected as directors

The Board of Directors gives shareholders the right to participate in proposing the agenda of the annual general meeting of shareholders and nominate persons to be elected as Director. To provide fair and equitable treatment to shareholders. The Company has therefore set the criteria and methods for shareholders to propose matters for the Board of Directors to consider including the agenda of the Annual General Meeting of Shareholders in advance. And disclose to the shareholders about their rights , Details of the aforementioned rules and procedures can be found on the company's website , and announced the dissemination of such information through the SET's news system to inform shareholders in advance.

The company invited the shareholders to proposed the agendas and director nomination in advance for the 2020 Annual General Meeting period January 20 to April 20, 2020 that there was no any proposal and director nomination from the shareholders.

## 2. Equitable Treatment of Shareholders

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

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

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

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

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

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

## 3. Role of Stakeholders

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

3.1 Customers , that consist of manufacturers of automobiles and motorcycles that buy company products. And automotive users who also have a part of the company's products. The company has set policies regarding customers with emphasis on satisfaction and trust from customers in terms of products in kind of quality, cost, delivery, development, safety and human relations. Which has the Marketing department responsible for liaising with each automotive company in particular in order to build a

reliable relationship and maximum satisfaction for each customer. The company sets up the Quality Assurance to be responsible for assurance product quality, giving advices on products, providing consultations, and receiving complaints, to make sure the customers will satisfy with the quality of products and services.

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

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

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

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

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

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

3.4 Employees, The company realizes that the company is growing because of the cooperation of every employee so the employees are valuable resource of the company. The company policy are cover employee sustain in respect with safety and occupational health, welfare, recreational activities , training and development , privilege for employees , human right by adhering to the principles of Thai labor standards which the company has been certified TLS800-2020 (since June 2008 until present) from Ministry of Labor and Social Welfare.

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

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

3.6 Society and Community , The company recognizes the importance of society and local communities that the company have become a part of society , so from founding to the present in addition to the employment that most of the employees live in communities nearby the company ,The

company also regularly participates in supporting activities of local communities such as temples , schools and municipality.

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

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

The company and the executive committee focus 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 of directors and employees.

##### **4.2 Communication**

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

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

##### **4.3 Communication Standard and Channel**

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

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

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

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

## **5. Board Responsibilities**

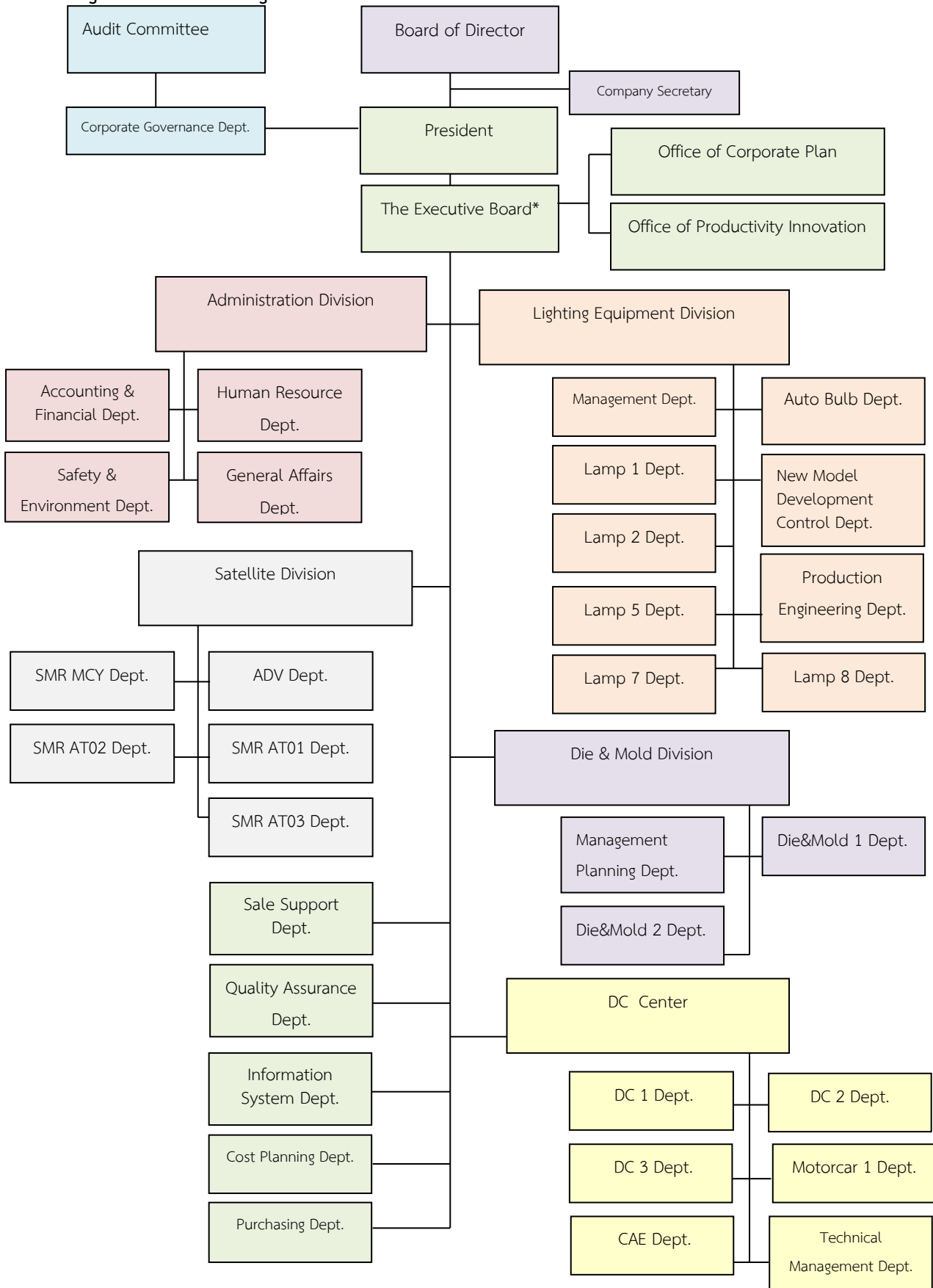
Report on interest of directors and executives

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

7. Corporate governance structure and important information about the board Sub-committees, executives, employees and others

7.1 Corporate governance structure

Organizational Management Chart



## 7.2 Directors Data

### 7.2.1 Composition of the Board of Directors

Board of Directors as of March 31, 2022, there are 12 persons. The company determines the structure of the directors, board qualifications roles and responsibilities, nomination and appointment of directors and board performance appraisal in the Board's Charter as follows:

The Board of Director's structure consists of

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

2. Non-Executive Directors including independent directors totalling 8 persons or 66.67% of the total Directors , details as follows:

Female directors total 2 persons

Independent directors total 4 persons , 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 , be independent and has no connection with the management and major shareholders of the Company.

All directors are qualified in terms of knowledge and experience required for company business operation and focus on performing their role.

### 7.2.2 Directors data and Authority persons

Name	Position
Mr. Apichart Lee-issaranukul	Executive Chairman
Mr. Koichi Nagano	President
Mr. Thanong Lee-issaranukul	Director
Mr. Etsuya Kawashima	Director
Mrs. Pimjai Lee-issaranukul	Director
Mrs. Porntip Sethiwan	Director
Mr. Krisada Visavareeranon	Independent Director and Chairman Audit Committee
Mr. Chokechai Tanpoonsinthana	Independent Director and Audit Committee
Mr. Suchart Phisitvanich	Independent Director and Audit Committee
Mr. Picharn Sukparangsee	Independent Director
Mr. Toru Tanabe	Director
Mr. Keisuke Ueda	Director

### Authorized directors and condition

Mr.Apichart Lee-issaranukul or Mr.Thanong Lee-issaranukul sign with Mr.Koichi Nagano or Mr.Etsuya Kawashima and company seal



### 7.2.3 The Board of Directors ' s roles and responsibilities

#### Authority of the Chairman

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

#### Authority of the Board of Directors

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

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

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

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

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

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

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

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

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

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

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

From the company's regulations, the authority of the Board of Directors is to take responsible for the company's business management, making decision and to supervise the business within the scope and law, as well as the company's objective and regulations.

### Approval authority of the board of directors

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

- 1) Considering the calling of the general meeting of shareholders and the resolution of the draft document proposed for consideration
- 2) Considering calling for the extraordinary general meeting of shareholders and voting on draft documents proposed for consideration
- 3) Considering and approving documents, financial statements, including the balance sheet, profit and loss statements of the company to send the SET
- 4) Selection of the appointment of directors and the release of directors
- 5) Considering and approving the trading of shares of rival companies and the trading of company shares of directors
- 6) Consider issuing new shares and buy back the company's shares

Except the following topics that have to get approval from shareholders' meeting.

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

### Term of Director

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

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

## **7.3 Sub Committee**

### **7.3.1 Sub Committee Data**

The Company has 1 sub-committees as follows:

#### **Audit Committee**

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

#### Structure of Audit Committee

Consisting of 3 independent directors; one of those has enough knowledge and adequate experience to review the reliability and accuracy of financial statement. Role and responsibility is clearly stated in the audit committee charter, amended for additional roles on 8 August 2019 to be in accordance

with the notice from Stock Exchange of Thailand subject: Qualification and scope of work for audit committee B.E.2551.

Authorities of audit committee are as follow

1. The Audit Committee is responsible to the Board of Directors in accordance with the duties assigned as follows

1.1 To verify and assure that the Company's financial report is accurate and sufficiently disclosed

1.2 To verify and assure that the Company shall have an appropriate and effective internal control and internal audit systems. To consider the independence of the internal audit agency, as well as provide an approval for an appointment, transfer, termination of the chief of the internal audit agency or any other agencies responsible for the internal audit.

1.3 To Review that the Company has acted compliance with the company's anti-corruption policy.

1.4 To verify and assure that the Company has acted in compliance with the law on Securities and Exchange, requirements of the Stock Exchange of Thailand, and other laws in relation to the Company's business

1.5 To consider, select, propose to appoint an independent person(s) to perform the duty as the Company's auditor. To propose remuneration for that person(s) and to participate in a meeting with the auditors without the management involvement at least once a year.

1.6 To consider connected transactions and any transaction that may have a conflict of interests by referring to the requirements of laws and the Stock Exchange of Thailand, to assure that such transactions are reasonable and resulted in maximum benefits to the Company.

1.7 To prepare a report of the Committee as disclosed in the Company's Annual Report which must be signed by the Chairman of the Audit Committee and must consist of the information as follows (at least);

- An opinion(s) about an accuracy, completion and reliability of the Company's financial report.
- An opinion(s) about the adequacy of the Company's internal control systems.
- An opinion(s) about an action in compliance with law of Securities and Stock Exchange, provisions of the Stock Exchange of Thailand or any related laws regarding the Company's business.
- An opinion(s) about an appropriateness of the auditors.
- An opinion(s) about any financial transaction that may have a conflict of interests.
- A total number of the Committee's meetings and each member's meeting participation.
- An overall opinion(s) or an observation(s) obtained by the Committee from the operation as required in this charter.
- Other essential information or transactions as deemed to be acknowledged by shareholders and investors under the scope and responsibilities assigned to them by the Board of Directors.

1.8 Any other operation as assigned by the Board of Directors with an approval by the Committee.

2. One of the Audit Committee’s tasks is when suspicion is found in a transaction or an action that could materially affect the company’s financial position and operation results, the Audit Committee is to report such incident to the Board for remedy. If the Audit Committee fails to do so, any committee member may report it to the Securities and Exchange Commission (SEC) or to the Stock Exchange of Thailand.

Term of Audit Committee

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

7.3.2 Name list of Sub Committee

Audit Committee name list

Name	Position
Mr.Krisada Visavateeranon	Chairman Audit Committee
Mr. Chokechai Tanpoonsinthana	Audit Committee
Mr. Suchart Phisitvanich	Audit Committee

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

Mr.Chokechai Tanpoonsinthana

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

2003-Present Independent Director and Audit Committee Chairman

Advance Information Technology PCL.

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

Experience in accounting and finance

2000 - 2004 Managing Director Bangkok Thanathorn Finance Public Company Limited

Director (authorized signatory), BFIT Securities Company

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

Audit Committee Meeting According to the Audit Committee Charter Requires meetings to be held at least four times a year, or more when necessary. The quorum must not be less than one-half of the total number of Audit Committee members and can invite executives or people who are involved in various matters Come in and ask for details directly at the meeting and a meeting with the auditor without the management attending the meeting. at least once a year. Voting shall be made by a majority of votes, provided that the Audit Committee is prohibited from participating in the consideration of matters that have interests.

Performance Report The audit committee must evaluate performance results and report the results of the assessment to the Board of Directors every year.

## 7.4 The Executive Management Data

### 7.4.1 Name List of The Executive Management

The Executive Management which is the same set as the Executive Board , The list is as follows.

Name	Position
1. Mr. Apichart Lee-issaranukul	Executive Chairman and Executive General Manager Administration Division*
2. Mr. Koichi Nagano	President
3. Mr. Etsuya Kawashima	Director and Executive General Manager of Lighting Equipment Division
4. Mr. Kazunori Nakai	Executive General Manager of Satellite Division
5. Mr. Hitoshi Omiyama	Executive General Manager of Die & Mold Division
6. Mr. Kasuya Shiraishi	Executive General Manager of DC Center
7. Mr. Anuphong Thommanakarn**	Deputy Executive General Manager of Lighting Equipment Division

#### Executives in the Finance and Accounting Department

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

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

\*\* Not an executive as defined by the SEC's announcement

### 7.4.2 Director and The Executive Remuneration Policy

#### (1) Remuneration in cash

Director's Remuneration approved by the shareholders' meeting by a propose from the Board of Directors. 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.

In year 2021, the Annual General Meeting of Shareholders approved the remuneration of directors in the amount of 5 million baht equal to the previous year. The conditions and criteria for payment are under the discretion of the Board of Directors.

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

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

(2) Other remuneration

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

- Other remuneration of executive director - The company provides a provident fund for Thai executive directors, which the company has contributed at the rate of 7% of salary as well as contributions to employees

**7.4.3 The total remuneration of the Executive Directors and Executives for the year 2021, details are as follows:**

- The company paid the remuneration for executive board as salary and bonus to 7 persons amount 46.23 million baht

- Other remuneration of executive director, the amount of payment the company has disclosed in the employee remuneration in item 7.5

**7.5 Personal**

Total employees as at March 31st, 2022 were 3,003 persons , details as follows;

Division	Male	Female	Total
Administration	33	58	91
Marketing	54	50	104
Production	1,532	1,255	2,787
Japanese	21	-	21
Total	1,640	1,363	3,003

The total number of employees decreased 3.35% from the previous year. In the past 3 years, the number of employees has changed to a level not exceeding 10%, so there is no significant change in the number of employees and no labor disputes.

Employee compensation

In 2021, the Company pays compensation to employees as follows:

Salary, bonus, overtime and other welfare benefits*	1,393.36	Million Baht
Provident fund , Social Security Contribution	59.30	Million Baht
Total	1,452.66	Million Baht

Remark \* Other welfare benefit such as travel allowance, shift allowance, etc.

### Policy of personal 's development

In 2021, our HR policy was to actualize the STARS Plan and expand our HR measures by upgrading this STARS Plan, setting measures focusing on individuals and implementing measures relating to organization development and hiring strategy. We first started by making sure that everyone first correctly understood what's going on in a journey to actualize the STARS Plan. To develop personnel to have knowledge and skills in both management and work skills, with a target value that all employees must receive training, knowledge or skills in the job, we divided into general employee levels must be trained at least 1 course per year .

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

That for 3 years ago, the Company does not have any conflict or dispute with employees and the company was awarded the Outstanding Labor and Welfare Labor continuously since 2006 – 2021 (16 consecutive years) certification system and standard of Thai workers. (MRT. 8001-2020) complete level , 10 consecutive years from the Ministry of Labor.

## 7.6 Other Information

### 7.6.1 List of persons assigned to be directly responsible in various fields as follows:

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

- **Company Secretary** The Board of Directors has appointed Ms. Rattanaporn Boonwong , held the position of company secretary Since October 30, 2021 by the properties of the incumbent secretary of the Company is as attached document 1

- **Chief of Internal Audit** In 2002, the Executive Committee appointed the Chief of the Internal Audit, Mrs. Nongyao Apirum, who currently position as the Corporate Governance Department Manager responsible for internal audit and risk management , that has experience working in Accounting and Finance department for 22 years

### 7.6.2 Investor Relations and contact information

Investor Relations is Ms.Rattanaporn Boonwong

Contact Information are Telephone 0-2581-5462 ext 1164 , email [adths@thaistanley.com](mailto:adths@thaistanley.com) , [info@thaistanley.com](mailto:info@thaistanley.com)

### 7.6.3 Auditor's remuneration

The auditor in the 2021 fiscal year was PricewaterhouseCoopers ABAS Co Ltd, whose qualifications had been approved by the Audit Committee and the Annual General Meeting of Shareholders. The auditor was proven to be independent and had no connection or interest with the company, executives and major shareholders. That is reputable and has an international network aside from the fact so that is an approved audit company by the Office of the SEC.

#### (1) Audit fee

The company paid the audit fee for the previous year to the auditor PricewaterhouseCoopers ABAS Limited total amount 2.22 million bath.

#### (2) Other service fee

- Reviewing compliance with conditions of BOI promotion certificate - None
- Reviewing Stock Destroy amount 0.01 million baht.
- Reviewing auditing for Vietnam Stanley Electric Co.,Ltd. Amount 0.21 million



## 8. Corporate Governance Report

### 8.1 The Board of Directors 's summary of the performance for the past year

In the fiscal year 2021, the Board of Directors has performed the following actions:

- To consider and approval the financial statements of fiscal year 2021 and quarterly financial statements, Connected transactions with major shareholders, Stanley Electric Co., Ltd., Japan in contract of New Cost Management, Software License , Sale Commission and Approved the directors 'remuneration according to the amount approved by the shareholders' meeting.
- To consider and appointing a member of The Executive Board and company secretary.
- To consider and acknowledge the reports of the Executive Committee and the Audit Committee by Quarterly. To Consider and acknowledge the report of every director's holding of securities in the company from every board meeting.

#### 8.1.1 Recruiting, developing and evaluating the performance of directors

In the fiscal year 2021, the Company appointed Mr.Anuphong Thommanakarn , Deputy Executive General Manager – Lighting Equipment Division, to be the Executive Board member, by considering qualifications and work experience in companies.

The Company has consideration for independent directors, directors and executives as follows:

##### (1) Independent Director

Criteria for selection of independent directors

- Qualifications of independent directors

The Company's setting definition of Independent Directors to be on a level of the Capital Market Supervisory Board's definitions No. TorChor. 4/2009 No. 16 and TorChor.39/2016 No.17 details as follows:

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

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

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

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

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

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

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

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

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

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

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

- Process of recruiting independent directors

The appointment independent director not yet approve by nomination committee because of in considering process to setting but the board of director considered the qualification due to their knowledge and capability will benefit to the company and The Company has no restrictions on the qualifications of independent directors in terms of gender and age, and not yet fix term end of the independent director.

- Business relationship of independent directors - Have as follow

The company paid for law service to Bangkok Global Law Offices that Mr.Picharn Sukparangsree be director , For fiscal year 2021 in amount 0.32 million baht , this transaction was not over than the company's definition .

## (2) Nomination and appointment of directors and Top management

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

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

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

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

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

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

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

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

such vote exceeds the remaining number of directors positions to be appointed, the chairman shall have a casting vote in respect of those with equal votes.

4. In the case there is vacancy among the Directors which has occurred other than a retirement by rotation, the Board of Directors shall elect a person who is qualified and not being prohibited by the Public Company Law to fill the vacancy in the next Board of Directors' meeting except in the event that the period of time the Director is entitled to remain in office is less than 2 months. The person who is elected shall remain in office only for such period of time as the Director he replaces was entitled to remain in office. The resolution of the meeting of the Board of Directors as specified in the first paragraph shall consist of votes of not less than three-fourth of the remaining Directors.

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

#### 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. The company organized at least one outside seminar a year for executive directors and department managers to enhance their knowledge, experiences and visions.

Due to the situation of COVID-19 in the past year, the company's directors refrain from participating in external seminars and for new director The company has conducted an orientation in accordance with the company's policies and guidelines.

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

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

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

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

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

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

For the fiscal year ending March 31, 2022, which was evaluated in May 2022. The results were very good. And brought the evaluation results remarks and suggestions to review and improve the operations of the Board of Directors.

Evaluation of The Audit Committee

The Audit Committee conducted a self-evaluation in 2021 in the following three areas:

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

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

Evaluation Result: Excellent

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

## 8.1.2 Meeting attendance and Director's remuneration

### Board of directors meeting

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

Resolution of the Board of Directors' Meeting. Must have a majority vote of the directors attending the meeting. Each director has 1 vote. In case of equal votes, the chairman of the board shall have a casting vote. Directors with interests have no right to vote on that matter.

The Board 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.

Agenda and Minutes of meeting. The company has set the Executive Chairman of the Board and President is the person who jointly determines the meeting agenda and consider the matter to be included in the agenda of the Board of Directors' meeting by giving each director an opportunity to propose various matters to be considered as an agenda of the meeting. In each meeting agenda Directors can express their opinions freely. The minutes of the meeting recorded by written and stored at the Administration division area.

Director's Trading / Securities Holding Report. At every meeting, all directors are required to report their holdings of the Company's securities to the meeting for acknowledgment. The company has not yet set a policy for directors and the executives to inform about trading of shares at least one day in advance of trading to the Board of Directors.

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

### The Meeting operation in FY2021

Total numbers of Board of Directors meetings are 6 times. At every meeting, adequate details in the form of supplementary documents will be sent out to the board members to study in advance.

Meeting attendance of 12 directors attending the meeting completely every time (100%) which is a meeting via electronic media. Due to the epidemic situation of the COVID-19 virus

### Director's Remuneration

Directors' remuneration for fiscal year 2021 has been approved by the Annual General Meeting of Shareholders for the year 2021 in the amount of 5 million baht and the Board of Directors' meeting is to consider and allocate the remuneration for the Board of Directors and sub-committees on a monthly basis. and including meeting allowances for directors attending each meeting as follows:

1. Board of Directors' remuneration Monthly remuneration 20,000 baht per month and meeting allowance 5,000 baht per time (only for directors attending the meeting)

2. The Audit Committee's remuneration is divided into monthly remuneration of the Chairman of the Audit Committee 30,000 baht, monthly remuneration of the Audit Committee 20,000 baht and meeting allowance 5,000 baht per time (only for directors attending the meeting).

In 2021, directors' remuneration was paid at a total of 4,418,530 baht as approved.

Details of meeting attendance and payment of remuneration for individual directors are as follows:

Director Name	Position	Meeting		
		Board of Director Meeting	Shareholder Meeting	Audit Committee Meeting
1. Mr.Apichart Lee-issaranukul	Executive Chairman	6/6	1/1	
2. Mr.Koichi Nagano	President	6/6	1/1	
3. Mr.Thanong Lee-issaranukul	Director	6/6	1/1	
4. Mr.Etsuya Kawashima	Director	6/6	1/1	
5. Mrs.Pimjai Lee-issaranukul	Director	6/6	1/1	
6. Mrs.Porntip Sethiwan	Director	6/6	1/1	
7. Mr.Krisada Visavateeranon	Independent Director and Chairman Audit Committee	6/6	1/1	8/8
8. Mr.Chokechai Tanpoonsinthana	Independent Director and Audit Committee	6/6	1/1	8/8
9. Mr.Suchart Phisitvanich	Independent Director and Audit Committee	6/6	1/1	8/8
10. Mr.Picharn Sukparangsee	Independent Director	6/6	1/1	
11. Mr.Toru Tanabe ***	Director	6/6	1/1	
12. Mr.Keisuke Ueda** ***	Director	4/4	-	
13. Mr. Katsutoshi Iino*	Director	2/2	1/1	

Remark \* Director retired by rotation on July 2, 2021 \*\* Director appointed replacement from the AGM July 2,2021

\*\*\* Director working in Japan

Name	Type of Position	Type of Remuneration (Baht)		
		Director Fee	Audit Committee Fee	Total
1.Mr. Apichart Leeissarakul	Executive Chairman	275,000		275,000
2. Mr.Koichi Nagano	President	275,000		275,000
3. Mr.Thanong Leeissaranukul	Director	275,000		275,000
4. Mr.Etsuya Kawashima	Director	275,000		275,000
5. Mrs.Pimjai Leeissaranukul	Director	275,000		275,000
6. Mrs.Pornthip Sethiwan	Director	275,000		275,000
7. Mr.Krisada Visavateeranon	Independent Director and Chairman Audit Committee	275,000	400,000	675,000
8. Mr.Chockchai Tanpoonsinthana	Independent Director and Audit Committee	275,000	280,000	555,000
9. Mr.Suchart Phisitvanich	Independent Director and Audit Committee	275,000	280,000	555,000
10. Mr.Picharn Sukparangsee	Independent Director	275,000		275,000
11. Mr.Toru Tanabe	Director	275,000		275,000
12. Mr.Katsutoshi Iino *	Director	233,530		233,530
13. Mr.Keisuke Ueda **	Director	200,000		200,000
<b>Total</b>		<b>3,458,530</b>	<b>960,000</b>	<b>4,418,530</b>

Remark \* Director retired by rotation on July 2, 2021 the remuneration includes expired remuneration

\*\* Director appointed replacement from the AGM July 2,2021

### 8.1.3 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 associates and the company holds. The policies acknowledge involvement in the management of these companies . Counseling and assistance as appropriate and approved by the Board of Directors. Not intended to interfere with or dominate these affairs.

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

- None

### 8.1.4 Monitoring to ensure compliance with policies and guidelines for corporate governance

From the Corporate Governance (CG) Policy , The company provides guidelines for business ethics, including the code of conduct for directors and employees to be considered as a guideline. The Board of Directors and executives have regularly reviewed and adjusted to suit the situation.



For the directors The Company clearly and appropriately establish the structure, roles, duties and responsibilities of the Board of Directors and executives and the Board of Directors has to evaluate their own performance

In management, the company produces, maintains and reviews the control system in terms of financial status, operations, and oversight of various operations. To be effective and legitimate. As well as risk management and priorities for early warning signs and irregular transactions.

Information disclosure, the Company concern into account the accuracy, completeness, transparency and timeliness for shareholders and all groups of stakeholders to receive information equally. The company has disclosed the principles and practices of corporate governance set out by the Stock Exchange of Thailand in the annual report

The company participated in the evaluation survey project of the Corporate Governance Report of Thai Listed Company: CGR) on a yearly basis. In 2021, being evaluated at a Very Good level

The company encourages compliance with corporate governance policies. By organizing training for all employees to review the Stanley Group's Code of Conduct every year.

In 2021, the Company has performed the following actions: In June arrange training courses "Compliance with the Code of Conduct and whistleblowing system about Stanley 2021 Code of Conduct violations for all employees.

In addition, the following related activities have been undertaken:

1.Prevention of conflict of interest

In this regard, The company has issued the Code of Conduct of directors and employees to govern conflict of interest. To elaborate, employee must not seek personal interest that is conflicting with the company's. In case a employee is involved in external activities or holds a position outside the company, such action must not be conflicting with the interest of the company or of our customers and it must not jeopardize the company, either. In case it involves any business benefit, the person must seek approval from the Board.

During a new employee orientation, the company has raised awareness among staff to differentiate between the company's responsibilities and their personal endeavours. In other words, employees must not exploit their roles and responsibilities for personal interest. Nor shall they allow personal reasons or family members to influence their decision-making process that may divert from the company's best interest and that of its customers'. In case the employee's family member enjoys a direct or indirect benefit that is or may be conflicting with the company's, the person must inform his/her supervisor and the same person shall not be involved in a decision-making process of such interest.

At the Board's meeting, if a matter relating to major shareholders was considered, directors having an interest with such major shareholders shall have no voting rights to express transparency and to prevent any conflict of interest.

## 2. Internal information controlling

Board of Directors has established measures to prevent the use of inside information in the Code of Conduct for directors and employees of the Company as follows:

Not seeking benefits for oneself or others by relying on the inside information of the company.

Set the time to employees and directors not to trade the company's assets within 1 month before the financial statements are disclosed or general corporate information to publish and within 24 hours after disclosure of financial statement and general corporate information. The Directors and Executives will report to the Secretary trading company and report to the Board Meeting every time and in addition.

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

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

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

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

The company has set the penalty for violation. Adhere to the employment rules of the company or be punished by other means. In 2021, there is no practice that violates the above measures.

### Protection of personal information

In 2018, Stanley Group has started to use GDPR (General Data Protection Regulation) to the companies in the group to know and take appropriate action. At present, the company has issued the Personally Identifiable Information Protection Policy for handling personal information. Including customer-related information, supplier. For employees, the company to request the use of personal information in each department and improvement of related document forms, such as a work history check from the former company Requests for criminal background checks, employment contracts, etc. Other issues are under consideration by the management.

### 3. Anti-Corruption

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

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

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

The company provides training to educate employees and stakeholders about the anti-corruption policy. Including the requirements for reporting business suggestions for providing clues about corruption , be illegal , be wrong from the code of conduct of Stanley group both the organization and the individual , which can be informed at Company Secretary Office by the telephone, fax, e-mail and the secretariat will collect evidence data to propose to the Business Ethics Committee.

### 4. Whistleblowing

The company has developed the policy about the right of stakeholders and put in corporate governance policy and code of conduct for directors and employees of the company. Stakeholders can communicate or complain with the company via as follow

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

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

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

In 2021, there is no practice that violates the above measures.

## 8.2 Report on the performance of the Audit Committee for the past year

### 8.2.1 Audit Committee meeting

Total numbers of audit committee meetings held during fiscal year 2021 are 8 times , details are

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

Details of meeting attendance of each member of the Audit Committee are shown on page 70.

## 8.2.2 Performance of the Audit Committee

In 2021, the Audit Committee has performed its duties with the performance results summarized from the Audit Committee Report as follows:

1. Review the financial report, The Audit Committee reviewed the accuracy and reliability of all quarterly and annual financial statement which reviewed and audited by the auditor. The audit committee reviewed material issues with the external auditors to ensure that the preparation of financial statements and disclosures in the company's financial statements are correct, complete, reliable and in accordance with financial reporting standards. The Audit Committee has opinion that in the year 2021 the Company's financial statements have been prepared in accordance with accounting standards with accurate disclosure of important information complete and adequate.

2. Review the corporate governance, internal control and risk management system, The Audit Committee has reviewed the company operation to comply with the principles of good corporate governance of the Securities and Exchange Commission, reviewed the internal control assessment results in accordance with the guidelines that set by the SEC and reviewing the risk management system. The Audit Committee has opinion that the company has good corporate governance, adequate and appropriate internal control and risk management.

3. Reviewed the internal audit system, The Audit Committee has considered the scope of work, duties and responsibilities, independent of the Internal Audit Department and consider to approving the annual internal audit plan and 5 years internal audit plan. The Audit Committee has opinion that the company has a sufficient and appropriate internal audit system.

4. Review compliance with relevant laws and regulations. The Audit Committee reviewed and supervised company's operations in accordance with the law of securities and exchange, the Stock Exchange of Thailand's regulations and relevant laws related to company's business including rules and regulations of the company. The Audit Committee has opinion that there was not such significant matter of non-compliance transaction with the above laws and regulations.

5. Review related party transaction and conflict of interest. The Audit Committee reviewed related party transaction or transactions with conflict of interest to comply with laws and the Stock Exchange of Thailand's regulations, which the Audit Committee opined that the company entered into related party transactions in accordance with general trading condition and beneficial to the company operation. The company has fully complied with policy and disclosed information pursuant to the Stock Exchange of Thailand.

6. Review the implementation of anti-corruption measure. The Audit Committee has reviewed the company's operations in accordance with the established policy and measures, including receive complaint of corruption or violated the Company's code of conduct. In 2021 the Company did not receive any complaint on fraud or violation of the Company's code of conduct.

7. Consider to selection and nomination of external auditor and auditor's remuneration for 2022. The Audit Committee had considered the external auditors' independence and knowledge as well as their understanding of the Company's business, work quality, auditor qualifications and the audit fee. The Audit Committee resolved to nominate PricewaterhouseCoopers ABAS Ltd. (PwC) for the Board's to consider and propose to the shareholders for approval in 2022.

8. Evaluate the performance of the Audit Committee, which in 2021 the overall of self-assessment of the Audit Committee is "excellent". The Audit Committee carried out their responsibilities delegated by the Board of Directors and in line with best practices guidelines for Audit Committee.

## 9. Internal Control and The related transactions

### 9.1 Internal Control

The company focuses on good management and internal control. In 2021, the organization structure has been restructured for systematic management. The duties and responsibilities of each department are clearly separated. The company has prepared a manual on the authority to approve business activities as a key point of operations and prepare an operating manual for all operational duties including assigning the authority to audit until reporting the results of each performance in writing

The ORM Meeting is held each month where department manager is obliged to report operation and management results for mutual collaboration and administration so that the organization may fulfil performance goals set by the company and the Stanley Group.

The company has set up the Corporate Governance Department to supervise internal control and risk management. The committee directly reports to the Audit Committee on a quarterly basis. The Audit Committee's chairman also reports auditing results to the Board on a quarterly basis.

#### 9.1.1 The sufficiency and appropriateness of the Company's internal control system.

At the Board of Directors Meeting No. 3/2022 on May 20, 2022, all 3 members of the audit committee attended. The Chairman of the Audit Committee reported the operation and audit results from the Corporate Governance Department to the Board of Directors for acknowledgment and approval as follows:

Based on the assessment of our internal control practices using the Securities and Exchange Commission (SEC)'s "evaluation form of the internal control system adequacy," which covers five areas of control environment, risk assessment, control activities, IT and data communication and monitoring and evaluation (M&E) system, major assessment results in 2021 are summarized as follows.

1. Control Environment The Company operates business under the principles of corporate governance and business ethics. There is important management as follows:

1.1 The Company has established corporate governance policies and codes of conduct for directors and employees. Written that focuses on the principles of integrity in accordance with good business practices and defined as the duty and responsibility of all directors and employees to comply with the above policies and requirements. In addition, the Company has established policies and guidelines for anti-corruption policies, so that all directors, executives and employees has participated in the prevention and suppression of corruption and corruption conduct business in accordance with the principles of good corporate governance.

1.2 The Board consists of directors with knowledge, abilities and experiences in various fields. necessary for the business of the company The roles, duties and responsibilities between the Board of Directors and the management are clearly defined. The roles, duties and responsibilities of the Board of

Directors are set out in the Board of Directors' Articles of Association and stipulate the powers and duties for approval in the regulations governing the meeting of the board of directors. In the part of the Executive Board, the approval authority has been set in Regulations on the Executive Board Meeting and key documents in the management of business-related activities. The Company is in the process of preparing the Articles of Association of the Executive Committee to define the roles and duties. The responsibilities of the Executive Committee are clearly stated.

1.3 The company defines the organizational structure and reporting lines in the company, by considering the appropriateness of the powers and duties responsibility and appropriately limiting the powers, duties and responsibilities between the Directors, Executives Board , executives and employees. The company have written authorizations to approve financial transactions.

1.4 The Company has a written human resource management system (STARs Plan), which consists of 6 work systems are hierarchical system, position system, work rotation system. Assessment system, wage system and competency development system. This is an overall human resource management system that is fair, appropriate and accepted based on the principles of competence to encourage employees to bring out their potential to drive reform of the company's management system as well as expanding results to aim for organizational reform which will create creativity and challenges. The company is in the process of preparing a succession plan for important positions to prepare for the replacement of personnel to be able to respond and support changes effectively.

2. Risk Assessment The company has prepared requirements and risk management manuals to be used as a guideline for risk management. Each department is responsible for assessing risks and preparing a risk management plan by specifying risk factors. There is an assessment, analysis, prioritization of risks. including establishing appropriate management measures annually by requiring that the risk management and control section being as a coordinator, collecting, giving advice and summarizing the risk assessment results to present to the Risk Management Committee for consideration and as a follow-up to review the management or control of such risks.

For evaluating the likelihood of fraud, The Company is in the process of improving policies and practices against corruption and establish guidelines for evaluating fraud risks at the activity level.

3. Control Activities The company establishes effective and efficient control activities. To help reduce the risk that the company will not achieve objectives to an acceptable level, The key control measures are as follows:

3.1 Establish clear written regulations, manuals, and procedures for working, to define the scope and hierarchy of those with authority to approve .This covers personnel and labor, accounting, marketing, procurement, manufacturing, technology/technical, assets and contracting, etc.

3.2 Establish a process to monitor the operations of the company to be consistent with the Company's strategic plans, framework, policies and practices on a regular basis.

3.3 The company has a policy to prevent the exploitation of opportunities or the use of the company's interests for personal use. The use of inside information and conflicts of interest has been stipulated as part of the Code of Conduct for directors and employees. Practices are monitored and reported regularly.

3.4 Determine safety control measures of information technology systems by making information security policies and related requirements to control operations related to information systems. Provide a security control of the information technology system including controlling the use of non-piracy software Development and proper maintenance of information technology systems.

4. Information and Communication The company uses information systems to support operations in terms of accounting, finance, and personnel management and production system with continuous development of information systems and data communication. This is an important part that supports the effective operation of internal control by using modern and secure information technology from data collection, processing, storage and monitoring so that the management can use the information to make a complete, accurate decision within an appropriate time and has an effective information system security system. There are guidelines for information and communication management as follows:

4.1 There is a confidentiality class set, guidelines for storing important documents and control documents including internal and external operational data to ensure that information is important and relevant to the business of the company are accurate, complete, and sufficient for the performance of work.

4.2 There is an appropriate communication to the Board of Directors, executives, employees and stakeholders. The meeting documents are sent to the Board of Directors in advance of the meeting so that the Board of Directors can adequately analyze the information before making a decision. The Board of Directors can request additional information from relevant agencies or persons for consideration.

4.3 There is an emergency backup plan to prevent data security in the event of a catastrophic accident that prevents the system from operating. Including requiring that emergency contingency plans be rehearsed regularly.

4.4 There are various internal communication channels for employees, such as via Intranet, e-mail, posting announcements or distributing documents through Document control system in order for all personnel to receive information thoroughly and in a timely manner.

4.5 Provide channels for complaints and information or clues about corruption or practices that are inconsistent with the Code of Conduct. They can be notified via telephone or e-mail, which will be protected and go into the process of investigation and corrective action.



5. Monitoring activities The company assigns the internal audit department to audit the operations in accordance with the internal control system set out and report the audit results to the Audit Committee. The accounting and finance part is audited by a certified public accountant and presents the results to the Audit Committee for consideration on a quarterly and annually basis. The results of the review from the certified public accountant and the internal audit department did not find any significant flaws in the internal control system.

As for the Company's auditor, Mr. Vichien Khingmontri, PricewaterhouseCoopers ABAS Limited, did not make any significant observations regarding the internal control system.

### **9.1.2 Defects of the Company's internal control system**

The Audit Committee found no material flaws.

### **9.1.3 Opinion of the Audit Committee in case there is a different opinion from the opinion of the Board of Directors**

The Audit Committee has no different opinions from the Board of Directors. The report from the Audit Committee has been attached. as the 6th attachment

### **9.1.4 Opinion of the Audit Committee on the Chief of Internal Audit**

Audit Committee's opinion that the supervisor of the internal audit, supervisor has been supervised , have educational qualifications, experience, and training that are appropriate and sufficient for the job

### **9.1.5 Guidelines for the appointment, removal, transfer of the Head of Internal Audit**

Appointment, removal and transfer of the person holding the position of Head of Internal Audit In accordance with the personnel management system of the company. through the approval of the Executive Committee And acknowledged by the Audit Committee which agreed with the aforementioned appointment

## **9.2 The related transactions**

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

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

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

The significant trade with the related company by purchasing and sales items. The company's auditor gave the explanation in the Note 31, the financial statement on 31<sup>st</sup> March 2022, are as follows:

- The purchasing items from the related company are those particular raw materials or merchandise from the same production source at the great quantity to reduce the production cost.

- The sales items are mostly exporting by set up the sales price from cost fee plus the profit.
- Royalty fee to a related company at the rate of 3% of sales minus the cost of importing raw materials from that related company, and specified as the regular trading business.
- Design and development expenses and other expenses Service fees are charged according to normal business transaction criteria.
- Outstanding balance of Royalty fees, Product design and development expenses and other expenses are shown as other payables - Related companies

Details as follows:

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

Name of Company and Related ties	Related transaction details	Transaction Amount (million baht)			The reasonable of transactions
		Fiscal Year			
		2019	2020	2021	
1. Stanley Electric Co.,Ltd. - Major shareholder of Stanley Electric Holding Asia-Pacific PTE, holding 35.66 % - Common Director 2 person 1. Mr.Toru Tanabe	1. Purchasing in raw materials , goods and equipment	869.68	764.14	669.16	Specifically, products and is the same production source used in the Stanley group Pricing are charged in the normal course of business and same practice with the outsider.
2. Mr.Keisuke Ueda	2. Selling goods	171.25	134.72	81.42	Specifically products and is the same production source used in the Stanley group Pricing are charged in the normal course of business and same practice with the outsider.
	3.Royalty Fee is charged at 3% of sales less materials cost imported form the related party in purchased from Stanley group	337.92	264.04	304.35	In the normal course of business and same practice in Stanley Group

Name of Company and Related ties	Related transaction details	Transaction Amount (million baht)			The reasonable of transactions
		Fiscal Year			
		2019	2020	2021	
	4. Designed and Development Fee is charged in case design and development product for Thai Stanley's products	147.46	84.03	49.72	Specifically products and the pricing is based on the same practice as for transactions with third parties. This is a normal business price and uses the same practice in the Stanley group.
	5. Technical Fee is charged for the specialist come for assistance in production technics.	10.15	-	-	This is normal business practice and implements technical assistance contract guidelines using the same guidelines as the Stanley Group.
	6. Training fee is charged for send Thai Stanley ' employee to training at Stanley Electric Co.,Ltd	0.91	0.01	-	In the normal business practice and implements technical assistance contract guidelines using the same guidelines as the Stanley Group.
	7. Commission is charged for an agent to connected with customers	20.00	103.65	136.96	In the normal course of business and same practice in Stanley Group
	8. Other income	-	0.69	1.00	In the normal course of business and same practice in Stanley Group
2 .Lao Stanley Co.,Ltd. - Thai Stanley holding 50% - Common Director 2 persons 1. Mr.Apichart Lee-issaranukul	1. Selling goods	433.37	292.49	386.32	Specifically products and is the same production source used in the Stanley group Pricing are charged in the normal course of business and same practice with the outsider

Name of Company and Related ties	Related transaction details	Transaction Amount (Million Baht)			The reasonable of transactions
		Fiscal Year			
		2019	2020	2021	
2. Mr.Koichi Nagano	2.Other Income	0.14	0.11	0.02	In the normal course of business and same practice in Stanley Group
	3.Royalty Income	0.66	0.43	0.53	In the normal course of business and same practice in Stanley Group
3. Vietnam Stanley Electric Co.,Ltd. - Common major shareholders as Stanley Electric Co.,Ltd. Holding 50% - Common director 3 persons as 1. Mr.Apichart Lee-issaranuku 2.Mr.Toru Tanabe 3.Mr.Etsuya Kawashima - Thai Stanley holding share 20%	1. Purchasing goods	512.91	310.68	38.65	Specifically products Pricing are charged in the normal course of business and same practice with outsider.
	2.Selling goods	106.70	292.59	201.92	Specifically products Pricing are charged in the normal course of business and same practice with the outsider.
	3. Other Income	0.79	0.07	0.01	Specifically products Pricing are charged in the normal course of business and same practice with outsider.
	4. Designed and Development Fee	0.03	0.93	0.01	Specifically products Pricing are charged in the normal course of business and same practice with outsider.
4.Asian Stanley International Co.,Ltd - Common major shareholder as Stanley Electric Holding Asia-Pacific PTE Holding 67.5% - Common Director 2 persons 1.Mr.Apichart Lee-issaranukul 2. Mr.Toru Tanabe - Thai Stanley holding 15% - Holding Thai Stanley0.44%	1. Purchasing raw material	1,903.27	1,707.61	2,498.30	Specifically products Pricing are charged in the normal course of business and same practice with the outsider.
	2.Selling goods	9.07	5.86	6.97	Pricing are charged in the normal course of business and same practice with the outsider.
	3. Other Income	0.02	-	-	Pricing are charged in the normal course of business and same practice with the outsider.

Name of Company and Related ties	Related transaction details	Transaction Amount (Million Baht)			The reasonable of transactions
		Fiscal Year			
		2019	2020	2021	
5. PT.Indonesia Stanley Electric - Common major shareholder as Stanley Electric Co.,Ltd. Hoding 60 % - Common director 3 person as 1.Mr.Koichi Nagano 2.Mr.Apichart Lee-issaranukul 3. Mr.Toru Tanabe - Thai Stanley holding 10%	1. Purchasing raw material	1.33	0.41	0.68	Specifically products Pricing are charged in the normal course of business and same outsider.
	2.Selling goods	192.41	155.44	239.30	Pricing are charged in the normal course of business and same practice with the outsider.
	3. Other Income	2.88	0.69	0.20	Specifically products Pricing are charged in the normal course of business and same outsider.
6. Sirivit Stanley Co.Ltd. -.Thai Stanley holding 15% - Common director 2 persons as 1.Mr.Apichart Lee-issaranukul 2. Mr.Koichi Nagano	1. Purchasing raw material	470.38	368.98	468.63	Specifically products Pricing are charged in the normal course of business and same outsider.
	2. Selling raw material	7.48	3.56	4.39	Pricing are charged in the normal course of business and same outsider
	3. Other Income	0.06	-	-	Specifically products Pricing are charged in the normal course of business and same outsider.
	4. Designed and Development Fee	2.19	0.01	0.14	Specifically products Pricing are charged in the normal course of business and same practice with outsider.

Name of Company and Related ties	Related transaction details	Transaction Amount (million Baht)			The reasonable of transactions
		Fiscal Year			
		2019	2020	2021	
<p>7. Inoue Rubber (Thailand) Public Company Limited</p> <p>- Thai Stanley holding 0.02%</p> <p>- Common director 4 person as</p> <p>1. Mr.Apichart Lee-issaranukul</p> <p>2. Mr.Thanong Lee-issaranukul</p> <p>3. Mrs.Pimjai Lee-issaranukul</p> <p>4. Mrs.Porntip Sethiwan</p>	<p>1. Purchasing raw material</p>	9.66	5.61	7.29	<p>Pricing are charged in the normal course of business and same practice with the outsider.</p>
<p>8. The Sittipol 1919 Co.,Ltd.</p> <p>-The shareholders holding 3.34%</p> <p>- Common director 2 persons as</p> <p>1. Mr.Thanong Lee-issaranukul</p> <p>2. Mrs.Porntip Sethiwan</p>	<p>1. Selling goods,</p>	132.30	121.90	112.66	<p>Pricing are charged in the normal course of business and same practice with the outsider.</p>
<p>9. Lumax Industries Co.,Ltd</p> <p>- Thai Stanley holding 1.73%</p> <p>- Common major shareholder as Stanley Electric Co.,Ltd. Holding 26.31 %</p> <p>-Common Director 1 person</p> <p>1. Mr.Toru Tanabe</p>	<p>1. Purchasing goods</p> <p>2. Selling goods</p>	1.84	1.56	1.04	<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>

Name of Company and Related ties	Related transaction details	Transaction Amount (million Baht)			The reasonable of transactions
		Fiscal Year			
		2019	2020	2021	
10. Bangkok Global Law Offices Limited - Common director 1 person as 1. Mr.Picharn Sukparangsee	1. Law service	0.81	0.10	0.32	Pricing are charged in the normal course of business and same practice with the outsider.
11. Electro Polymers (PVT) - Thai Stanley holding 10.06% - Common major shareholder as Stanley Electric Co.,Ltd. Holding 25 % -Common Director 1 person 1.Mr.Koichi Nagano	1. Selling goods  2. Royalty Income	7.13  1.26	27.14  0.38	29.93  1.87	Pricing are charged in the normal course of business and same practice with the outsider.  In the normal course of business and same practice in Stanley Group

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

Company Name	Transaction type	Transaction Amount (Million Baht)		
		Fiscal Year		
		2019	2020	2021
1.Guangzhou Stanley Electric (China)	Purchased amount	99.78	41.64	38.94
	Sold amount	0.09	0.15	0.16
2.Stanley Electric (Asia Pacific) (Taiwan)	Purchased amount	0.17	0.01	0.22
	Sold amount	-	-	-
3.Shenzhen Stanley Electric Co.,Ltd.	Purchased amount	104.67	84.17	102.52
	Sold amount	-	-	-
4.Stanley Electric US Inc. (U.S.A)	Purchased amount	0.66	0.80	0.44
	Sold amount	0.01	0.04	0.09
5. Tianjin Stanley Electric Co.,Ltd. (China)	Purchased amount	0.39	0.91	0.35
	Sold amount	15.71	253.63	127.08
6.Shanghai Stanley Electric Co.,Ltd.	Purchased amount	3.85	2.21	3.78
	Sold amount	-	-	-

Company Name	Transaction type	Transaction Amount (Million Baht)		
		Fiscal Year		
		2019	2020	2021
7.Stanley Electric Do Brazil LTDA	Purchased amount	0.08	0.05	0.01
	Sold amount	35.53	0.35	1.30
8.Stanley Iwaki Works Ltd.	Purchased amount	16.66	7.31	13.68
	Sold amount	3.19	3.31	4.60
9.Stanley Electric (Asia Pacific) Hong Kong	Purchased amount	3.98	4.11	5.92
	Sold amount	-	-	-
10.Wuhan Stanley Electric Co.,Ltd.	Purchased amount	-	-	0.01
	Sold amount	18.18	14.15	4.87
11.Tianjin Stanley Electric Technology Co.,Ltd	Purchased amount	5.55	12.60	0.53
	Sold amount	-	-	-
	Design and Development Fee	-	-	-
12. Stanley Electric Manufacturing Co.,Ltd.	Purchased amount	-	-	-
	Sold amount	47.93	61.14	45.97
13.Stanley Electric (Asia Pacific) Singapore	Purchased amount	-	-	0.36
	Sold amount	-	-	0.42
14. Stanley Electric Hungary	Purchased amount	-	-	-
	Sold amount	-	-	0.03
15. Stanley Electric Philippines INC.	Purchased amount	-	-	-
	Sold amount	-	12.39	6.71
16. II Stanley Electric Co.,Inc	Purchased amount	-	-	-
	Sold amount	-	0.02	-

### 9.2.2 The approval for the related transactions

Connected transactions with related companies in 2021 are under the supervision of the Executive Board. This is a normal business transaction type. In practice, the Company uses the same practice as for transactions with third parties, whether it is a price comparison of the purchase Setting the selling price from product cost plus margin

The Audit Committee considered the related transaction in year 2021, that have transaction may cause conflict of interest, that transaction with related parties' company and normal course of business.

### 9.2.3 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.



Part 3

Financial Statement

(Attached Financial Statement as March 31,2022)



## Independent Auditor's Report

To the shareholders of Thai Stanley Electric Public Company Limited

### My opinion

In my opinion, the financial statements in which the equity method is applied and the separate financial statements present fairly, in all material respects, the financial position in which the equity method is applied and the separate financial position of Thai Stanley Electric Public Company Limited (the Company) as at 31 March 2022, and its financial performance in which the equity method is applied and the separate financial performance and its cash flows in which the equity method is applied and the separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The financial statements in which the equity method is applied and the separate financial statements comprise:

- the statement of financial position in which the equity method is applied and the separate statement of financial position as at 31 March 2022;
- the statement of income in which the equity method is applied and the separate statement of income for the year then ended;
- the statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income for the year then ended;
- the statement of changes in equity in which the equity method is applied and the separate statement of changes in equity for the year then ended;
- the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the year then ended; and
- the notes to the financial statements in which the equity method is applied and the separate financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

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

### Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements in which the equity method is applied and separate financial statements of the current period. I determine one key audit matter: Fair value measurement of an investment in an equity instrument of unlisted equity securities. The matter was addressed in the context of my audit the financial statements in which the equity method is applied and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.



Key audit matter	How my audit addressed the key audit matter
<p><b>Fair value measurement of an investment in an equity instrument of unlisted equity securities</b></p> <p>Refer to Note No. 14 Financial assets measured at fair value through other comprehensive income. As at 31 March 2022, the Company had an investment in an equity instrument of unlisted equity securities of Baht 1,420.12 million, which represents 6.16% and 6.17% of the total assets in the Equity Method and Separate Financial Statement, respectively.</p> <p>The investee engages in the business of manufacturing small bulbs, LED, electronic components, electronic equipment, automotive lighting equipment, molds and plastic products. The Company determined that this is an investment in an equity instrument under the scope of TAS 32 'Financial Instruments: Presentation' and requires subsequent fair value measurement under the scope of TFRS 9 'Financial Instruments'. The Company elected to account for the equity investment at fair value through other comprehensive income (FVOCI).</p> <p>The investment in an equity instrument of unlisted equity securities was appraised for its fair value using valuation techniques of input from unobservable market data (Level 3). The management also made adjustments to reflect the risk and nature of the equity instruments. The measurement indicated that the fair value was more than the carrying value under the cost method. Therefore, the Company recognised a gain of Baht 194.91 million through other comprehensive income in the year ended 31 March 2022 Equity Method and Separate Financial Statement.</p> <p>I focused on the fair value measurement of the investment in an equity instrument of unlisted equity securities because it had a material impact on the total assets and because of the complexity of its assessment. Using unobservable market data (Level 3) to measure fair value required management's judgment to adjust the data to reflect the risk and nature of the equity instruments.</p>	<p>To obtain evidence for the management's fair value measurement of an investment in an equity instrument of unlisted equity securities, I carried out the following procedures:</p> <ul style="list-style-type: none"><li>- reviewed management's assessment that the investment should be classified as a financial asset measured at fair value through other comprehensive income.</li><li>- assessed the reasonableness of the methodology used to measure the fair value of the investment in an equity instrument of unlisted equity securities and tested the fair value calculation of such investment.</li><li>- involved my valuation expert to assess the fair value taking into account independently obtained data from publicly available financial information of companies in the same industry. The valuation expert also assessed the discount for lack of marketability rate of the equity instrument to consider whether the fair value used by management was within an acceptable range.</li></ul> <p>As a result of these procedures, I determined that the method and assumptions applied in the fair value measurement of the investment in an equity instrument of unlisted equity securities were reasonable and in line with the accounting for the fair value.</p>

#### Other information

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

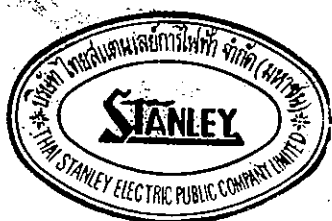
PricewaterhouseCoopers ABAS Ltd.


A handwritten signature in black ink, appearing to read 'V. Khingmontri', written over a vertical line that extends downwards from the text below.

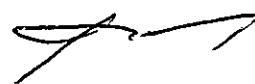
**Vichien Khingmontri**  
Certified Public Accountant (Thailand) No. 3977  
Bangkok  
20 May 2022

Thai Stanley Electric Public Company Limited  
 Statements of Financial Position  
 As at 31 March 2022

	Notes	Equity method			
		financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	2,655,943,140	2,663,330,410	2,655,943,140	2,663,330,410
Short-term investments	11	3,483,000,000	2,258,000,000	3,483,000,000	2,258,000,000
Trade and other accounts receivable, net	12	2,617,502,108	2,550,248,111	2,617,502,108	2,550,248,111
Inventories, net	13	717,823,866	476,679,563	717,823,866	476,679,563
Current portion of loans to employees	15	54,958,494	44,380,610	54,958,494	44,380,610
Other current assets		9,913,992	7,524,762	9,913,992	7,524,762
<b>Total current assets</b>		<b>9,539,141,600</b>	<b>8,000,163,456</b>	<b>9,539,141,600</b>	<b>8,000,163,456</b>
<b>Non-current assets</b>					
Loans to employees	15	41,490,171	18,738,098	41,490,171	18,738,098
Financial assets measured at fair value through other comprehensive income	14	1,485,400,982	1,336,747,660	1,485,400,982	1,336,747,660
Investment in an associate	16	1,885,457,013	1,710,120,028	54,044,189	54,044,189
Investment in a joint venture	17	23,446,570	23,267,369	3,132,500	3,132,500
Property, plant and equipment, net	18	9,076,819,631	9,402,862,077	9,076,819,631	9,402,862,077
Intangible assets, net	19	988,701,728	1,027,622,470	988,701,728	1,027,622,470
Other non-current assets, net		16,197,777	23,089,165	16,197,777	23,089,165
<b>Total non-current assets</b>		<b>13,517,513,872</b>	<b>13,542,446,867</b>	<b>11,665,786,978</b>	<b>11,866,236,159</b>
<b>Total assets</b>		<b>23,056,655,472</b>	<b>21,542,610,323</b>	<b>21,204,928,578</b>	<b>19,866,399,615</b>



Director   
 ( Mr. Koichi Nagano )

Director   
 ( Mr. Apichart Leeissaranukul )

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited

Statements of Financial Position

As at 31 March 2022

	Notes	Equity method		Separate financial statements	
		financial statements			
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade accounts payable - other companies		558,504,822	498,067,977	558,504,822	498,067,977
Trade accounts payable - related parties	31	495,951,982	538,340,036	495,951,982	538,340,036
Other accounts payable - other companies		248,353,113	177,455,506	248,353,113	177,455,506
Other accounts payable - related parties	31	173,557,965	253,230,209	173,557,965	253,230,209
Derivatives liabilities, net	14	780,983	239,190	780,983	239,190
Accrued corporate income tax		177,386,425	153,387,880	177,386,425	153,387,880
Accrued expenses	21	410,699,808	346,716,922	410,699,808	346,716,922
<b>Total current liabilities</b>		<b>2,065,235,098</b>	<b>1,967,437,720</b>	<b>2,065,235,098</b>	<b>1,967,437,720</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities, net	20	555,038,867	472,244,504	184,693,488	137,002,362
Employee benefit obligations	22	409,603,994	385,147,496	409,603,994	385,147,496
<b>Total non-current liabilities</b>		<b>964,642,861</b>	<b>857,392,000</b>	<b>594,297,482</b>	<b>522,149,858</b>
<b>Total liabilities</b>		<b>3,029,877,959</b>	<b>2,824,829,720</b>	<b>2,659,532,580</b>	<b>2,489,587,578</b>
<b>Equity</b>					
Share capital	23				
Authorised share capital					
76,625,000 ordinary shares, par value					
of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital					
76,625,000 ordinary shares, par value					
of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital	23	504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve	25	38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		18,124,222,521	17,024,855,642	16,527,687,983	15,484,861,795
Other components of equity		976,867,492	767,237,461	1,092,020,515	966,262,742
<b>Total equity</b>		<b>20,026,777,513</b>	<b>18,717,780,603</b>	<b>18,545,395,998</b>	<b>17,376,812,037</b>
<b>Total liabilities and equity</b>		<b>23,056,655,472</b>	<b>21,542,610,323</b>	<b>21,204,928,578</b>	<b>19,866,399,615</b>

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

**Thai Stanley Electric Public Company Limited**  
**Statements of Income**  
**For the year ended 31 March 2022**

	Notes	Equity method		Separate financial statements	
		financial statements			
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Revenues from sales and services	9, 30	13,582,326,658	11,727,608,906	13,582,326,658	11,727,608,906
Cost of sales and services		(11,092,504,997)	(9,951,852,793)	(11,092,504,997)	(9,951,852,793)
<b>Gross profit</b>		<b>2,489,821,661</b>	<b>1,775,756,113</b>	<b>2,489,821,661</b>	<b>1,775,756,113</b>
Other income					
- Dividend income		24,299,990	60,397,989	235,234,967	161,571,294
- Gain on exchange rates, net		20,296,328	24,094,398	20,296,328	24,094,398
- Interest income		19,543,267	20,453,629	19,543,267	20,453,629
- Others	26	78,974,975	57,066,773	78,974,975	57,066,773
<b>Profit before expenses</b>		<b>2,632,936,221</b>	<b>1,937,768,902</b>	<b>2,843,871,198</b>	<b>2,038,942,207</b>
Selling expenses		(686,462,219)	(557,667,942)	(686,462,219)	(557,667,942)
Administrative expenses		(337,882,428)	(325,636,815)	(337,882,428)	(325,636,815)
<b>Total expenses</b>		<b>(1,024,344,647)</b>	<b>(883,304,757)</b>	<b>(1,024,344,647)</b>	<b>(883,304,757)</b>
<b>Operating profit</b>		<b>1,608,591,574</b>	<b>1,054,464,145</b>	<b>1,819,526,551</b>	<b>1,155,637,450</b>
Share of profit from investments in an associate and a joint venture		281,610,840	241,893,286	-	-
<b>Profit before income tax</b>		<b>1,890,202,414</b>	<b>1,296,357,431</b>	<b>1,819,526,551</b>	<b>1,155,637,450</b>
Income tax	28	(369,398,585)	(235,017,402)	(355,263,413)	(206,873,406)
<b>Net profit for the year</b>		<b>1,520,803,829</b>	<b>1,061,340,029</b>	<b>1,464,263,138</b>	<b>948,764,044</b>
<b>Earnings per share</b>					
Basic earnings per share	29	19.85	13.85	19.11	12.38

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.



Thai Stanley Electric Public Company Limited  
 Statements of Comprehensive Income  
 For the year ended 31 March 2022

	Note	Equity method		Separate financial statements	
		financial statements			
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Net profit for the year		1,520,803,829	1,061,340,029	1,464,263,138	948,764,044
<b>Other comprehensive income (expenses)</b> for the period after tax:	28				
<b>Items that will not be reclassified</b> to profit or loss					
Remeasurements of post-employment benefit obligations	22	8,543,894	25,361,981	8,543,894	25,361,981
Changes in fair value of investments in equity instruments through other comprehensive income	14.2	148,653,322	21,399,981	148,653,322	21,399,981
Income tax on items that will not be reclassified		(31,439,443)	(9,352,392)	(31,439,443)	(9,352,392)
<b>Total items that will not be reclassified</b> to profit or loss		<u>125,757,773</u>	<u>37,409,570</u>	<u>125,757,773</u>	<u>37,409,570</u>
<b>Items that will be reclassified subsequently</b> to profit or loss					
Exchange differences relating to investments in an associate and a joint venture		104,840,323	(27,792,610)	-	-
Income tax relating to items that will be reclassified		(20,968,065)	5,558,521	-	-
<b>Total items that will be reclassified</b> subsequently to profit or loss	28	<u>83,872,258</u>	<u>(22,234,089)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income (expenses)</b> for the year, net of tax		<u>209,630,031</u>	<u>15,175,481</u>	<u>125,757,773</u>	<u>37,409,570</u>
<b>Total comprehensive income for the year</b>		<u><u>1,730,433,860</u></u>	<u><u>1,076,515,510</u></u>	<u><u>1,590,020,911</u></u>	<u><u>986,173,614</u></u>

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited  
 Statements of Changes in Equity  
 For the year ended 31 March 2022

		Equity method financial statements											
		Capital contributed					Retained earnings		Other components of equity				
		Issued and paid-up share capital		Premium on share capital	Appropriated - Legal reserve	Unappropriated retained earnings	Measurement of investments in equity instruments at fair value through other comprehensive income		Exchange differences relating to investments in an associate and a joint venture	Remeasurements of post-employment benefit obligations	Total other components of equity	Total equity	
Note		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
	Opening balance as at 1 April 2020	383,125,000	504,250,000	38,312,500	38,312,500	16,595,671,038	952,053,219	(176,791,192)	(23,200,047)	752,061,980	18,273,420,518		
	- restated												
	Total comprehensive income for the year	-	-	-	1,061,340,029	(632,155,425)	17,119,985	(22,234,089)	20,289,585	15,175,481	1,076,515,510		
24	Dividends paid	-	-	-	-	-	-	-	-	-	(632,155,425)		
	Closing balance as at 31 March 2021	383,125,000	504,250,000	38,312,500	38,312,500	17,024,855,642	969,173,204	(199,025,281)	(2,910,462)	767,237,461	18,717,780,603		
	Opening balance as at 1 April 2021	383,125,000	504,250,000	38,312,500	38,312,500	17,024,855,642	969,173,204	(199,025,281)	(2,910,462)	767,237,461	18,717,780,603		
	Total comprehensive income for the year	-	-	-	1,520,803,829	(421,436,950)	118,922,658	83,872,258	6,835,115	209,630,031	1,730,433,860		
24	Dividends paid	-	-	-	-	-	-	-	-	-	(421,436,950)		
	Closing balance as at 31 March 2022	383,125,000	504,250,000	38,312,500	38,312,500	18,124,222,521	1,088,095,862	(115,153,023)	3,924,653	976,867,492	20,026,777,513		

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited  
 Statements of Changes in Equity  
 For the year ended 31 March 2022

	Separate financial statements										
	Capital contributed			Retained earnings			Other components of equity				
	Issued and paid-up share capital	Premium on share capital	Appropriated - Legal reserve	Unappropriated retained earnings	Measurement of investments in equity instruments at fair value through other comprehensive income	Remeasurements of post-employment benefit obligations	Total other components of equity				
Note	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 April 2020	383,125,000	504,250,000	38,312,500	15,168,253,176	952,053,219	(23,200,047)	928,853,172	17,022,793,848			
Total comprehensive income for the year	-	-	-	948,764,044	17,119,985	20,289,585	37,409,570	986,173,614			
Dividends paid	-	-	-	(632,155,425)	-	-	-	(632,155,425)			
Closing balance as at 31 March 2021	383,125,000	504,250,000	38,312,500	15,484,861,795	969,173,204	(2,910,462)	966,262,742	17,376,812,037			
Opening balance as at 1 April 2021	383,125,000	504,250,000	38,312,500	15,484,861,795	969,173,204	(2,910,462)	966,262,742	17,376,812,037			
Total comprehensive income for the year	-	-	-	1,464,263,138	118,922,658	6,835,115	125,757,773	1,590,020,911			
Dividends paid	-	-	-	(421,436,950)	-	-	-	(421,436,950)			
Closing balance as at 31 March 2022	383,125,000	504,250,000	38,312,500	16,527,687,983	1,088,095,862	3,924,653	1,092,020,515	18,545,395,998			

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

**Thai Stanley Electric Public Company Limited**  
**Statements of Cash Flows**  
**For the year ended 31 March 2022**

	Notes	Equity method			
		financial statements		Separate financial statements	
		2022	2021	2022	2021
	Baht	Baht	Baht	Baht	
<b>Cash flows from operating activities:</b>					
Profit before income tax for the year		1,890,202,414	1,296,357,431	1,819,526,551	1,155,637,450
Adjustments to reconcile profit before income tax for the year to net cash provided by operations:					
- Depreciation	18	1,295,738,934	1,273,476,614	1,295,738,934	1,273,476,614
- Amortisation	19	278,123,750	282,502,867	278,123,750	282,502,867
- Interest income		(19,543,267)	(20,453,629)	(19,543,267)	(20,453,629)
- Share of profit from investments in an associate and a joint venture		(281,610,840)	(241,893,286)	-	-
- Dividend income					
- Financial assets measured at fair value through other comprehensive income		(24,299,990)	(60,397,989)	(24,299,990)	(60,397,989)
- Investments in an associate and a joint venture	16, 17	-	-	(210,934,977)	(101,173,305)
- Gain on disposals of property, plant and equipment, net	26	(4,089,665)	(3,337,941)	(4,089,665)	(3,337,941)
- Loss from changes in fair value of derivatives		541,793	239,190	541,793	239,190
- (Reversal of) Allowance for obsolete and slow moving inventories	13	1,461,287	(222,704)	1,461,287	(222,704)
- (Reversal of) Allowance for net realisable value lower than cost of inventories	13	16,900,000	(1,559,056)	16,900,000	(1,559,056)
- Employee benefit obligations	22	42,707,733	54,350,572	42,707,733	54,350,572
- Unrealised gain on exchange rates, net		(1,946,717)	(7,793,357)	(1,946,717)	(7,793,357)
Cash flows before changes in operating assets and liabilities		3,194,185,432	2,571,268,712	3,194,185,432	2,571,268,712
Changes in operating assets and liabilities					
- Trade and other accounts receivable		(66,328,706)	76,347,568	(66,328,706)	76,347,568
- Inventories		(259,505,590)	467,230,263	(259,505,590)	467,230,263
- Other current assets		(2,389,230)	32,129,217	(2,389,230)	32,129,217
- Other non-current assets		6,891,388	(7,340,597)	6,891,388	(7,340,597)
- Trade accounts payable - other companies		60,436,845	(7,633,056)	60,436,845	(7,633,056)
- Trade accounts payable - related parties		(42,388,054)	(29,013,104)	(42,388,054)	(29,013,104)
- Other accounts payable - other companies		15,062,048	(22,185,160)	15,062,048	(22,185,160)
- Other accounts payable - related parties		(79,876,602)	98,881,050	(79,876,602)	98,881,050
- Accrued expenses		63,982,886	(24,542,614)	63,982,886	(24,542,614)
- Payment for employee benefit obligations	22	(9,707,341)	(27,209,450)	(9,707,341)	(27,209,450)
Cash generated from operations		2,880,363,076	3,127,932,829	2,880,363,076	3,127,932,829
Interest received		7,750,497	9,705,992	7,750,497	9,705,992
Income tax paid		(315,013,185)	(264,734,534)	(315,013,185)	(264,734,534)
Net cash received from operating activities		2,573,100,388	2,872,904,287	2,573,100,388	2,872,904,287

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited

Statements of Cash Flows

For the year ended 31 March 2022

	Notes	Equity method		Separate financial statements	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities:</b>					
Loans made to employees	15	(94,957,993)	(101,101,134)	(94,957,993)	(101,101,134)
Loans repayments from employees	15	61,628,036	82,553,016	61,628,036	82,553,016
Purchases of property, plant and equipment		(926,999,009)	(1,603,827,172)	(926,999,009)	(1,603,827,172)
Proceeds from disposals of property, plant and equipment		4,408,643	4,216,343	4,408,643	4,216,343
Interest received on short-term investments		10,867,479	17,312,665	10,867,479	17,312,665
Dividends received					
- Financial assets measured at fair value through other comprehensive income		24,299,990	60,397,989	24,299,990	60,397,989
- Investments in an associate and a joint venture	16, 17	210,934,977	101,173,305	210,934,977	101,173,305
Purchases of intangible assets		(226,179,548)	(231,372,870)	(226,179,548)	(231,372,870)
Cash receipts from short-term investments	11	7,848,000,000	2,697,000,000	7,848,000,000	2,697,000,000
Cash payment on short-term investments	11	(9,073,000,000)	(3,789,000,000)	(9,073,000,000)	(3,789,000,000)
Net cash used in investing activities		(2,160,997,425)	(2,762,647,858)	(2,160,997,425)	(2,762,647,858)
<b>Cash flow from financing activity:</b>					
Dividends paid	24	(421,436,950)	(632,155,425)	(421,436,950)	(632,155,425)
Net cash used in financing activity		(421,436,950)	(632,155,425)	(421,436,950)	(632,155,425)
Net increase (decrease) in cash and cash equivalents		(9,333,987)	(521,898,996)	(9,333,987)	(521,898,996)
Cash and cash equivalents at beginning of the year		2,663,330,410	3,177,436,049	2,663,330,410	3,177,436,049
Effects of exchange rate changes		1,946,717	7,793,357	1,946,717	7,793,357
Cash and cash equivalents at end of the year		2,655,943,140	2,663,330,410	2,655,943,140	2,663,330,410
<b>Non-cash transactions:</b>					
Outstanding liabilities arisen from purchases of plant, equipment and intangible assets		84,531,706	28,696,147	84,531,706	28,696,147
Outstanding liabilities arisen from purchases of plant and equipment from related parties		204,358	-	204,358	-

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

## 1. General Information

Thai Stanley Electric Public Company Limited (the "Company") is a public limited company, incorporated in Thailand. The address of its registered office is 29/3 Moo 1 Bangpooon-Rungsit Road, Banklang, Amphur Muang, Pathumthanee, Thailand 12000. The Company is listed on the Stock Exchange of Thailand.

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

These equity method and separate financial statements have been approved by the Company's Board of directors on 20 May 2022.

## 2. Significant events during the current year

The outbreak of Coronavirus Disease 2019 ("COVID-19") in 2021 has negative effects on operating results for many businesses including automotive business and the Company for the year ended 31 March 2022. The Company is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation while strategizing effective solutions.

## 3. Basis of preparation

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

The equity method and separate financial statements have been prepared under the historical cost convention except certain financial assets and liabilities (including derivative instrument) and employee benefit obligations.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

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

## 4. New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and have no significant impacts to the Company

4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022

Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

The Company's management is currently assessing the impact of the adoption of these amended financial reporting standards.

## 5 Accounting policies

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

### 5.1 Principles of equity accounting

#### a) Associate

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

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

#### b) Joint arrangement

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

##### *Joint venture*

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

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

#### c) Equity method

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

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

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

#### d) Intercompany transactions on equity method financial statements

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

## 5.2 Foreign currency translation

### a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

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

### c) Associate and Joint venture

The operational results and financial position of the associate and joint venture (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Company's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for each statement of profit or loss are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

## 5.3 Cash and cash equivalents

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

## 5.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. They are generally due for settlement within 30 to 60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 5.6 (f).

## 5.5 Inventories

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

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



## 5.6 Financial asset

### a) Classification

The Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

### b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

### c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

### d) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income - interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income - interest income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Equity instruments

The Company measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income - dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

f) Impairment

The Company applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, which applies lifetime expected credit loss, from initial recognition, for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Company applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Company assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Company and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Company reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

## 5.7 Property, plant and equipment

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

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

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

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

	<u>Useful life (years)</u>
Land and building improvements	5 - 15
Buildings and other constructions	10 - 40
Machinery, equipment and factory tools	5 - 15
Molds	4
Motor vehicles	5
Furniture, fixtures and office equipment	3 - 5

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gains or losses, net.

## 5.8 Intangible assets

### *Acquired computer software*

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

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

### *Product design costs*

Research expenditure is recognised as an expense as incurred.

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

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

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

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

## 5.9 Impairment of assets

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

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

## 5.10 Leases

### *Leases - where the Company is the lessee*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### *Leases - where the Company is the lessor*

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

#### 5.11 Financial liabilities

##### a) Classification

Financial instruments issued by the Company are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

##### c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Company assesses whether the renegotiation/modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated/modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

#### 5.12 Current and deferred income taxes

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

##### *Current tax*

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

#### *Deferred income tax*

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

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

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

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

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

#### **5.13 Employee benefits**

##### **a) Short-term employee benefits**

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

##### **b) Defined contribution plan**

The Company pays contributions to a separate fund (under the Provident Fund Act B.E. 2530). The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

##### **c) Defined benefit plans**

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

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

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

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

##### **d) Termination benefits**

The Company recognises termination benefits at the earlier of 1) when the Company can no longer withdraw the offer of those benefits; and 2) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

#### 5.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

#### 5.15 Share capital

Ordinary shares are classified as equity.

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

#### 5.16 Revenue recognition

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

Revenue are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

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

##### Sale of goods

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

The product is often sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in accrued expenses) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 to 60 days, which is consistent with market practice.

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

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

##### Services

Revenue from rendering services is recognised when services are rendered.

##### Payments to customers

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

##### Financing components

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

#### Other income

Other revenue are recognised on the following bases:

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

#### 5.17 Dividends

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

#### 5.18 Derivatives and hedging activities

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains(losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

### 6 Financial Statements

#### 6.1 Financial risk

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

Risk management is carried out by a central treasury department under policies which included policies for foreign exchange rate risk, interest rate risk, credit risk, and liquidity risk approved by the Board of Directors. The treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

The Company's risk management is controlled by a central treasury department under policies approved by the Board of Directors. Company treasury identifies, evaluates and manages financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity

##### 6.1.1 Market risk

###### a) Foreign exchange risk

The Company has exposure to foreign currency exchange fluctuations on raw materials imported in foreign currencies and certain export sales in foreign currencies. The foreign currency exchange rate risk of the Company occurs mostly in Japanese Yen and US Dollar. The Company uses forward contracts to hedge their exposure to foreign currency risk approximately 50% of transactions in foreign currency after net with foreign currency cash and cash equivalents.

The Company has no formal designation and documentation of hedging relationship so that the risk being hedged, the hedged item, the hedging instrument and risk management objectives and strategy for undertaking hedges are not clearly identified. Therefore, the forward contract are not qualifies for hedge accounting.

Disclosures about derivative financial instruments to which the Company is a party are provided as follows and Note 14.



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*Exposure*

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

	31 March 2022			31 March 2021		
	US Dollar Baht	Euro Baht	Japanese Yen Baht	US Dollar Baht	Euro Baht	Japanese Yen Baht
Cash and cash equivalents	106,533,529	-	774,413	212,861,504	-	967,917
Trade and other accounts receivable	158,055,798	-	-	212,867,443	-	-
Trade and other accounts payable	269,404,251	3,272,408	52,555,010	414,322,001	1,951,064	45,255,478
Foreign currency forwards						
- Purchase of foreign currency	33,140,000	-	11,370,000	-	-	11,420,000

*Sensitivity*

As shown in the table above, the Company is primarily exposed to changes in Baht and Japanese Yen, US Dollar, and Euro exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in Japanese and US Dollar.

	Impact to net profit	
	Year 2022 Baht	Year 2021 Baht
US Dollar to Baht exchange rate - increase 7% (2021: 5%) *	(2,667,734)	570,347
Euro to Baht exchange rate - increase 6% (2021: 6%) *	(196,344)	(117,064)
JPY to Baht exchange rate - increase 12% (2021: 8%) *	(7,523,767)	(2,636,139)
US Dollar to Baht exchange rate - decrease 7% (2021: 5%)*	2,667,734	(570,347)
Euro to Baht exchange rate - decrease 6% (2021: 6%)*	196,344	117,064
JPY to Baht exchange rate - decrease 12% (2021: 8%)*	7,523,767	2,636,139
* Holding all other variables constant		

**b) Foreign exchange risk**

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company is exposed to interest rate risk relates primarily to its deposits at financial institutions and short-term investments. Most of the Company's financial assets bear floating interest rates or fixed interest rates which are close to the market rate. The Company assesses that the interest rate risk is insignificant as the Company does not rely on the interest income in operating business.

**6.1.2 Credit risk**

Credit risk arises from cash and cash equivalents and short-term investment and credit exposures to customers, including outstanding receivables.

**a) Risk management**

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'bbb' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on the assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

b) **Impairment of financial assets**

The Company has 2 types of financial assets that are subject to the expected credit loss model:

- Trade and other accounts receivable
- Loans to employees

While cash and cash equivalents and short-term investment are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

**Trade receivables**

The Company applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Disclosures about Trade receivables are provided in Note 12.

The Company write-off trade receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments or cannot be contacted for a long period.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Loans to employees**

Loans to employees measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significantly increased.

Disclosures about Loans to employees are provided in Note 15.

**6.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 2,655,943,140 (2021: Baht 2,663,330,410) that are expected to readily generate cash inflows for managing liquidity risk.

Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

### Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The Company's portfolio of derivative instruments with a negative fair value has been included at their fair value of Baht 780,983 (2021: Baht 239,190) within the 'On demand' time bucket. This is because the contractual maturities are essential for an understanding the timing of the cash flows. These contracts are managed on a maturity date basis.

Contractual maturity date	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
As at 31 March 2022						
<b>Non-derivatives</b>						
Trade and other payables	1,476,367,882	-	-	-	1,476,367,882	1,476,367,882
Accrued expenses	410,699,808	-	-	-	410,699,808	410,699,808
<b>Non-derivatives</b>	<b>1,887,067,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,887,067,690</b>	<b>1,887,067,690</b>
<b>Derivatives</b>						
Foreign exchange forward contract	780,983	-	-	-	780,983	780,983
<b>Total derivatives</b>	<b>780,983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>780,983</b>	<b>780,983</b>
<b>Total</b>	<b>1,887,848,673</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,887,848,673</b>	<b>1,887,848,673</b>
As at 31 March 2021						
<b>Non-derivatives</b>						
Trade and other payables	1,467,093,728	-	-	-	1,467,093,728	1,467,093,728
Accrued expenses	346,716,922	-	-	-	346,716,922	346,716,922
<b>Non-derivatives</b>	<b>1,813,810,650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,813,810,650</b>	<b>1,813,810,650</b>
<b>Derivatives</b>						
Foreign exchange forward contract	239,190	-	-	-	239,190	239,190
<b>Total derivatives</b>	<b>239,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>239,190</b>	<b>239,190</b>
<b>Total</b>	<b>1,814,049,840</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,814,049,840</b>	<b>1,814,049,840</b>

## 6.2 Capital management

### Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

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

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**Fair value**

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Fair value Baht
<b>As at 31 March 2022</b>				
<i>Financial assets at fair value through other comprehensive income</i>				
Investments in equity instruments	-	1,485,400,982	-	1,485,400,982
	-	1,485,400,982	-	1,485,400,982
<i>Financial liabilities measured at fair value</i>				
Derivative financial instruments				
- Foreign exchange forward contracts	780,983	-	-	780,983
	780,983	-	-	780,983
<b>As at 31 March 2021</b>				
<i>Financial assets at fair value through other comprehensive income</i>				
Investments in equity instruments	-	1,336,747,660	-	1,336,747,660
	-	1,336,747,660	-	1,336,747,660
<i>Financial liabilities measured at fair value</i>				
Derivative financial instruments				
- Foreign exchange forward contracts	239,190	-	-	239,190
	239,190	-	-	239,190

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The following table presents fair value of financial assets and liabilities recognised and disclosed by their fair value hierarchy.

	Level 1		Level 2		Level 3		Total fair value	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Assets</b>								
<b>Financial assets at fair value through profit or loss</b>								
Trading derivatives - Foreign currency forwards	-	-	-	-	-	-	-	-
<b>Financial assets at fair value through other comprehensive income</b>								
Investments in equity instruments	65,276,231	111,530,569	-	-	1,420,124,751	1,225,217,091	1,485,400,982	1,336,747,660
<b>Total assets</b>	<b>65,276,231</b>	<b>111,530,569</b>	<b>-</b>	<b>-</b>	<b>1,420,124,751</b>	<b>1,225,217,091</b>	<b>1,485,400,982</b>	<b>1,336,747,660</b>
<b>Liabilities</b>								
<b>Financial liabilities at fair value through profit or loss</b>								
Trading derivatives - Foreign currency forwards	-	-	780,983	239,190	-	-	780,983	239,190
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>780,983</b>	<b>239,190</b>	<b>-</b>	<b>-</b>	<b>780,983</b>	<b>239,190</b>

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

Fair values of financial assets and financial liabilities are recognised according to the accounting policies disclosed in Note 5.6 and Note 5.11.

Non-listed equity investments were appraised for its fair value using valuation techniques of input from unobservable market data (Level 3). The management also made adjustments to reflect the risk and nature of the equity instruments

The following table presents changes in level 3 financial instruments for the year ended 31 March 2022 and 31 March 2021.

	<b>Non-listed equity investments</b>
	<b>Baht</b>
<b>Closing balance as at 1 April 2021</b>	<b>1,225,217,091</b>
Gain/Loss recognised in other comprehensive income	194,907,660
<b>Closing balance as at 31 March 2022</b>	<b>1,420,124,751</b>

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	Fair value		Unobservable inputs	Range of inputs	
	31 March 2022	31 March 2021		31 March 2022	31 March 2021
Non-listed equity investments	1,420,124,751	1,225,217,091	Discount for Lack of Marketability: DLOM	15%	15%

Relationship of unobservable inputs to fair value are shown as follows:

	Unobservable inputs	Movement	Change in fair value	
			Increase in assumptions	Decrease in assumptions
			2022	2022
Unquoted equity investments	Discount for Lack of Marketability: DLOM	1.00%	Decrease by 1.18%	Increase by 1.18%

*The Company's valuation processes*

Chief Financial Officer (CFO), Audit Committee (AC) and a valuation team discuss valuation processes and results at least every quarter.

Significant unobservable input of fair value hierarchy level 3 is Discount for Lack of Marketability. The Company estimates by using the mid-range of information and referred to International Valuation standards.

**6 Critical accounting estimates, assumptions and judgments**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**a) Fair value of certain financial assets and derivatives**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 7.

**b) Allowances for obsolete and slow-moving inventories**

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

**c) Useful life of plant, equipment and intangible assets**

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

**d) Employee benefit obligation**

The present value of post-employment benefit obligation is determined based on various assumptions. Assumptions used and effects in any changes in these assumptions are disclosed in Note 22.

**e) Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

**f) Provision for product warranty**

The Company gives product warranties to customers at the time of sale. The Company partially subsidises expenses for manufacturing defects that become apparent within a defined warranty period. The provision for product warranty is provided based on the historical experience.

### Segment information

The Company's strategic steering committee, consisting of board of directors who are the chief operating decision-maker, examines the Company's performance from a product group and geographic region perspective in the same dimension as presented in the financial statements.

#### Revenues from sales and services by product group

The Company manufactures and sells auto bulbs, automotive lighting equipment, molds & dies and product designs. During the year ended 31 March 2022 and 2021, the revenues by product group are as follows:

	2022 Baht	2021 Baht
Auto bulbs and automotive lighting equipment	13,490,158,861	11,124,981,270
Molds & dies and product designs	92,167,797	602,627,636
	<u>13,582,326,658</u>	<u>11,727,608,906</u>

#### Revenues from sales and services by geographic region

During the year ended 31 March 2022 and 2021, the revenues by geographic region are as follows:

	2022 Baht	2021 Baht
Domestic	8,260,626,023	7,698,715,737
Export	5,321,700,635	4,028,893,169
	<u>13,582,326,658</u>	<u>11,727,608,906</u>

During the year ended 31 March 2022 and 2021, the revenues from sales and services are recognised at point in time.

#### Major customers

During the year ended 31 March 2022, the Company has revenues from 3 major customer groups which each of them contributed equal or over 10% of the Company's total revenues (2021: 3 major customer groups).

	2022 Million Baht	2021 Million Baht
Customer group no.1	4,917	4,421
Customer group no.2	3,962	2,977
Customer group no.3	1,568	1,350

The customers under common control are considered as one customer and referred to as the customer group.

**10. Cash and cash equivalents**

	2022 Baht	2021 Baht
Cash and cheques on hand	562,431	837,937
Current accounts with banks	54,226,689	98,561,275
Savings accounts with banks	111,154,020	215,931,198
Fixed deposits at banks with less than 3-month term	2,490,000,000	2,348,000,000
	<u>2,655,943,140</u>	<u>2,663,330,410</u>

As at 31 March 2022, savings accounts with banks and fixed deposits at banks with less than 3-month term bear interest at the rates of 0.01% - 0.35% per annum (2021: 0.01% - 0.35% per annum).

**11. Short-term investments**

As at 31 March 2022, short-term investments held to maturity represent fixed deposits at banks which have original maturities over 3 months but not over 12 months (2021: maturity represent fixed deposits at banks which have original maturities over 3 months but not over 12 months).

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

	2022 Baht	2021 Baht
Opening book amount	2,258,000,000	1,166,000,000
Additions during the year	9,073,000,000	3,789,000,000
Redemptions during the year	(7,848,000,000)	(2,697,000,000)
Closing book amount	<u>3,483,000,000</u>	<u>2,258,000,000</u>

As at 31 March 2022, short-term investments held to maturity bear interest at the rates of 0.25% - 0.45% per annum (2021: 0.21% - 0.63% per annum).

**12. Trade and other accounts receivable, net**

Trade and other accounts receivable, net as at 31 March 2022 and 2021 are as follows:

	2022 Baht	2021 Baht
Trade accounts receivable - other companies	2,263,419,871	2,119,220,891
Less Loss allowance	(20,446,001)	(20,446,001)
Trade accounts receivable - other companies, net	2,242,973,870	2,098,774,890
Trade accounts receivable - related parties (Note 31)	232,530,954	296,457,727
Other accounts receivable - related parties (Note 31)	9,978,976	39,163,203
Prepaid expenses	62,659,796	56,389,044
Accrued income, net	7,833,957	7,839,885
Value added tax receivable	43,281,726	14,976,949
Other receivables	18,242,829	36,646,413
	<u>2,617,502,108</u>	<u>2,550,248,111</u>



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Impairment

The loss allowance for trade receivables was determined as follows:

	Current Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	Total Baht
<b>As 31 March 2022</b>						
Gross carrying amount						
- trade account receivables - other companies	2,227,404,315	15,110,907	-	458,648	20,446,001	2,263,419,871
- trade account receivables - related parties	230,956,211	1,574,743	-	-	-	232,530,954
Loss allowance	-	-	-	-	(20,446,001)	(20,446,001)
<b>As 31 March 2021</b>						
Gross carrying amount						
- trade account receivables - other companies	2,095,505,182	3,241,708	28,000	-	20,446,001	2,119,220,891
- trade account receivables - related parties	292,676,858	3,780,869	-	-	-	296,457,727
Loss allowance	-	-	-	-	(20,446,001)	(20,446,001)

The expected loss rates are based on the payment profiles of sales over a period of 84 months before 31 March 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified GDP to be the most relevant factors, and accordingly adjusted the historical loss rates based on expected changes in these factors. However, the expected loss for trade accounts receivable is not significantly increased by the adjustment.

	2022 Baht	2021 Baht
Raw materials and packaging	284,915,647	239,155,015
Work in process	292,594,890	84,138,194
Finished goods	100,697,506	88,634,062
Goods in transit	60,136,007	66,911,189
	738,344,050	478,838,460
<u>Less</u> Allowance for net realisable value lower than cost		
- Work in process	(16,900,000)	-
Allowance for obsolete and slow-moving inventories		
- Raw materials and packaging	(3,022,421)	(1,865,897)
- Work in process	(243,935)	(185,171)
- Finished goods	(353,828)	(107,829)
Inventories, net	717,823,866	476,679,563

During the years ended 31 March 2022 and 2021, amounts recognised as cost of sales in profit or loss are as follows:

	2022 Baht	2021 Baht
Cost of sales and cost of services	11,092,504,997	9,951,852,793
(Reversal of) allowance for net realisable value lower than cost	16,900,000	(1,559,056)
(Reversal of) allowance for obsolete and slow-moving inventories	1,461,287	(222,704)

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**14. Financial assets and financial liabilities**

As at 31 March 2022, classification of the Company's financial assets and financial liabilities are as follows:

	2022 Baht	2021 Baht
<b>Financial assets</b>		
Financial assets at amortised cost		
- Cash and cash equivalents	2,655,943,140	2,663,330,410
- Short-term investments	3,483,000,000	2,258,000,000
- Trade and other accounts receivable, net	2,503,726,629	2,471,042,233
- Loans to employees	96,448,665	63,118,708
Financial assets at fair value through other comprehensive income (FVOCI)		
- Investments in equity	1,485,400,982	1,336,747,660
	<u>10,224,519,416</u>	<u>8,792,239,011</u>
	<b>2022 Baht</b>	<b>2021 Baht</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost		
- Trade and other payables	1,476,367,882	1,467,093,728
Derivative liabilities		
- FVPL (not apply hedge accounting)	780,983	239,190
	<u>1,477,148,865</u>	<u>1,467,332,918</u>

**14.1 Other financial assets at amortised cost**

**a) Classification of financial assets at amortised cost**

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets at amortised cost include cash and cash equivalents, short-term investments, trade receivables, other receivables, and Loans to employees:

	Notes	31 March 2022			31 March 2021		
		Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Cash and cash equivalents	10	2,655,943,140	-	2,655,943,140	2,663,330,410	-	2,663,330,410
Short-term investments	11	3,483,000,000	-	3,483,000,000	2,258,000,000	-	2,258,000,000
Trade accounts receivable - other companies	12	2,263,419,871	-	2,263,419,871	2,119,220,891	-	2,119,220,891
Trade accounts receivable - related parties	12	232,530,954	-	232,530,954	296,457,727	-	296,457,727
Other accounts receivable - related parties	12	9,978,976	-	9,978,976	39,163,203	-	39,163,203
Other receivables	12	18,242,829	-	18,242,829	36,646,413	-	36,646,413
Loans to employees	15	54,958,494	41,490,171	96,448,665	44,380,610	18,738,098	63,118,708
<u>Less: Loss allowance</u>	12	<u>(20,446,001)</u>	<u>-</u>	<u>(20,446,001)</u>	<u>(20,446,001)</u>	<u>-</u>	<u>(20,446,001)</u>
<b>Total</b>		<u>8,697,628,263</u>	<u>41,490,171</u>	<u>8,739,118,434</u>	<u>7,436,753,253</u>	<u>18,738,098</u>	<u>7,455,491,351</u>

b) Fair values of other financial assets at amortised cost

Due to the short-term nature of Cash and cash equivalents and short-term investments, their carrying amount are considered to be the same as their fair value.

Due to the short-term nature of the trade receivables and other current receivables, their carrying amount are considered to be the same as their fair value.

For the loans to employee, the fair values are also not significantly different to their carrying amounts.

c) Loss allowance

Information about the impairment of financial assets at amortised cost and the Company's exposure to credit risk is disclosed in Note 6.

14.2 Financial assets at fair value through other comprehensive income

a) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category.

Financial assets at FVOCI comprise the following investments:

	31 March 2022 Fair value Baht	31 March 2021 Fair value Baht
<b>Non-current assets</b>		
Investments in equity instruments		
- Listed equity securities	65,276,231	111,530,569
- Non-listed equity investments	1,420,124,751	1,225,217,091
<b>Total</b>	<b>1,485,400,982</b>	<b>1,336,747,660</b>

b) Amounts recognised in profit or loss and other comprehensive income

The following gains were recognised in profit or loss and other comprehensive income during the year as follows:

	31 March 2022 Baht	31 March 2021 Baht
Gains recognised in other comprehensive income	148,653,322	21,399,981

The Company did not acquire or dispose significant listed securities during the year

14.3 Financial assets at fair value through profit or loss

a) Classification of financial assets at fair value through profit or loss

The Company classifies derivatives asset and derivatives liabilities as financial assets at fair value through profit or loss (FVPL).

Financial assets measured at FVPL include derivatives asset and derivatives liabilities. Disclosures about derivatives assets and derivatives liabilities are provided in Note 6.1.1.

b) Amounts recognised in profit or loss

During the year ended 31 March 2022, the fair value gains of Baht 1,806,207 (2021: Baht 1,318,390) were recognised in the Company's other income - gains on exchange rates, net in the equity method and separate financial statements.

The Company did not acquire or dispose significant listed securities during the year.

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**15. Loans to employees**

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

	2022 Baht	2021 Baht
Opening balance	63,118,708	44,570,590
Additions	94,957,993	101,101,134
Received during the year	(61,628,036)	(82,553,016)
Closing balance	96,448,665	63,118,708

Loans to employees bear interest rate at 0.99% - 1.00% per annum (2021: 0.99% - 1.70% per annum). The repayment periods are between 1 month - 3 years (2021: 1 month - 2 years).

The analysis of loans to employees is as follows:

	2022 Baht	2021 Baht
Current portion of loans to employees	54,958,494	44,380,610
Non-current portion of loans to employees	41,490,171	18,738,098
	96,448,665	63,118,708

The Company has no reconciliations of loss allowance for loans to employees for the year ended 31 March 2022 and 2021.

**16. Investment in an associate**

The details of investment in an associate as at 31 March 2022 and 2021 are as follows:

Name	Country	Business activity	% of holding		Equity method financial information		Separate financial information	
			2022	2021	Equity method		Cost method	
			%	%	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<i>An associate</i> Vietnam Stanley Electric Company Limited	Socialist Republic of Vietnam	Manufacture of automotive lighting equipment	20	20	1,885,457,013	1,710,120,028	54,044,189	54,044,189

*Summarised financial information for an associate*

The table below is summarised of financial information for associates that are material to the Company. The financial information is included in associates own financial statements which has been adjusted with the adjustments necessary for the equity method including, adjusting fair value and differences in accounting policy.

	Vietnam Stanley Electric Company Limited For the year ended 31 March	
	2022 Baht	2021 Baht
<i>Summarised of performance</i> Revenues from sales and services	6,509,705,798	5,670,519,560
Net profit for the year	1,349,988,500	1,164,738,864
Dividend received from associates	205,056,486	94,579,667

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	Vietnam Stanley Electric Company Limited	
	As at 31 March	
	2022 Baht	2021 Baht
<i>Summarised of statement of financial position</i>		
Current assets	8,374,101,962	7,486,438,903
Non-current assets	1,826,447,664	1,871,756,264
Current liabilities	736,438,817	762,281,057
Non-current liabilities	36,825,743	45,313,971
Net assets	9,427,285,066	8,550,600,139
The Company's share in an associate (%)	20	20
The Company's share in an associate (Baht)	1,885,457,013	1,710,120,028

Vietnam Stanley Electric Company Limited is a private company and there is no quoted market price available for it.

**Investment in a joint venture**

The details of investment in a joint venture as at 31 March 2022 and 2021 are as follows:

Name	Country	Business activity	Equity method financial information				Separate financial information	
			% of holding		Equity method		Cost method	
			2022 %	2021 %	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<i>A joint venture</i> Lao Stanley Company Limited	Lao People's Democratic Republic	Manufacture of automotive lighting equipment	50	50	23,446,570	23,267,369	3,132,500	3,132,500

*Summarised financial information for a joint venture*

The table below is summarised of financial information for joint ventures that are material to the Company. The financial information is included in joint ventures own financial statements which has been amended to reflect adjustments necessary for the equity method, including adjusting fair value and differences in accounting policy.

	Lao Stanley Company Limited	
	For the year ended 31 March	
	2022 Baht	2021 Baht
<i>Summarised of performance</i>		
Revenues from sales and services	463,347,848	365,730,773
Depreciation and amortisation	634,385	1,702,061
Income tax expense	5,806,570	5,243,469
Net profit for the year	23,226,279	17,891,026
Dividend received from a joint venture	5,878,491	6,593,638

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	Lao Stanley Company Limited	
	As at 31 March	
	2022	2021
	Baht	Baht
<i>Summarised of statement of financial position</i>		
Cash and cash equivalents	74,731,801	65,785,591
Other current assets	32,149,369	33,478,616
<b>Total current assets</b>	<b>106,881,170</b>	<b>99,264,207</b>
Total non-current assets	7,939,716	12,060,736
<b>Other current liabilities</b>	<b>64,173,317</b>	<b>62,344,167</b>
<b>Total current liabilities</b>	<b>64,173,317</b>	<b>62,344,167</b>
Other non-current liabilities	3,754,430	2,446,038
<b>Total non-current liabilities</b>	<b>3,754,430</b>	<b>2,446,038</b>
<b>Net assets</b>	<b>46,893,139</b>	<b>46,534,738</b>
<i>Reconciliation to carrying amounts:</i>		
Opening book amount	46,534,738	46,794,440
Net profit for the year	23,226,279	17,891,026
Other comprehensive income	(11,110,897)	(4,963,452)
Dividends paid	(11,756,981)	(13,187,276)
<b>Closing book amount</b>	<b>46,893,139</b>	<b>46,534,738</b>
The Company's share in a joint venture (%)	50	50
The Company's share in a joint venture (Baht)	23,446,570	23,267,369
<b>A joint ventures' carrying amount</b>	<b>23,446,570</b>	<b>23,267,369</b>

Lao Stanley Company Limited is a private company and there is no quoted market price available for it.

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38 Property, plant and equipment, net

	Land Baht	Land and building improvements Baht	Buildings and other constructions Baht	Machinery, equipment and factory tools Baht	Molds Baht	Motor vehicles Baht	Furniture, fixtures and office equipment Baht	Machinery under installation and construction in progress Baht	Total Baht
<b>As at 1 April 2020</b>									
Cost	1,350,023,054	2,927,861,721	2,098,556,516	8,580,938,928	5,682,381,957	65,173,565	181,130,856	2,352,267,418	23,238,334,015
Less Accumulated depreciation	-	(1,702,980,870)	(841,320,882)	(5,848,698,979)	(5,157,847,909)	(40,934,519)	(129,420,263)	-	(13,721,203,422)
Net book amount	1,350,023,054	1,224,880,851	1,257,235,634	2,732,239,949	524,534,048	24,239,046	51,710,593	2,352,267,418	9,517,130,593
<b>For the year ended 31 March 2021</b>									
Opening net book amount	1,350,023,054	1,224,880,851	1,257,235,634	2,732,239,949	524,534,048	24,239,046	51,710,593	2,352,267,418	9,517,130,593
Additions	-	581,000	-	36,008,584	4,973,874	2,358,000	438,000	1,115,727,042	1,160,086,500
Disposals / write-offs, net	-	(18)	(729,848)	(131,380)	(1,174)	(11)	(15,971)	-	(878,402)
Transfers	-	946,765,888	657,078,375	582,822,195	377,970,123	-	7,200,290	(2,571,836,851)	-
Depreciation charge (Note 27)	-	(244,242,603)	(86,645,651)	(594,996,984)	(321,179,084)	(8,393,027)	(18,019,265)	-	(1,273,476,614)
Closing net book amount	1,350,023,054	1,927,985,098	1,826,938,510	2,755,942,364	586,297,787	18,204,008	41,313,647	896,157,609	9,402,862,077
<b>As at 31 March 2021</b>									
Cost	1,350,023,054	3,868,460,698	2,753,284,091	8,866,585,115	5,929,186,907	57,137,452	179,304,734	896,157,609	23,900,139,660
Less Accumulated depreciation	-	(1,940,475,600)	(926,345,581)	(6,110,642,751)	(5,342,889,120)	(38,933,444)	(137,991,087)	-	(14,497,277,583)
Net book amount	1,350,023,054	1,927,985,098	1,826,938,510	2,755,942,364	586,297,787	18,204,008	41,313,647	896,157,609	9,402,862,077
<b>For the year ended 31 March 2022</b>									
Opening net book amount	1,350,023,054	1,927,985,098	1,826,938,510	2,755,942,364	586,297,787	18,204,008	41,313,647	896,157,609	9,402,862,077
Additions	-	-	-	37,182,564	-	5,500,000	1,941,193	925,391,709	970,015,466
Disposals / write-offs, net	-	(119,909)	-	(199,011)	-	(9)	(49)	-	(318,978)
Transfers	-	214,646,373	37,361,637	521,762,768	368,847,184	-	2,509,603	(1,145,127,565)	-
Depreciation charge (Note 27)	-	(269,834,895)	(85,220,032)	(631,756,546)	(285,423,443)	(7,797,292)	(15,706,726)	-	(1,295,738,934)
Closing net book amount	1,350,023,054	1,872,676,667	1,779,080,115	2,682,932,139	669,721,528	15,906,707	30,057,668	676,421,753	9,076,819,631
<b>As at 31 March 2022</b>									
Cost	1,350,023,054	4,004,408,431	2,790,645,728	9,232,303,739	6,298,034,091	55,730,499	181,550,527	676,421,753	24,589,117,822
Less Accumulated depreciation	-	(2,131,731,764)	(1,011,565,613)	(6,549,371,600)	(5,628,312,563)	(39,823,792)	(151,492,859)	-	(15,512,298,191)
Net book amount	1,350,023,054	1,872,676,667	1,779,080,115	2,682,932,139	669,721,528	15,906,707	30,057,668	676,421,753	9,076,819,631

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The Company is a lessor of Molds to third parties under operating leases. The carrying amount of the leased assets are as follows:

	2022 Baht	2021 Baht
Cost	290,246,836	289,494,123
<u>Less</u> Accumulated depreciation	(219,437,043)	(187,079,244)
Net book amount	70,809,793	102,414,879

Rental income amounting to Baht 57,106,125 (2021: Baht 29,115,464) are included in profit or loss in revenues from sales and services.

**Intangible assets**

	Computer software Baht	Product design cost Baht	Product design cost under development Baht	Total Baht
<b>As at 1 April 2020</b>				
Cost	327,513,969	1,170,079,365	559,097,211	2,056,690,545
<u>Less</u> Accumulated amortisation	(250,849,506)	(718,040,572)	-	(968,890,078)
Net book amount	76,664,463	452,038,793	559,097,211	1,087,800,467
<b>For the year ended 31 March 2021</b>				
Opening net book amount	76,664,463	452,038,793	559,097,211	1,087,800,467
Additions	1,958,440	-	220,366,430	222,324,870
Transfers	-	359,336,574	(359,336,574)	-
Amortisation charge (Note 27)	(21,666,609)	(260,836,258)	-	(282,502,867)
Closing net book amount	56,956,294	550,539,109	420,127,067	1,027,622,470
<b>As at 31 March 2021</b>				
Cost	329,472,409	1,267,133,901	420,127,067	2,016,733,377
<u>Less</u> Accumulated amortisation	(272,516,115)	(716,594,792)	-	(989,110,907)
Net book amount	56,956,294	550,539,109	420,127,067	1,027,622,470
<b>For the year ended 31 March 2022</b>				
Opening net book amount	56,956,294	550,539,109	420,127,067	1,027,622,470
Additions	31,606,432	-	207,596,576	239,203,008
Transfers	-	176,244,691	(176,244,691)	-
Amortisation charge (Note 27)	(22,971,529)	(255,152,221)	-	(278,123,750)
Closing net book amount	65,591,197	471,631,579	451,478,952	988,701,728
<b>As at 31 March 2022</b>				
Cost	359,972,823	1,176,219,791	451,478,952	1,987,671,566
<u>Less</u> Accumulated amortisation	(294,381,626)	(704,588,212)	-	(998,969,838)
Net book amount	65,591,197	471,631,579	451,478,952	988,701,728

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

	2022 Baht	2021 Baht
Cost of sales and services	278,059,645	282,464,017
Administrative expense	64,105	38,850



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20. Deferred income taxes

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

	Equity method financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Deferred tax assets:	150,348,227	144,967,389	150,348,227	144,967,389
Deferred tax liabilities:	(705,387,094)	(617,211,893)	(335,041,715)	(281,969,751)
<b>Deferred tax asset (net)</b>	<b>(555,038,867)</b>	<b>(472,244,504)</b>	<b>(184,693,488)</b>	<b>(137,002,362)</b>

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

	Equity method financial statements					
	Inventories Baht	Equipment Baht	Intangible assets Baht	Employee benefit liabilities Baht	Others Baht	Total Baht
<b>Deferred tax assets</b>						
At 1 April 2020	788,131	37,982,873	22,266,837	76,673,671	3,162,408	140,873,920
Charged/(credited) to profit or loss	(356,351)	229,423	3,859,331	5,428,224	5,238	9,165,865
Charged/(credited) to other comprehensive income	-	-	-	(5,072,396)	-	(5,072,396)
<b>At 31 March 2021</b>	<b>431,780</b>	<b>38,212,296</b>	<b>26,126,168</b>	<b>77,029,499</b>	<b>3,167,646</b>	<b>144,967,389</b>
At 1 April 2021	431,780	38,212,296	26,126,168	77,029,499	3,167,646	144,967,389
Charged/(credited) to profit or loss	3,672,257	(10,735,889)	(1,156,403)	6,600,078	8,709,574	7,089,617
Charged/(credited) to other comprehensive income	-	-	-	(1,708,779)	-	(1,708,779)
<b>At 31 March 2022</b>	<b>4,104,037</b>	<b>27,476,407</b>	<b>24,969,765</b>	<b>81,920,798</b>	<b>11,877,220</b>	<b>150,348,227</b>

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	Equity method financial statements			
	Investments in an associate and a joint venture Baht	Financial assets measured at fair value through other comprehensive income Baht	Buildings and machinery Baht	Total Baht
<b>Deferred tax liabilities</b>				
At 1 April 2020	(312,656,667)	(237,013,305)	(23,953,500)	(573,623,472)
Credited to profit or loss	(28,143,996)	-	(16,722,950)	(44,866,946)
Credited to other comprehensive income	5,558,521	(4,279,996)	-	1,278,525
At 31 March 2021	(335,242,142)	(241,293,301)	(40,676,450)	(617,211,893)
At 1 April 2021	(335,242,142)	(241,293,301)	(40,676,450)	(617,211,893)
Credited to profit or loss	(14,135,172)	-	(23,341,300)	(37,476,472)
Credited to other comprehensive income	(20,968,065)	(29,730,664)	-	(50,698,729)
At 31 March 2022	(370,345,379)	(271,023,965)	(64,017,750)	(705,387,094)

	Separate financial statements			
		Financial assets measured at fair value through other comprehensive income Baht	Buildings and machinery Baht	Total Baht
<b>Deferred tax liabilities</b>				
At 1 April 2020		(237,013,305)	(23,953,500)	(260,966,805)
Credited to profit or loss		-	(16,722,950)	(16,722,950)
Credited to other comprehensive income		(4,279,996)	-	(4,279,996)
At 31 March 2021		(241,293,301)	(40,676,450)	(281,969,751)
At 1 April 2021		(241,293,301)	(40,676,450)	(281,969,751)
Credited to profit or loss		-	(23,341,300)	(23,341,300)
Credited to other comprehensive income		(29,730,664)	-	(29,730,664)
At 31 March 2022		(271,023,965)	(64,017,750)	(335,041,715)

**21. Accrued expenses**

	2022 Baht	2021 Baht
Accrued staff costs	232,636,026	221,403,575
Accrued electricity expense	36,997,532	34,096,640
Accrued rebate	64,298,000	57,280,000
Provision for product warranty	43,390,718	4,179,104
Others	33,377,532	29,757,603
	410,699,808	346,716,922

**22. Employee benefit obligations**

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

	2022 Baht	2021 Baht
The statement of financial position :		
Present value of defined benefit obligations	409,603,994	385,147,496
Liability in the statement of financial position	409,603,994	385,147,496
Profit or loss charge included in operating profit for employee benefit obligations	42,707,733	54,350,572
Remeasurement in other comprehensive (income) expense	(8,543,894)	(25,361,981)
Movements in employee benefit obligations are as follows:		
	2022 Baht	2021 Baht
At 1 April	385,147,496	383,368,355
Current service cost	36,295,591	41,023,831
Interest cost	6,577,032	5,604,704
Past service cost	(164,890)	7,722,037
	42,707,733	54,350,572
Remeasurement:		
Loss from change in demographic assumptions	5,936,774	16,561,942
(Gain)/Loss from change in financial assumptions	(5,929,261)	(37,199,778)
Experience gain	(8,551,407)	(4,724,145)
	(8,543,894)	(25,361,981)
Benefits paid	(9,707,341)	(27,209,450)
At 31 March	409,603,994	385,147,496

The significant actuarial assumptions used were as follows:

	2022	2021
Discount rate	1.80%	1.65%
Salary growth rate	4.00%	4.00%
Staff turnover rate	0.00%-10.00%	0.00%-11.00%

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Sensitivity analysis for each significant assumption used is as follows:

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2022 %	2021 %	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Discount rate	1.00	1.00	(36,820,204)	(35,568,390)	42,997,890	41,525,130
Salary growth rate	1.00	1.00	43,245,364	41,622,010	(37,772,633)	(36,365,293)
Staff turnover rate	1.00	1.00	(38,389,114)	(37,081,795)	28,532,441	27,686,309

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

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

The weighted average duration of the defined benefit obligation is 9.99 years (2021: 10.30 years).

Expected maturity analysis of undiscounted employee benefit obligations are as follows:

	Less than 1 year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
<b>At 31 March 2022</b>					
Retirement benefits	32,145,584	21,431,318	72,377,598	1,482,886,861	1,608,841,361
<b>At 31 March 2021</b>					
Retirement benefits	6,934,714	34,515,875	68,665,488	1,506,930,784	1,617,046,861

**23 Share capital and premium on share capital**

	Number of shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
As at 31 March 2022 and 2021	76,625,000	383,125,000	504,250,000	887,375,000

The total authorised number of ordinary shares is 76,625,000 shares with a par value of Baht 5 per share (2021: 76,625,000 shares with a par value of Baht 5 per share). All shares are issued and fully paid.

**24 Dividends**

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 2 July 2021, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2021 for 76,625,000 shares of Baht 5.50 per share, totalling Baht 421,437,500. There were 100 shares that were not entitled to receive the dividends, totalling Baht 550 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 421,436,950 in the financial statements. The Company paid the dividends to the shareholders on 29 July 2021.

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 3 July 2020, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2020 for 76,625,000 shares of Baht 8.25 per share, totalling Baht 632,156,250. There were 100 shares that were not entitled to receive the dividends, totalling Baht 825 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 632,155,425 in the financial statements. The Company paid the dividends to the shareholders on 29 July 2020.

Thai Stanley Electric Public Company Limited  
Notes to the Equity Method and Separate Financial Statements  
For the year ended 31 March 2022

25. Legal reserve

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

26. Other income - Others

	2022 Baht	2021 Baht
Scrap sales	50,368,855	25,296,165
Tax rebate income	10,114,349	11,768,166
Royalty income	2,405,538	815,311
Gain on disposals of property, plant and equipment, net	4,089,665	3,337,941
Others	11,996,568	15,849,190
	78,974,975	57,066,773

27. Expenses by nature

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

	2022 Baht	2021 Baht
Changes in finished goods and work in process	(220,520,140)	422,461,099
Raw materials and consumables used	6,771,258,502	5,561,888,792
Staff costs	1,452,664,215	1,367,462,710
Depreciation of plant and equipment (Note 18)	1,295,738,934	1,273,476,614
Amortisation of intangible assets (Note 19)	278,123,750	282,502,867
Utility expenses	360,038,709	293,901,337
Subcontract service costs	64,270,684	62,622,108
Repairs and maintenance expenses	311,835,254	307,090,108

28. Income tax expense

Income tax expense for the year comprises the following:

	Equity method financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Current tax :				
Current tax on profit for the year	339,011,730	199,316,321	339,011,730	199,316,321
Deferred income tax :				
Increase in deferred tax assets (Note 20)	(7,089,617)	(9,165,865)	(7,089,617)	(9,165,865)
Increase in deferred tax liabilities (Note 20)	37,476,472	44,866,946	23,341,300	16,722,950
Total income tax expense	369,398,585	235,017,402	355,263,413	206,873,406

**Thai Stanley Electric Public Company Limited**  
**Notes to the Equity Method and Separate Financial Statements**  
**For the year ended 31 March 2022**

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

	Equity method financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Profit before tax	1,890,202,414	1,296,357,431	1,819,526,551	1,155,637,450
Tax calculated at a tax rate of 20% (2021: 20%)	378,040,482	259,271,486	363,905,310	231,127,490
Tax effect of:				
Income not subject to tax	(4,759,874)	(10,811,076)	(4,759,874)	(10,811,076)
Expenses not deductible for tax purpose	31,045,672	18,274,793	31,045,672	18,274,793
Additional expenses deductible for tax purpose	(34,927,695)	(22,953,327)	(34,927,695)	(22,953,327)
Profit from BOI business	-	(8,764,474)	-	(8,764,474)
Tax charge	369,398,585	235,017,402	355,263,413	206,873,406

The average income tax rates were 19.54% and 19.53 for the equity method financial statements and the separate financial statements, respectively (2021: 18.13% and 17.90%, respectively). The 2022 tax rates are higher than last year because the Company had loss on a promotion certificate which has the tax privilege in the current year and lower dividend income from related parties than last year.

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

	Equity method financial statements					
	2022			2021		
	Before tax Baht	Tax credit Baht	After tax Baht	Before tax Baht	Tax credit (charge) Baht	After tax Baht
Remeasurements of employee benefit obligations	8,543,894	(1,708,779)	6,835,115	25,361,981	(5,072,396)	20,289,585
Remeasurement of:						
- Financial assets measured at fair value through other comprehensive income	148,653,322	(29,730,664)	118,922,658	21,399,981	(4,279,996)	17,119,985
Exchange differences relating to investments in an associate and a joint venture	104,840,323	(20,968,065)	83,872,258	(27,792,610)	5,558,521	(22,234,089)
Other comprehensive expenses for the year	262,037,539	(52,407,508)	209,630,031	18,969,352	(3,793,871)	15,175,481
Deferred income tax		(52,407,508)			(3,793,871)	

	Separate financial statements					
	2022			2021		
	Before tax Baht	Tax credit Baht	After tax Baht	Before tax Baht	Tax credit Baht	After tax Baht
Remeasurements of employee benefit obligations	8,543,894	(1,708,779)	6,835,115	25,361,981	(5,072,396)	20,289,585
Remeasurement of:						
- Financial assets measured at fair value through other comprehensive income	148,653,322	(29,730,664)	118,922,658	21,399,981	(4,279,996)	17,119,985
Other comprehensive expenses for the year	157,197,216	(31,439,443)	125,757,773	46,761,962	(9,352,392)	37,409,570
Deferred income tax		(31,439,443)			(9,352,392)	

Thai Stanley Electric Public Company Limited  
Notes to the Equity Method and Separate Financial Statements  
For the year ended 31 March 2022

29 Basic earnings per share

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

	Equity method financial statements		Separate financial statements	
	2022	2021	2022	2021
Net profit attributable to shareholders (Baht)	1,520,803,829	1,061,340,029	1,464,263,138	948,764,044
Weighted average number of ordinary share in issue (Shares)	76,625,000	76,625,000	76,625,000	76,625,000
Basic earnings per share (Baht)	19.85	13.85	19.11	12.38

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

30 Promotional privileges

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

	2022		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	-	5,321,700,634	5,321,700,634
Domestic sales	-	8,260,626,024	8,260,626,024
	-	13,582,326,658	13,582,326,658
	2021		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	45,355,901	3,983,537,268	4,028,893,169
Domestic sales	536,513,364	7,162,202,373	7,698,715,737
	581,869,265	11,145,739,641	11,727,608,906

### 31 Related party transactions

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

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

The Company had the significant transactions with its major shareholder, Stanley Electric Group, incorporated in Japan which holds 35.66% interest in the Company's share capital. The Company also had significant transactions with a group of individual shareholders who are members of the Company's management who hold 29.57% interest in the Company's share capital. Stanley Electric Group comprises Stanley Electric Company Limited and related companies.

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

#### a) Transactions with related parties

The following significant transactions were carried out with related parties:

For the years ended 31 March	2022 Baht	2021 Baht
<b>Sales</b>		
Stanley Electric Group companies	555,456,061	710,438,823
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	117,053,428	125,458,992
Associate	201,918,945	292,589,856
Joint venture	386,316,976	292,494,828
	<u>1,260,745,410</u>	<u>1,420,982,499</u>
<b>Other income</b>		
Stanley Electric Group companies	2,155,760	1,837,285
Associate	7,842	66,170
Joint venture	24,600	106,440
	<u>2,188,202</u>	<u>2,009,895</u>
<b>Dividend income</b>		
Stanley Electric Group companies	23,946,190	60,170,029
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	353,800	227,960
Associate	205,056,486	94,579,667
Joint venture	5,878,491	6,593,638
	<u>235,234,967</u>	<u>161,571,294</u>
<b>Royalty income</b>		
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	1,874,780	381,603
Joint venture	530,758	433,708
	<u>2,405,538</u>	<u>815,311</u>
<b>Purchases of goods and services</b>		
Stanley Electric Group companies	3,335,935,799	2,627,537,886
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	475,923,747	374,586,075
Associate	38,650,888	310,682,571
	<u>3,850,510,434</u>	<u>3,312,806,532</u>



**Thai Stanley Electric Public Company Limited**  
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For the years ended 31 March	2022 Baht	2021 Baht
<b>Royalty fees</b>		
Stanley Electric Group companies	304,350,053	264,036,175
<b>Design and development fee</b>		
Stanley Electric Group companies	49,719,070	84,033,288
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	138,365	8,896
Associate	6,745	934,296
	<u>49,864,180</u>	<u>84,976,480</u>
<b>Training fee</b>		
Stanley Electric Group companies	-	11,405
<b>Commission</b>		
Stanley Electric Group companies	<u>136,960,433</u>	<u>103,647,332</u>
<b>b) Outstanding balance arising from sale and purchases of goods and services</b>		
The amounts due to and from related parties are mainly denominated in foreign currencies and relate to purchases and sales transactions. The outstanding balances as at 31 March 2022 and 2021 are as follows:		
	2022 Baht	2021 Baht
<b>Trade accounts receivable - related parties (Note 12)</b>		
Stanley Electric Group companies	101,213,025	159,786,768
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	32,017,423	35,187,083
Associate	38,247,953	51,677,957
Joint venture	61,052,553	49,805,919
	<u>232,530,954</u>	<u>296,457,727</u>
<b>Other accounts receivable - related parties (Note 12)</b>		
Stanley Electric Group companies	9,978,976	39,163,203
<b>Trade accounts payable - related parties</b>		
Stanley Electric Group companies	433,498,541	479,505,986
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	54,252,284	43,576,418
Associate	8,201,157	15,257,632
	<u>495,951,982</u>	<u>538,340,036</u>
<b>Other accounts payable - related parties</b>		
Stanley Electric Group companies	<u>173,557,965</u>	<u>253,230,209</u>
<b>c) Key management compensation</b>		
For the years ended 31 March	2022 Baht	2021 Baht
<b>Directors' and managements' remuneration</b>		
Short-term benefits	<u>46,230,643</u>	<u>44,510,294</u>
Short-term benefits comprise salary, bonus and other welfares		

**32 Significant commitments**

**32.1 Bank guarantees**

As at 31 March 2022, the Company has bank guarantees of Baht 20 million with respect to electricity supply, (2021: Baht 20 million)

**32.2 Capital commitments**

As at 31 March 2022, the Company has capital commitments of Baht 90 million (2021: Baht 110 million). The capital commitment mainly comprises construction and machines for production expansion in the future.

**33 Events occurring after the date of financial statements**

- 33.1 On 19 April 2022, the Board of Director of Vietnam Stanley Electric Company Limited (Associate) approved the dividends payment in respect of the operating results for the year ended 31 March 2022 totalling VND 666.67 billion (equivalent to Baht 976.67 million). The dividends will be paid to the Company according to holding percentage which is 20% totalling VND 133.33 billion (equivalent to Baht 195.33 million).
- 33.2 At the Board of Directors' meeting held on 20 May 2022, the Board of Directors approved to propose the dividends payment in respect of the operating results for the year ended 31 March 2022 for a total 76,625,000 shares of Baht 8.50 per share totalling Baht 651.31 million and proposed to the Annual General Shareholders' meeting which will be held on 1 July 2022.

## 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.

(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 20, 2022 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.

As evidence of our making of certification of information accuracy, we have authorized Mr. Apichart Lee-issaranukul 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. Etsuya Kawashima	Director	<i>Etsuya Kawashima</i>

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

## **Attached 1**

Details of directors Controlling Executives Person assigned the highest responsibility in accounting and finance Persons assigned to be directly responsible for overseeing bookkeeping and company secretary

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

1.Name – Surname	<b>Mr. Apichart Lee-issaranukul</b>
Position	Executive Chairman and Executive General Manager Administration Division.
Date of Appointment	Year 1988
Age	59
Education	Honorary Doctor of Engineering (Industrial Engineering) ,
Degree	Rajamangala University of Technology Thanyaburi Master of Business Administration Oklahoma City University, USA. Bachelor of Administration The University of the Thai chamber of commerce.
Training	Certificate Directors Certification program from Thai Institute of Director (IOD) Certificate Executive Business and Investment Development Institute of Business and Industrial Development (IBID)
% of Holding (as 31/03/2022)	7.11%
Relations	Son Mr.Vitya Lee-issaranukul and Mrs.Porndee Lee-issaranukul Brother Mr.Thanong Lee-issaranukul,Mrs. Pimjai Lee-issaranukul and Mrs. Porntip Sethiwan
Working Experience and position	
- Listed Companies in SET	1991-Present Director Inoue Rubber (Thailand) Public Co.,Ltd. 2013-Present Executive Chairman Thai Stanley Electric PCL 2016-Present Independent Director and Nomination and Remuneration Committee Leo Global Logistic PCL
- Non Listed Companies	1992-Present President Sopa-Kanok International Co.,Ltd 1993-Present Director Pacific Industries Co.Ltd. 1994-Present Director Bussayapan Co.,Ltd. 1995-Present Director Sungold Holding Limited 1996-Present Executive Vice President Asian Stanley International Co.,Ltd 1997-Present Director Sirivit Stanley Co.,Ltd. 1997-Present Director Daido Sittipol Co.Ltd. 1999-Present Chairman Lao Stanley Co.,Ltd. 2000-Present Director Vietnam Stanley Electric Co.,Ltd. 2003-Present Director Wangchula Co.,Ltd. 2006-Present Director PT Indonesia Stanley Electric 2006-Present Director Total Oil (Thailand) Co.,Ltd. 2014-Present Director Pacific Auto Part (Thailand) Co.,Ltd.
- Other	1993-Present Deputy Chairman Stanley Thailand Foundation 2002-2019 Director Investor Club Association 2004-2019 Executive Director Investor Club Association 2019-Present Vice Chairman Investor Club Association 2017-Present Chairman Mitsubishi Motors Cooperation Council (Thailand) : MCC 2019-Present Advisor Toyota Co-operation Club (TCC)

2.Name – Surname	Mr.Koichi Nagano
Position	President
Date of Appointment	July 3, 2009
Age	62
Education Degree	Bachelor of The Faculty of Engineering , Hosei University , JAPAN
% of Holding (as 31/03/2022)	0.0013%
Relations	None
Working Experience and position	
- Listed Companies in SET	2009 - Present Director Thai Stanley Electric PCL. 2013 - Present President Thai Stanley Electric PCL.
- Non Listed Company	2010 - Present Director Sirivit – Stanley Co.,Ltd. 2013 - Present Director Top Hightech Co.,Ltd 2013 - Present Director PT Indonesia Stanley Electric 2013 - Present Honorary Chairman Lao Stanley Co.,Ltd. 2019 – Present Director Electro Polymers (PVT)
- Other	2011-2019 Deputy Chairman Stanley Thailand Foundation 2019-Present Chairman Stanley Thailand Foundation

3.Name – Surname	<b>Mr. Etsuya Kawashima</b>
Position	Director and Executive General Manager Lighting Equipment Division
Date of Appointment	July 3 , 2020
Age	55
Education Degree	Bachelor Faculty of Engineering , Nihon University , JAPAN
% of Holding (as 31/03/2022)	None
Relations	None
Working Experience and position	
- Listed Company in SET	2010 – 2013 Advisor ,Die & Mold Division , Thai Stanley Electric PCL. 2013 – 2015 Department Manager , Die & Mold Division , Thai Stanley Electric PCL. 2015 – 2017 Senior Advisor , Die & Mold Division , Thai Stanley Electric PCL. 2017 – 2020 Executive General Manager, Die&Mold Division Thai Stanley Electric PCL. Jul 2020 – Present Director and Executive General Manager, Lighting Division of Thai Stanley Electric PCL
- Non Listed Company	1999 – 2010 Chief of Section , Die & Mold Division , Research & Development Center Stanley Electric Co.,Ltd. 2020 – Present Second Deputy General Director Vietnam Stanley Electric Co.,Ltd

4.Name – Surname	<b>Mr. Thanong Lee-issaranukul</b>
Position	Director
Date of Appointment	Year 1983
Age	62
Education Degree	Bachelor of Business Administration – Commercial , Nanzan University, JAPAN.
Training	Certificate Director Accreditation Program Thai Institute of Director (IOD)
% of Holding (as 31/03/2022)	5.41%
Relations	Son Mr.Vitya Lee-issaranukul and Mrs.Porndee Lee-issaranukul Brother Mr.Apichart Lee-issaranukul, Mrs. Pimjai Lee-issaranukul and Mrs. Porntip Sethiwan
Working Experience and position	
- Listed Company in SET	1983 - Present Director Thai Stanley Electric PCL. 1986 - Present Director Inoue Rubber (Thailand) PCL. 2017 - Present Independent Director and Chairman M Vision PCL.
- Non Listed Company	1986 - Present Managing Director The Sittipol 1919 Co.,Ltd. 1993 - Present Director Sopa-Kanok International Co.,Ltd. 1995 - Present Executive Director Total Oil (Thailand) Co.,Ltd. 1995 - Present Director Sungold Holding Co.,Ltd. 1995 - Present Director Thai Inoac Component Co.,Ltd. 1995 - Present Director IRC (Asia) Research Co.,Ltd. 1996 - Present Vice Chairman Daido Sittipol Co.,o.,Ltd. 1996 - Present Executive Dircector Seng Ngun Hong Co.,Ltd. 1996 - Present Chairman Bike Clinic Co.,Ltd. 1998 - Present Director The Studio Production Co.,Ltd. 2001 - Present Chairman Smart Sport Promotion Co.,Ltd. 2003 – Present Director Wangchula Co.,Ltd. 2006 – Present Director Bussayapan Co.,Ltd. 2014 – Present Director Pacific Autopart (Thailand) Co.,Ltd. 2015 - Present Director The Studio 888 2015 - Present Director Sonic Design (Thailand) Co.,Ltd. Nov2020 – Present Director Pacific Industry (Thailand) Co.,Ltd.
- Other	2001 - Present Chairman Kanok-Sopa Foundation 2015 - Present Public Relations Subcommittee Organ Donation Center Thai Red Cross Society

5.Name – Surname	<b>Mrs. Pimjai Lee-issaranukul</b>
Position	Director
Date of Appointment	Year 1983
Age	61
Education Degree	Master of Business Administration operation Management, Drexel University,USA. Bachelor of Engineering Chulalongkorn University
Training	Director Certificate Program course 37/2003 Role of the Chairman Program course 31/2013 Risk Management Committee Program course 1/2013 Thai Institute of Director Association (IOD) Capital Market Academy Leadership Capital Market (CMA) Diploma, National Defense College , The National Defense Course class 26/2013 National Defense College (NDC) Business Revolution and Innovation Network Batch 1 (BRAIN 1) The Federation of Thai industries Exponential Manufacturing, Singularity Thailand Summit in Collaboration with The Federation of Thai Industries
% of Holding (as 31/03/2022)	3.71%
Relations	Daughter Mr.Vitya Lee-issaranukul and Mrs.Porndee Lee-issaranukul Sister Mr.Apichart Lee-issaranukul , Mr.Thanong Lee-issaranukul and Mrs.Porntip Sethiwan
Working Experience and Position	
- Listed Companies in SET	1983-Present Director Thai Stanley Electric PCL. 2013-Present Chairman Inoue Rubber (Thailand) PCL
- Non Listed Companies	1993-Present Director Sopa-Kanok international Co.,Ltd. 1995-Present Chairman Thai Inoac Component Co.,Ltd. 1995-Present Director IRC Asia Reseach Co.,Ltd. 1995-Present Director Sungold Holding Co.,Ltd. 2001-Present Director Kinno Hoshi Engineering Co.,Ltd. 2003- Present Director Wangchula Co.,Ltd. 2006- Present Director Dido Sittipol Co.,Ltd. 2013 – Present Honorary Chairman of Inoac Tokai (Thailand) Co.,Ltd.
- Others	2010- Present Global Advisory Board Member Babson College , Ma, U.S.A 2016 – Present Director Alumni association Thailand Capital Market Academy 2018 – Present Vice President The Federation of Thai Industries



6.Name – Surname	<b>Mrs. Porntip Sethiwan</b>
Position	Director
Date of Appointment	Year 1990
Age	55
Education Degree	Bachelor of Commerce and Accountancy, Commerce major Chulalongkorn University.
Training	Certificate Director Accreditation Program 5/2003 Role of the Compensation Committee 17/2013 Thai Institute of Director (IOD)
% of Holding (as 31/03/2022)	3.69%
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 and Position	
- Listed Company in SET	1980 - Present Director Thai Stanley Electric PCL. 1991 - Present Director Inoue Rubber (Thailand) PCL.
- Non Listed Company	1985 - Present Director Seng Ngun Hong Co.,Ltd. 1990 - Present Executive Director The Sittipol 1919 Co.,Ltd. 1990 - Present Director Pacific Industries (Thailand) Co.,Ltd. 1993 - Present Director Sopa-Kanok International Co.,Ltd. 1993 - Present Director Bike Clinic Co.,Ltd. 1996 - Present Director Daido Sittipol Co.,Ltd. 2003 - Present Director Wangchula Co.,Ltd. 2006 - Present Director IRC Asia Research Co.,Ltd. 2015 - Present Director Sonic Design (Thailand) Co.,Ltd.

7.Name – Surname	<b>Mr. Toru Tanabe</b>
Position	Director
Date of Appointment	June 26 , 2012
Age	63
Education Degree	Bachelor Faculty of Electric Engineering , Hosei University , JAPAN
% of Holding (as 31/03/2022)	None
Relations	None
Working Experience and Position	
- Listed Companies in SET	2012 – Present Director Thai Stanley Electric PCL.
- Non Listed Companies	2017 - 2021 Managing Director Stanley Electric Co.,Ltd. 2021 - Present Representative Senior Managing Director Stanley Electric Co.,Ltd. 2014 - Present Director Asian Stanley International Co.,Ltd. 2014 – Present Director Stanley Electric Sales of India Pvt, Ltd. 2014 - Present Director Stanley Electric Trading (Shenzhen) Co.,Ltd. 2014 - Present Director Stanley Electric Holding Asia – Pacific Pte, Ltd. 2014 - Present Director Stanley Electric Korea Co.,Ltd. 2014 - Present Director Stanley Electric (Asia Pacific) Ltd. 2014 - Present Director Vietnam Stanley Electric Co.,Ltd. 2014 - Present Director Lumax Industries Ltd. 2014 - Present Director PT. Indonesia Stanley Electric 2019 - Present Director Stanley Electric Philippines Inc. 2021- Present Director Matsuo Electric Co.,Ltd. 2021 - Present Director STANLEY WELL Corp.

8.Name – Surname **Mr.Keisuke Ueda**

Position Director

Date of Appointment July 2 , 2021

Age 60

Education Degree Fukuoka Technical High School , Japan

% of Holding (as 31/03/2022) None

Relations None

Working Experience and Position

- Listed Company in SET 2021 - Present Director Thai Stanley Electric PCL.
- Non Listed Companies 2021 – Present President Stanley Electric Holding of America, Inc.
- 2021 – Present President Stanley Electric Holding Europe Co.,Ltd.
- 2021 – Present President Stanley Electric Holding Asia-Pacific Pte,Ltd.
- 2021 – Present Director Hella-Stanley Holding Pty Ltd.
- 2021 – Present Chairman of The Board Stanely Electric (China) Investment Co.,Ltd.
- 2021 – Present Auditor Stanley Electric Hungary kft.
- 2021 – Present Deputy Director STANLEY-IDESS S.A.S.
- 2021 – Present Deputy Director Stanley Electric GmbH
- 2021 – Present Deputy Director Stanley Electric (U.K.) Co.,Ltd.
- 2021 – Present President Stanley Pal Co.,Ltd.

9.Name – Surname **Mr. Krisada Visavateeranon**

Position Independent Director and Audit Committee Chairman

Date of Appointment October 15 , 1999

Age 72

Education Degree Master of Engineering Kyoto University, JAPAN  
Bachelor of Engineering Kyoto University , JAPAN

Training Certificate - Directors Certification program , Audit Committee Program  
Thai Institute of Director (IOD)

% of Holding (as 31/03/2022) None

Relations None

Working Experience and Position

- Listed Company is SET 1999 – 2010 Independent Director and Audit Committee  
Thai Stanley Electric PCL.
- 2010 – Present Independent Director and Audit Committee Chairman  
Thai Stanley Electric PCL.
- 2009 – 2022 Audit Committee Textile Prestige PCL
- Non Listed Company 2012 – Present Director Wazeda Education (Thailand) Co.,Ltd.
- Other 2020- Present Chancellor Thai-Nichi Institute of Technology

10.Name – Surname **Mr.Chokechai Tanpoonsinthana**

Position Independent Director and Audit Committee

Date of Appointment March 31, 2000

Age 74

Education Degree Master of Business Administration (Quantitative Analysis & Finance)  
University of Wisconsin (Madison Campus)  
Master of Civil Engineering University of Wisconsin at Madison, U.S.A.  
Bachelor of Civil Engineering (Structure)Chulalongkorn University

Training Certificate Director Certification Program , Monitoring Fraud Risk Management ,  
Audit Committee Program ,Monitoring the Internal Audit Function ,  
Monitoring the system of Internal Control and Risk Management ,  
Monitoring the Quality of Financial Reporting Thai Institute of Director (IOD)

% of Holding (as 31/03/2022) None

Relations None

Working Experience and Position

- Listed Company in SET 2000-Present Independent Director and Audit Committee Thai Stanley Electric PCL.  
2003-Present Independent Director and Audit Committee Chairman  
Advance Information Technology PCL.

- Non Listed Company None

11.Name – Surname **Mr.Suchart Phisitvanich**

Position Independent Director and Audit Committee

Date of Appointment June 7 , 2010

Age 76

Education Degree Master of Electrical Engineering Louisiana Tech University USA.  
Bachelor of Electrical Engineering Chulalongkorn University

Training Certificate - Director Certification Program , Audit Committee Program ,  
Financial Statements for Director , Board Matter & Trends 6/2018  
Thai Institute of Director. (IOD)

% of Holding (as 31/03/2022) None

Relations None

Working Experience and Position

- Listed Company 2010-Present Independent Director and Audit Committee  
Thai Stanley Electric PCL.

- Non Listed Company None

12.Name – Surname	<b>Mr.Picharn Sukparangsee</b>
Position	Independent Director
Date of Appointment	June 7, 2010
Age	61
Education Degree	Master of Faculty of Law University of Warwick , ENGLAND Master of Faculty of Law University of London , ENGLAND Bachelor of Faculty of Law Thammasart University
Training	Certificate Director Certification Program Board Matters & Trends 6/2018 Thai Institute of Director. (IOD)
% of Holding (as 31/03/2022)	None
Relations	None
Working Experience and Position	
- Listed Company in SET	2010 – Present Independent Director Thai Stanley Electric PCL.
- Non Listed Company	1987 – 2005 Associate / Partner International Legal Counsellors Thailand 2015 – Present Managing Director Bangkok Global Law Offices Limited

13.Name – Surname	<b>Mr. Kazunori Nakai</b>
Position	Executive General Manager Marketing Division
Date of Appointment	November 6, 2018
Age	60
Education Degree	Bachelor of Arts , Law and Politics Department Law and Politics College , Rikkyo University , JAPAN
% of Holding (as 31/03/2022)	None
Relations	None
Working Experience and Position	
- Listed company in SET	2018 – 2020 Executive General Manager , Marketing Division Thai Stanley Electric PCL. 2020 – Present Executive General Manager , Satellite Division Thai Stanley Electric PCL.
- Non Listed Company	2001 – 2011 General Manager Electronics Sales Division Stanley Electric Co.,Ltd. 2011 – 2016 General Manager LED Division / Sale Department Stanley Electric Co.,Ltd. 2016 – 2018 President Stanley Electric (Asian Pacific ) Co.,Ltd.

14.Name – Surname **Mr.Hitoshi Omiyama**

Position Executive General Manager Die&Mold Division

Date of Appointment July 3 , 2020

Age 57

Education Degree Bachelor Department of Mechanical Engineering , Kanagawa , Japan

% of Holding (as 31/03/2022) None

Relations None

Working Experience and Position

- Listed Company in SET Jun 2016 – Jun 2020 Senior Advisor , Die&Mold Division  
Thai Stanley Electric PCL.

July 2020 – Present Executive General Manager, Die&Mold Division  
Thai Stanley Electric PCL.

- Non Listed Company Apr 2011 – Mar 2015 Staff Technology Tooling Center  
Stanley Electric Co.,Ltd.

Apr 2015 – May 2016 Section Manager Tooling Procurement Section  
Technology Tooling Center  
Stanley Electric Co.,Ltd.

15.Name – Surname **Mr.Kasuya Shiraishi**

Position Executive General Manager DC Center

Date of Appointment October 30 , 2020

Age 56

Education Degree Bachelor of Engineering, Mechanical Engineering  
Tokyo City University, Japan

% of Holding (as 31/03/2022) None

Relations None

Working Experience and Position

- Listed Company in SET Aug 2020 – Nov 2020 Department Manager  
Satellite Department  
Thai Stanley Electric PCL.

Nov 2020 – Present Executive General Manager , DC Division  
Thai Stanley Electric PCL.

- Non Listed Company Apr 2020 – Aug 2020 Manager , Hamamatsu Satellite Department ,  
Motorcycle Division (Hamamatsu Factory)  
Stanley Electric Co.,Ltd

16.Name – Surname	<b>Mr.Anuphong Thommanakarn</b>
Position	Deputy Executive General Manager Lighting Equipment Division
Date of Appointment	July 2 , 2021
Age	57
Education Degree / Training	Bachelor of Engineering (Industrial Engineering) , Kasetsart University
% of Holding (as 31/03/2022)	0.00261%
Relations	None
Working Experience and Position	
- Listed Company	2007 – 2009 Department Manager , Production Lamp 1 Thai Stanley Electric PCL. 2009 – Present Deputy Executive General Manager Lighting Equipment Division Thai Stanley Electric PCL.
- Non Listed Company	None
17.Name – Surname	<b>Ms. Rattanaporn Boonwong</b>
Position	Company Secretary
Date of Appointment	July 30 , 2021
Age	51
Education Degree	Bachelor of Accountancy (Accounting) Bangkok University
Training	Fundamentals for Corporate Secretaries Advances for Corporate Secretaries Thai Listed Companies Association
% of Holding (as 31/03/2022)	None
Relations	None
Working Experience and Position	
- Listed Company	Jul 2021 – Present Company Secretary Thai Stanley Electric PCL. Oct 2020 – Jul 2021 Deputy Company Secretary Thai Stanley Electric PCL. May 2022 – Present Specialist 2 Administration Division Thai Stanley Electric PCL. 2011 – Apr 2022 Specialist 1 Administration Division Thai Stanley Electric PCL.
- Non Listed Company	None

## 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



### 1.3 Accounting Controller

Name – Surname	<b>Mrs.Supatta Rattanachinchai</b>
Position	Department Manager Accounting & Financial Department
Date of Appointment	August 20, 2015
Age	49
Education Degree	Bachelor of Accountancy Rajamangala University of Technology Thanyaburi
Training	Global Mini MBA No. 82 Thammasart University CFO in Practice Federation of Accounting Professions
% of Holding (as 31/03/2022)	None
Relations	None
Working Experience and Position	
- Listed Company	2015 – Present Department Manager Thai Stanley Electric PCL.
- Non Listed Company	-

## 2. Data Director in Associated and Related Company

	Company	Joint Venture Company	Associate Company	Related Companies – Overseas			
	Thai Stanley Electric PCL.	Lao Stanley Co.,Ltd.	Vietnam Stanley Electric Co.,Ltd.	Stanley Electric Co.Ltd. **	P.T. Indonesia Stanley Electric	Electro Polymers (PVT)	Lumax Industries
1. Mr.Apichart Leeissaranukul*	X	X	/		/		
2. Mr.Koichi Nagano*	//	**			/	/	
3. Mr.Thanong Leeissaranukul*	/						
4. Mrs.Pimjai Leeissaranukul	/						
5. Mrs.Porntip Sethiwan	/						
6. Mr.Etsuya Kawashima *	/		/				
7. Mr.Toru Tanabe	/		/	/	/		/
8. Mr.Keisuke Ueda	/			/			
9. Mr.Krisada Visavateeranon	/						
10. Mr.Chokechai Tanpoonsinthana	/						
11. Mr.Suchart Phisitvanich	/						
12. Mr.Picharn Sukparangsee	/						

รายชื่อกรรมการ	Related Companies – Domestic					
	The Sittipol 1919 Co.,Ltd.	Sopa Kanok International Co.,Ltd.	Inoue Rubber (Thailand) PCL.	Top Hightech (Thailand ) Co.Ltd.	Sirivit - Stanley Co.,Ltd.	Asian Stanley International Co.,Ltd.
1. Mr.Apichart Leeissaranukul*		/	/		/	//
2. Mr.Koichi Nagano*				/	/	
3. Mr.Thanong Leeissaranukul*	//	/	/			
4. Mrs.Pimjai Leeissaranukul		/	X			
5. Mrs.Porntip Sethiwan	//	/	/			
6. Mr.Etsuya Kawashima *						
7. Mr.Toru Tanabe						/
8. Mr.Keisuke Ueda						
9. Mr.Krisada Visavateeranon						
10. Mr.Chokechai Tanpoonsinthana						
11. Mr.Suchart Phisitvanich						
12. Mr.Picharn Sukparangsee						

Remark : 1. \* Related companies from inter-shareholding

\*\* It is a related company from being a major shareholder (100%) of Stanley Electric. Asia Pacific PTE, which is the major shareholder of the Company.

2. / = Director                      X = Chairman                      // = Executive Director

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

## 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)

## Chief of Office of Internal Audit profile

Name – Surname	Mrs. Nongyao Apirum	
Position	Department Manager , Corporate Governance Department	
Appointment date	4 July 2002	
Age	56	
Education Degree	Bachelor of Business Administration Sukhothai Thammathirat Open University	
Training	Fundamentals for New Internal Audit course 1 (2002) and 2 (2004) Audit Report Writing (2000) Risk Based Audit (2010) Certified Professional Internal Auditor of Thailand (CPIAT- 18) (2011) The Corporate risk management - COSO-ERM (2011) Internal controls on financial reporting (2011) Ethical Audit (2015) Working Paper for Anti-Corruption (2017) Compliance & Compliance Audit (2018) Fraud Audit (2019) Corporate Governance Audit (2019)	
Relations	None	
Working Experience	2002 – 2018	Chief of Section Office of Internal Audit Thai Stanley Electric PCL.
	2013 – Present	Secretary Audit Committee Thai Stanley Electric PCL.
	2018 – Present	Department Manager Corporate Governance Department Thai Stanley Electric PCL.

## Attached 4

Assets for used in Business Operation  
And the Details on the asset valuation list

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

Type of Asset	Ownership	Amount (Million Baht) 31 March 2022	Obligation
1. Land and Land and Building Improvement Total 209 rai 2 ngan 0.3 square wah	owner	3,227.70	-
2. Building and Other Structure - Office ( Net)	owner	223.90	-
3. Building and Other Structure – Factory (Net)	owner	1,555.18	-
4. Machinery and equipment ( Net)	owner	2,712.99	-
5. Mold (Net)	owner	669.72	-

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



## Attached 5

Corporate Governance Policy and Practice (Full Version)

## The Corporate Governance Policy

The Company's Board of Directors have a strong intention to carry out the business at our best potential which will lead us to achieve the aim and objective of the company. In order to allow the business result to be successful and transparent as well as establishing of confidence for those shareholders, investors, and all those concern, we hereby provided the Good Corporate Governance Policy to cover principles in 5 categories as follow;

1. Right of shareholders
2. Equitable treatment of shareholders
3. Role of stakeholders
4. Disclosure and transparency
5. Responsibilities of the board

## The Corporate Governance Policy

1. Providing of business ethics and code of conduct for directors and employee and monitor for compliance with these codes, and occasionally review and update them.
2. Providing of the clear and appropriate structure, roles, duty, and responsibilities of the board of directors and the executives.
3. Board self evaluation should be conducted.
4. Providing, maintaining, and review the financial control, operating control, and corporate governance, in order to effectiveness and to ensure that all company's activities are conducted in accordance with relevant law and ethical standards, and also performing of risk management and focus to warning signs and unusual transactions.
5. Important information on the company's business is disclosed correctly, accurately, transparency and on a timely basis to shareholders as well as stakeholders.
6. Providing of reliable financial report System and Auditing System, and also evaluating of the adequacy of internal control, risk management, and performance monitoring systems .
7. Making sure that the right of those shareholders and all stakeholders are properly protected and treated.
8. Thoroughly and transparency care taking and resolving of any occurrence of all conflict of interest.
9. Arranging of environmental and social policies.

Attached 6

Audit Committee Report



บริษัท ไทยสแตนลีย์การไฟฟ้า จำกัด (มหาชน)  
THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

29/3 หมู่ 1 ถนนบางพูน-รังสิต ตำบลบ้านกลาง อำเภอเมือง จังหวัดปทุมธานี 12000 ประเทศไทย TEL : 0-2581-5462 , 0-2977-9555 ทะเบียนเลขที่  
29/3 MOO 1 BANGPOON-RUNGSIT ROAD, BANKLANG, MUANG, PATHUMTHANI 12000 THAILAND FAX : 0-2581-5397 0107536000765

Report of the Audit Committee

The Audit Committee consists of three independent directors who are fully qualified with related requirements and possess with experience, knowledge and capability that are beneficial to the Company's business. They include Mr. Krisada Visavateeranon as the chairman of the Audit Committee, Mr. Chokechai Tanpoonsinthana and Mr. Suchart Phisitvanich as members. Mr. Chokechai Tanpoonsinthana is the member with knowledge and experience in accounting and financial sufficient to reviewing the reliability of the Company's financial statements.

In the fiscal year 2021, starting from April 1, 2021 to March 31, 2022, the Audit Committee were held 8 meetings with the auditors, management and internal auditors, which were 4 meetings with the auditors without management. Participation in these meetings by each Audit Committee member is as follows.

<u>Name</u>	<u>Position</u>	<u>No. of participation</u>
1. Mr. Krisada Visavateeranon	Chairman of the Audit Committee	8/8
2. Mr. Chokechai Tanpoonsinthana	Member of the Audit Committee	8/8
3. Mr. Suchart Phisitvanich	Member of the Audit Committee	8/8

The Audit Committee fully performed its duty according to the roles, duties and responsibilities as stated in the Charter of the Audit Committee, which was approved by the Board of Directors, with opinions and offers being expressed freely and independently. Summary of the Audit Committee's performance and opinions to the Board of Director meetings in 2021 are as follows.

1. Review the financial report, The Audit Committee reviewed the accuracy and reliability of all quarterly and annual financial statement which reviewed and audited by the auditor. The audit committee reviewed material issues with the external auditors to ensure that the preparation of financial statements and disclosures in the company's financial statements are correct, complete, reliable and in accordance with financial reporting standards. The Audit Committee has opinion that in the year 2021 the Company's financial statements have been prepared in accordance with accounting standards with accurate disclosure of important information complete and adequate.
2. Review the corporate governance, internal control and risk management system, The Audit Committee has reviewed the company operation to comply with the principles of good corporate governance of the Securities and Exchange Commission, reviewed the internal control assessment results in accordance with the guidelines that set by the SEC and reviewing the risk management system. The Audit Committee has opinion that the company has good corporate governance, adequate and appropriate internal control and risk management.
3. Reviewed the internal audit system, The Audit Committee has considered the scope of work, duties and responsibilities, independent of the Internal Audit Department and consider to approving the annual internal audit plan and 5 years internal audit plan. The Audit Committee has opinion that the company has a sufficient and appropriate internal audit system.





บริษัท ไทยสแตนลีย์การไฟฟ้า จำกัด (มหาชน)  
THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

29/3 หมู่ 1 ถนนบางพูน-รังสิต ตำบลบ้านกลาง อำเภอเมือง จังหวัดปทุมธานี 12000 ประเทศไทย TEL : 0-2581-5462 , 0-2977-9555 ทะเบียนเลขที่  
29/3 MOO 1 BANGPOON-RUNGSIT ROAD, BANGLANG, MUANG, PATHUMTHANI 12000 THAILAND FAX : 0-2581-5397 0107536000765

4. Review compliance with relevant laws and regulations. The Audit Committee reviewed and supervised company's operations in accordance with the law of securities and exchange, the Stock Exchange of Thailand's regulations and relevant laws related to company's business including rules and regulations of the company. The Audit Committee has opinion that there was not such significant matter of un-compliance transaction with the above laws and regulations.
5. Review related party transaction and conflict of interest. The Audit Committee reviewed related party transaction or transactions with conflict of interest to comply with laws and the Stock Exchange of Thailand's regulations, which the Audit Committee opined that the company entered into related party transactions in accordance with general trading condition and beneficial to the company operation. The company has fully complied with policy and disclosed information pursuant to the Stock Exchange of Thailand.
6. Review the implementation of anti-corruption measure. The Audit Committee has reviewed the company's operations in accordance with the established policy and measures, including receive complaint of corruption or violated the Company's code of conduct. In 2021 the Company did not receive any complaint on fraud or violation of the Company's code of conduct.
7. Consider to selection and nomination of external auditor and auditor's remuneration for 2022. The Audit Committee had considered the external auditors' independence and knowledge as well as their understanding of the Company's business, work quality, auditor qualifications and the audit fee. The Audit Committee resolved to nominate PricewaterhouseCoopers ABAS Ltd. (PwC) for the Board's to consider and propose to the shareholders for approval in 2022.
8. Evaluate the performance of the Audit Committee, which in 2021 the overall of self-assessment of the Audit Committee is "excellent". The Audit Committee carried out their responsibilities delegated by the Board of Directors and in line with best practices guidelines for Audit Committee.

To summarize in 2021, The Audit Committee has performed its duties in accordance with the responsibilities specified in the Audit Committee Charter as approved by the Board of Directors through the exercise of its knowledge, ability, caution, prudence and independent as well as provided opinions and suggestions for the company benefit.

The Audit Committee has opinion that financial statements were prepared in accordance with generally accepted accounting principles and are accurate, complete, reliable and in line with accounting standards, connected party transactions are reasonable and for the best interest of the Company, information is disclosed adequately and reliably, internal control is adequate and effective, and good corporate governance and related laws and regulations are fully complied with, without finding any significant flaws.

(Mr. Krisada Visavateeranon)

Chairman of the Audit Committee

