



FORM 56-1

FISCAL YEAR 2020

(1 April 2020 – 31 March 2021)

Thai Stanley Electric Public Company Limited

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## Part 1

### Business Overview

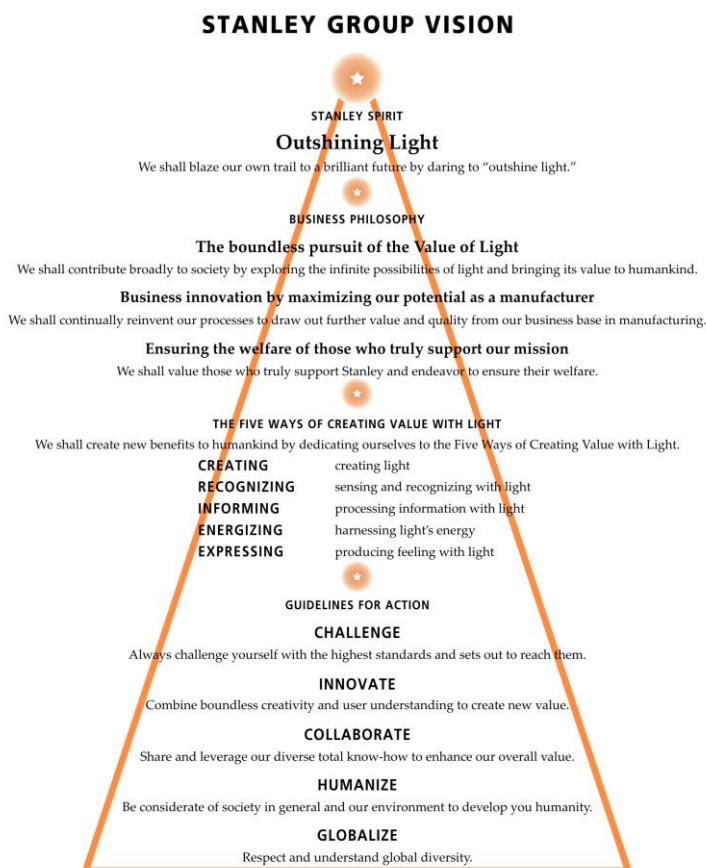
#### 1. Policy and Business Overview

##### 1.1 Vision Objective Goal / Business Strategies

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

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

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.

## 1.2 Background

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

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

During year 1991 – 2001 , the Company was listed on the SET, and the Company's shares began being traded on the SET under the abbreviation 'STANLY'. In the same year, the Company founded own research and development center with promotional support from the Board of Investment (BOI). This center is mainly engaged in researching and developing products for the Company. In July 1993, the Company was converted into a public limited company. The company entered into a joint venture in establishing new companies: Lao Stanley Co., Ltd. and Vietnam Stanley Electric Co., Ltd. Stanley Electric Engineering India PVT Ltd. PT. Indonesia Stanley Electric, that also took shares in various companies, such as Inoue Rubber (Thailand) Public Company Limited, Sum Hitechs Co., Ltd. (in 2015 the company sold shares to major shareholder of Sum Hitechs Co.,Ltd.) Sirivit Stanley Co., Ltd., Top Hightech (Thailand) Co., Ltd. and Lumax Industries Limited of India. In addition, the Company formed a technical support alliance with Electro Polymers (PVT) Ltd. of Pakistan and Unitech Machines Limited of India. The company has registered capital to 383.125 million baht..

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,

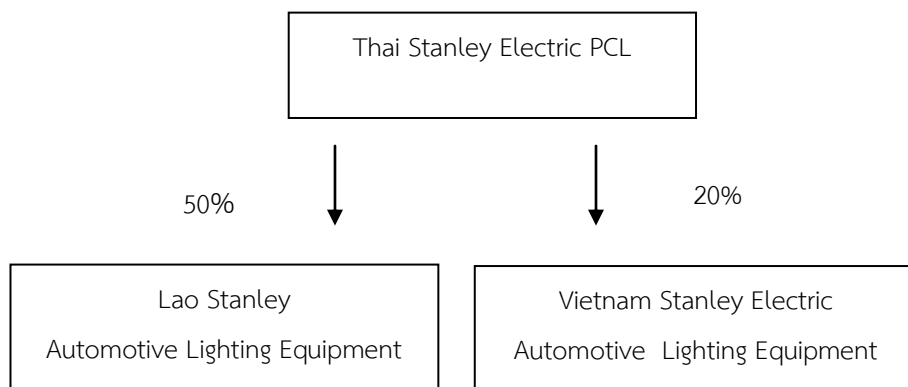
During year 2012 – 2016 the production and interruption and in 2012 from the needs of consumers returning to the policy of the government to make the first car sales and auto production record high. The company as a manufacturer of automotive parts has been ordered by customers many car manufacturers. 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 is mainly domestic sales , the export market is still at a slow level. In order to support the increased production and new model of lighting products The company invested in the expansion of the 7th lamp manufacturing plant and new Mold factory , which will begin production in 2019 and start the construction of the Lamp 8 factory which will be completed and start production in 2020. 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 their some production, which significantly affected our production.

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

### 1.3 Company group holding structure

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

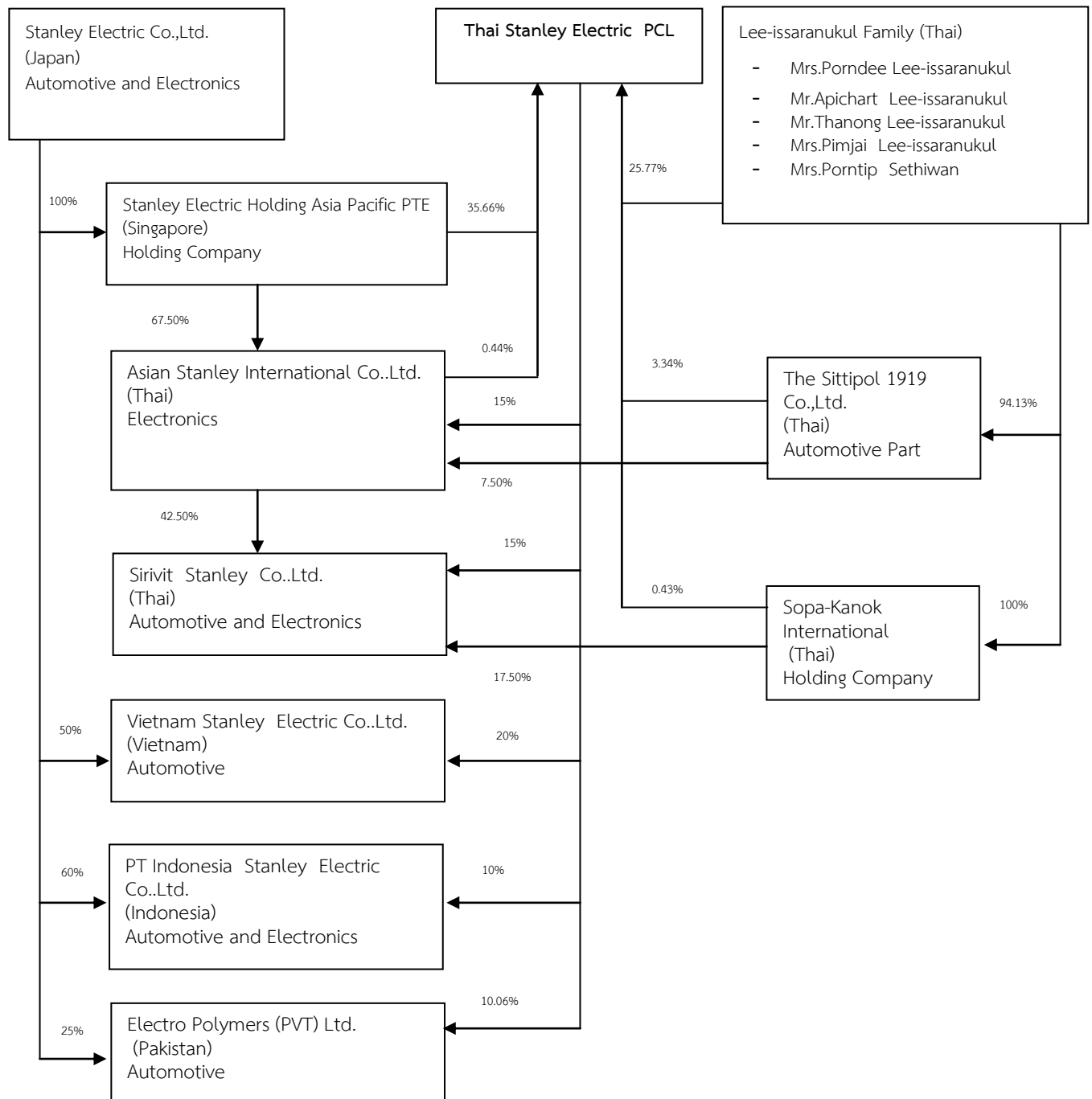


### 1.4 Major shareholder group Relationship

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

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

Shareholding structure of business groups of major shareholders (data as March 31, 2021)



## 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 molds and product designs , by producing and distributing to domestic and foreign automotive manufacturers for lamps and mold products will be produced for specific model vehicles. In which the company has jointly designed 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, since the sales of the said business accounted for only 5.14 percent of the sales

### Income Structure

(The Equity Method)

Revenues	31 March 2021 Million Baht	%	31 March 2020 Million Baht	%	31 March 2019 Million Baht	%
Domestic Sale Revenues	7,698.72	63.46	9,655.09	61.37	10,341.66	67.93
Export Sale Revenues	4,028.89	33.21	5,495.00	34.93	4,292.96	28.20
Total Sale Revenues	11,727.61	96.67	15,150.09	96.30	14,634.62	96.13
Dividend Income	60.40	0.50	86.13	0.55	71.98	0.47
Gain on Exchange Rate	24.09	0.20	16.61	0.11	21.24	0.14
Interest Income	20.45	0.17	53.82	0.34	71.14	0.47
Other Income	57.07	0.47	107.16	0.68	108.09	0.71
Share of profit from investment in Associate	241.89	1.99	318.84	2.03	316.18	2.08
Total revenues	12,131.51	100.00	15,732.65	100.00	15,223.25	100.00

### 2.1 Nature of products

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

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

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

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

-Dies & molds in support of the core business and for sale to other industrial operators. The details of the dies & molds and design segment are not identified in this filing because their sales account for only 5.14% of the Company's total sales.

### Certificate of Promotion

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 2 certificates, as detailed below. Important as follows

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

1. Be exempted from import duty on machinery as approved by the BOI
2. Has been a reduction of 90% of the incoming rate to import raw material or necessary material required for use in the production of distributors in the country for 1 year from the first day of imported. The raw and necessary material must not be same as made in a similar quality to the imports, and a sufficient quantity to supply them and in term and conditions in the time of the BOI to stipulate.

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

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

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

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

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

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

1. Be exempted from import duty on machinery as approved by the BOI
2. Be exempt the Income tax , Net profit from operations that have been promoted but not exceed 100% of the total investment, excluding land and current capital for 8 years from the date of the income from the operation.

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

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



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

The general conditions and project conditions as follows:

#### General Condition

1. Use land that is permitted to engage in activities that promote only.

2. The machine that has approved the exemption or reduction of import duty in accordance with privileges.

3. Raw and necessary material to apply preferences in promote activities only, and must be submitted for approval to import not less than 2 months.

4. Must provide Income – expenses statement for the promoted business separately from the other business for the purpose of calculating other net income that is exempted from income tax.

5. Raw materials and necessary material must be a specific product or assembly that is used to export product and product from promoted business.

6. Shall provide and protection system to prevent environmental damage or a danger or nuisance to the neighboring.

7. Quality of products from manufactured or assembled. Must be in accordance with international standards.

#### Project Conditions

1. Machinery for the promoted business must be a new machine and purchasing within March 4, 2016.

2. The operation must be completed within 36 months from the date of the promotion.

3. The implementation of significant projects have been promoted in the following.

3.1 Kind of product : Mold and Mold Repair .

3.2 Size of the business. The production capacity for Mold , about 100 sets and Mold repair 50 sets

per year. (Working time 16 hours / day : 300 days / year) , outgrowth is defect from productions

4. Minimum investment (Excluding land and current capital) not less than 1 million Baht

5. Income tax exemption worth up not over than 190,000,000 baht.

## **2.2 Market and competition**

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

#### **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 its other automotive product lines to meet market demand.

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

#### Distribution channels and customer base

##### 1. 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 2020, The company had domestic sale approximately 64.793% of the company total sale , decreased 20.26% from the previous year which was the automotive industry in stagnation of economic conditions and export sales approximately 35.21% of the company's total sales , decreased 26.68% that one portion is sold to the Stanley Group and the other is sold 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 is 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 compared by size of company, the potential for production and competitiveness there is only 1 company that is similar to the company and another are different 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:

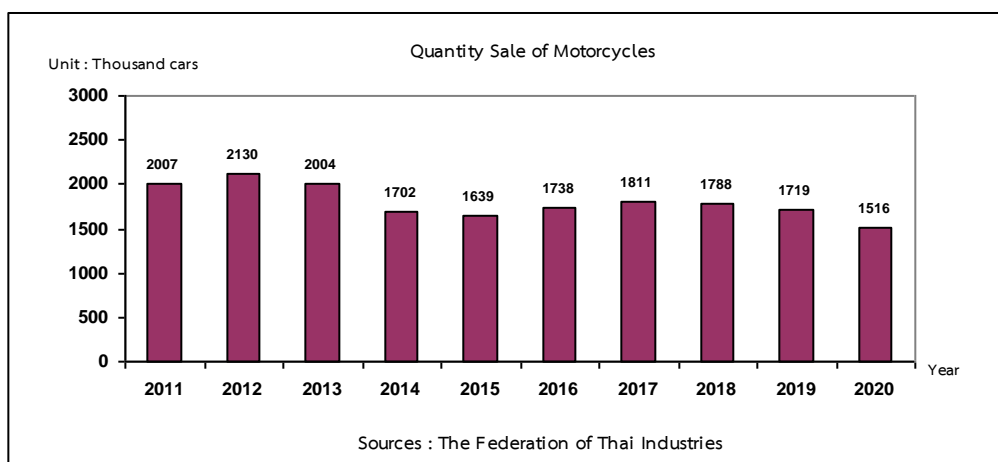
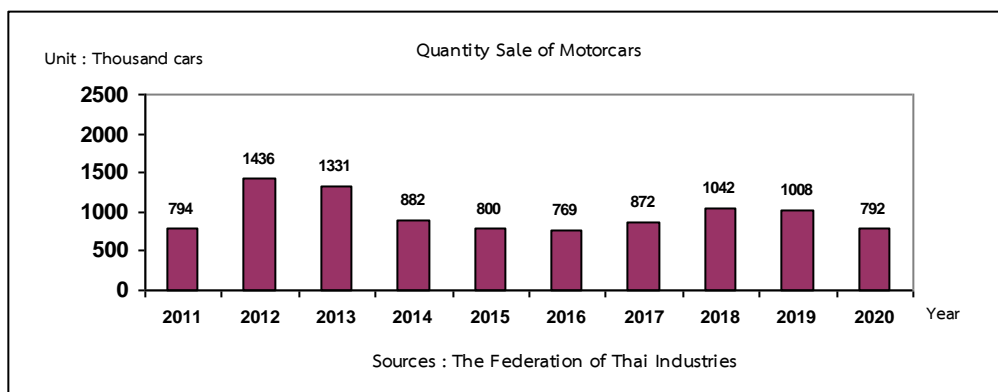
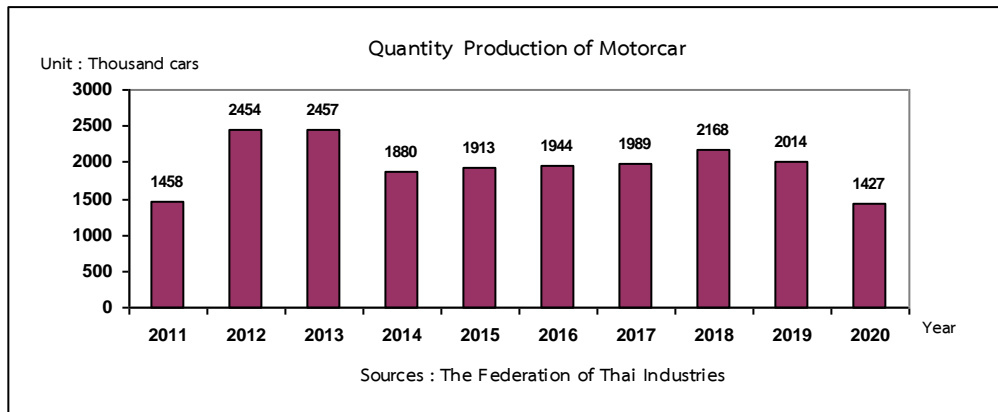
1. Significant investment is needed to acquire the costly machinery, tools and devices, including the equipment for quality testing.
2. The specialist training for workers is expensive and time-consuming.
3. The business naturally relies on specialised technology and must conform strictly to each country's 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, the COVID-19 outbreak spreads all over the world and affects businesses including automotive causing heavy slowing

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

## 2.3 Supplies and services

### a. Manufacturing and raw material

The Company has three manufacturing plants as follows:

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

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

2. Automotive Lamp plant : capacity = 40.5 million pieces per year-

All production from customers' orders

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

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

The Company currently acquires 73% of materials from local suppliers and 27% import from foreign suppliers. That their price has not changed significantly over the years. Details of local and foreign acquisition of materials over the past three years are as follows

Unit : Million Baht

Sources	31 March 2021		31 March 2020		31 March 2019	
	Amount	%	Amount	%	Amount	%
Local	3,924.24	72.66	5,000.81	71.13	5,259.35	73.15
Foreign	1,476.60	27.34	2,029.74	28.87	1,930.82	26.85
Total	5,400.84	100.00	7,030.55	100.00	7,190.17	100.00

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

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

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

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

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

#### b. Environmental impacts

The company concern the environmental impact in every production process and find ways to prevent or eliminate in order not to have an impact outside the company, such as the production process related to painting and coating. The company has established a water curtain system to trap dust. And through the paint sludge process and assigned only companies authorized by relevant laws and regulations to operate the waste disposal service. Is the operator of disposal and waste treatment for the company.

At present, the company has built a combined wastewater treatment plant. The wastewater from every production plant will be sent for treatment. Which from the standard water measurement It can be reused in the production process ,such as Lamp 7 factory used in the painting process , for other factories is in the process of adjusting to use this treatment water. And used in other activities such as the toilet (flushing) and watering the plants, etc. The company has established an environmental management system ISO14001 until it has been certified for the environmental management system (ISO 14001). By trying to keep raw materials free from harmful substances such as mercury and lead by using substitutes while still maintaining the necessary properties.

## 2.4 Undelivered Projects

- None

### 3. Risk factors

#### Business risks

The Company conducts a review of the risk list twice a year with the main risks and set support measures as follows

1. Production risks such as production interruption. This could be caused by damaged machinery or molds. Stopping of delivery of raw materials from suppliers. The risk of new products developing. Quality risk, etc. The company has formulated a risk management plan for example:

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

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

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

2. Information system risks from the adoption of computer information systems more and more to work, both in the storage system as well as in the production process. Thus, there is an opportunity to pose a security risk to the information system or from various technology threats that may arise from a system flaw or from a malicious attack. Including the risk of leakage of confidential information

The company has established guidelines for the control and prevention of risks. By establishing rules Regulations on the use of information technology systems. Disaster Prevention Plan, Information Technology System and Back Up Plan to serve as a framework for risk prevention and management. Including the establishment of an Information Security Committee to communicate knowledge of information within the department continuously.

3. Safety , Occupational Health and Environment risk , The Company underlines the importance of quality of life of employees ranging from promoting operation safety to reducing workplace and out-of-work accidents and compliance with occupational safety and environment work rules and regulations. The safety policy and plan was formulated and responsible persons were designated to supervise the safety. Campaigns to promote safety work culture were organized. An emergency response plan was written with a regular drill.

In terms of environment, the company has measures to ensure that it does not affect the community and the environment, such as having a wastewater treatment plant. And monitoring and measuring the quality of effluent. The released air does not affect the environment. Various industrial waste management is carried out in accordance with legal requirements.

4. Public utility risk , The company needs to use public utility systems such as electricity and water supply in production, which, if the incident causes the electricity supply or water supply to be stopped, will cause the production to be disrupted and unable to deliver products to the customer as targeted. The company has set measures to prevent the risk by purchasing additional electricity from the private sector and prepare a

BCP plan to support emergency situations. Including the construction of a water supply plant to provide additional water supply Which has been set to have a maintenance plan on an ongoing basis.

5. Risk from natural and other disasters , The company still gives importance to the risk of fire and flood, This is because it is a broader risk of adverse effects and damage. The company has established preventive measures with strict surveillance , including setting up a TOP GUN team in response to emergencies, In addition, the company has set the BCP manual to be updated. In order to be prepared for various emergency situations.

6. Risk of epidemic disease , for the situation of the COVID-19 outbreak which still has an ongoing outbreak. The company has established a working group to prevent COVID-19 infection to monitor the situation closely and strict measures have been put in place to prevent and reduce the risk of COVID-19 infection , such as

- Controlling and limiting supplier company to access and work in company area.
- Provide sanitation equipment for employee such as hand sanitizing gel alcohol , Face mask.
- Improve the internal environment of the company. Use Social Distancing in the working area and canteen.
- Order to refrain from participating in group activities such as yoga, training, seminars and avoid Unimportant or not urgent by requesting the other communication channels.
- Screening all employee before and after work by checking the body temperature.
- Providing knowledge and practical guidelines for employees to protect themselves and their families.
- Do not allow employees to travel at risk sources of potential for spread and strictly comply with government measures.

#### **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.

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

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

Key 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 , wastewater treatment plant , waste disposal plant and employee car parking .

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)

All assets It is located at 29/3 Bang poon-Rangsit Road, Ban Klang , Muang , Pathum Thani . In which the company is the owner of the title and there are no obligations or guarantees

Type of Asset	Ownership	Amount (Million Baht) 31 March 2021	Obligation
1. Land and Land and Building Improvement Total 209 rai 2 ngan 0.3 square wah	owner	3,278.01	-
2. Building and Other Structure - Office ( Net)	owner	243.24	-
3. Building and Other Structure – Factory ( Net)	owner	1,583.70	-
4. Machinery and equipment ( Net)	owner	2,797.25	-
5. Mold (Net)	owner	586.30	-

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

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

On 31 March 2021, the Company's investments in its subsidiaries and associates in the automotive lighting business totalled 1,733.39 million baht, or 8.05% of its total assets. The Company expects to increase its investments in this business in the next three years. However, the combination of actual and future investments is capped at 10% of its total assets.

#### 5. Legal Disputes

-None

## 6. Company Information

### 6.1 General Information

(1) Name : Thai Stanley Electric Public Company Limited

Public Registered No . 0107536000765

Address : 29/3 M.1 Bangpoon-Rungsit Road, Banklang, Muang Pathumthanee 12000

Homepage : www.thaistanley.com

Type of Business : Manufacturer of automotive lighting equipment and mold

Paid up capital : 383,125,000 Baht (Three hundred eighty-three million and one hundred twenty-five thousand baht)

Common share 76,625,000 share par value 5 Baht

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

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

No	Name/Address/Type Of Business	Capital Registered	Amount Of Number Of Share Hold	Investment Ratio(%)
5.	Sirivit Stanley Co.,Ltd 182 M.6 Tambol Cokegluad Muang , Nakhonrachasima - Manufacturer of automotive lighting equipment and electronic components Telephone : (044) 291-411-3 Facsimile : (044) 291-414	40 Million baht (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

### (3 ) Reference

Registrar

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

Auditor

Ms.Varaporn Vorathitikul  
Certified Public Accountant (Thailand) No.4474  
PricewaterhouseCoopers ABAS Limited.  
15th Floor Bangkok City Tower , 179/74-80  
South Sathorn Road, Bangkok 10120  
Telephone : 0-2844-1000 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

### 6.2 Other data

- None

## Part 2

### Management and Corporate Governance

#### 7. Structure of Securities holding and management

##### 7.1 Securities of Company

(1) The Company has paid up capital of 383.125 million Baht and fully paid up, divided into 76,625,000 ordinary shares each of baht 5 per share.

(2) Other Share

- None

##### 7.2 Shareholders

(1) Major shareholder list

(A) Top ten shareholders as at the last closing book date July 14, 2020.

Shareholder Name	Number of Share (Share)	% of holding
1.Stanley Electric group	27,655,450	36.10
- Stanley Electric Holding Asia-Pacific PTE	27,320,950	35.66
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,620,196	29.52
- Mrs.Porndee Lee-issaranukul	4,486,956	5.86
- Mr.Apichart Lee-issaranukul	5,435,971	7.09
- Mr.Thanong Lee-issaranukul	4,144,855	5.41
- Mrs.Pimjai Lee-issaranukul	2,838,895	3.70
- Mrs.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.	2,309,326	3.01
4. NORTRUST NOMINEES LTD-CL AC	1,970,600	2.57
5. BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	1,805,000	2.36
6. ABERDEEN STANDARD GROWTH FUND	1,505,500	1.97
7 ABERDEEN STANDARD LONG TERM EQUITY FUND	1,316,000	1.72
8. MR.KENNETH RUDY KAMON	1,303,800	1.70
9 ABERDEEN STANDARD SMALLCAP FUND	921,600	1.20
10. AIA COMPANY LIMITED-EQAP-D FUND 1	750,700	0.98

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
2. Lee-issaranukul Family	22,620,196	29.52
- Mrs.Porndee Lee-issaranukul	4,486,956	5.86
- Mr.Apichart Lee-issaranukul	5,435,971	7.09
- Mr.Thanong Lee-issaranukul	4,144,855	5.41
- Mrs.Pimjai Lee-issaranukul	2,838,895	3.70
- Mrs.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

### 7.3 Other Securities

-None

### 7.4 Dividend payment policy

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

Payment Year	2020	2019	2018	2017	2016
Earnings Per Share (Baht) **	26.07	25.81	21.65	16.58	17.01
Dividend Per Share (Baht)	8.25	8.25	7.00	5.00	5.00
Dividend Ratio (%) * **	34.72	35.28	36.03	34.15	32.68
Remark					
** From the equity method is applied and					
*** From the company only					
As at date	31 Mar 2020	31 Mar 2019	31 Mar 2018	31 Mar 2017	31 Mar 2016

## 8. Management Structure

### 8.1 Board of Director and Meeting

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

Remark \* Director resigned during the year \*\* Director appointed replacement during the year

\*\*\* Directors worked in Japan \*\*\*\* Reason for not attending the meeting due to overseas missions

\*\*\*\*\* Including meeting allowance with Audit Committee

#### 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 .

#### Board of directors meeting

Board of directors meeting

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

The resolution of the meeting of the board of directors requires the majority votes of the directors present at the meeting. One member has one vote. In the case of equal votes, the chairman of the board shall have the casting vote. The director having interests has no right to vote for that agenda. The procedure of the meeting has been described in the rules of board of directors meeting.

Meeting schedule and key agenda have been set for the whole year in advance in order to make sure the adequacy of time and the availability of the board members. The invitation letter is sent out at least 14 days

in advance both in Thai and in English. TV conference is also set up for the board member who is on overseas business trip to join the meeting from abroad.

In the board of directors meeting, chairman of the board of directors and executive chairman shall set the agendas together and screen the agendas proposed by directors. As there has not been any one being appointed to replace the former chairman of the board; hence, executive chairman and corporate secretary together shall set the meeting agendas.

Every time in the meeting, each director is required to report sale/holding of securities to the meeting. The company has not yet set a policy for directors and the executives to inform about trading of shares at least one day in advance of trading to the Board of Directors.

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

The Meeting operation in FY2020

- Total numbers of Board of Directors meetings are 7 times. At every meeting, adequate details in the form of supplementary documents will be sent out to the board members to study in advance.

According to attendance record, 10 out of 12 members that working in Thailand and 2 members main working in Japan that had attended the meeting via TV Conference .

- Attend the every meeting ( 100%)      10 persons or 83.33%      of total Director
- Attend the meeting 4 time (57.14%)      1 persons or 8.33%      of total Director
- Attend the meeting 3 time (42.86%)      1 persons or 8.33%      of total Director

The Directors who did not attend the meeting due to work abroad and perform another task.

## 8.2 The Executive Board

On March 31,2021 the executive board name list are 6 persons as follows

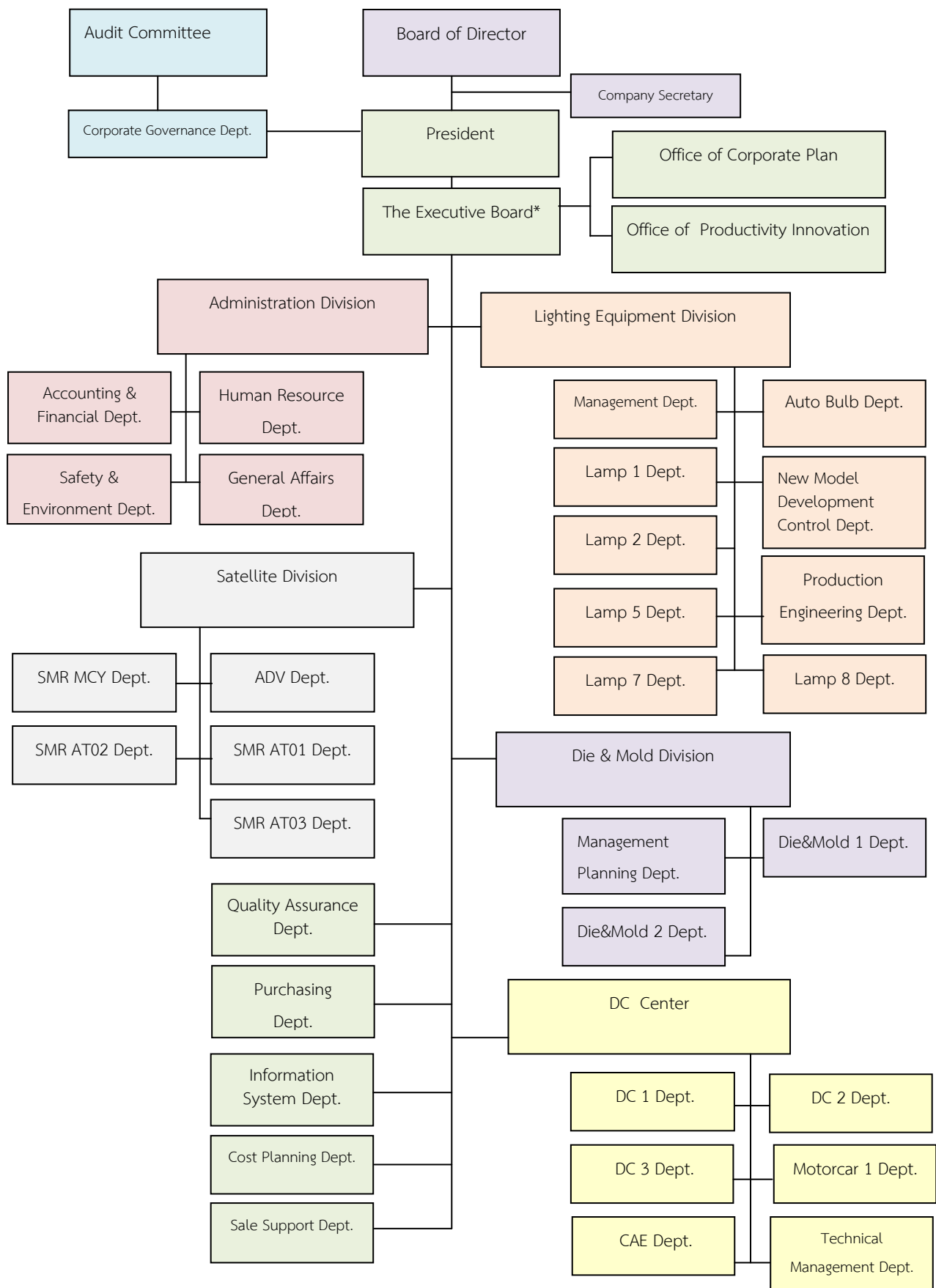
Name	Position
1. Mr. Apichart Lee-issaranukul	Executive Chairman and Executive General Manager Administration Division**
2. Mr. Koichi Nagano	President
3. Mr. Etsuya Kawashima	Director and Executive General Manager of Lighting Equipment Division
4. Mr. Kazunori Nakai	Executive General Manager of Satellite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

### Executives in the Finance and Accounting Department

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

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

## Organizational Management Chart





### 8.3 Company Secretary

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

### 8.4 Remuneration for the company's management

#### (1) Remuneration in cash

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 2020, 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

(A) The Board of director remuneration for 2020 , details as follows

Name	Position	Director Fee (Baht)		
		Director	Audit Committee	Total
Mr.Apichart Lee-issaranukul	Executive Chairman	270,000		270,000
Mr.Koichi Nagano	President	270,000		270,000
Mr.Thanong Lee-issaranukul	Director	270,000		270,000
Mr.Tadao Suzumura*	Director	230,000		230,000
Mrs.Pimjai Lee-issaranukul	Director	270,000		270,000
Mrs.Porntip Sethiwan	Director	270,000		270,000
Mr.Krisada Vissavateeranon	Independent Director and Audit Committee Chairman	270,000	415,000	685,000
Mr.Chokechai Tanpoonsinthana	Independent Director and Audit Committee	270,000	295,000	565,000
Mr.Suchart Phisitvanich	Independent Director and Audit Committee	270,000	295,000	565,000
Name	Position	Director Fee (Baht)		

		Director	Audit Committee	Total
Mr.Picharn Sukparangsee	Independent Director	270,000	15,000 ***	285,000
Mr.Toru Tanabe	Director	250,000		250,000
Mr.Katsutoshi Iino	Director	260,000		260,000
Mr.Etsuya Kawashima **	Director	200,000		200,000
Total		3,370,000	1,020,000	4,390,000

Remark \* Director resigned during the year \*\* Director appointed replacement during the year

\*\*\* Including meeting allowance with Audit Committee

### The executive board remuneration

The company paid the remuneration for executive board as salary and bonus to 6 person amount 44.51 million baht

### (2) Other remuneration

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

- Other remuneration of executive director - The company provides a provident fund for Thai executive directors, which the company has contributed at the rate of 7% of salary as well as contributions to employees However, the amount of payment in 2019, the company has disclosed in the employee remuneration in item 8.5

## 8.5 Personal

Total employees as at March 31st, 2021 were 3,107 persons . The company paid for employee's remuneration in year 2020 were 1,367.46 Million Baht as salary , bonus , provident fund and other welfare such as Public transportation and Shift expense , details as follows;

Division	Male	Female	Total
Administration	37	59	96
Marketing	63	49	112
Production	1,571	1,306	2,877
Japanese	22	-	22
Total	1,693	1,414	3,107

The total number of employees increased as few only 0.75% from the previous year. In the past 3 years, the number of employees has changed to a level not exceeding 10%, so there is no significant change in the number of employees and no labor disputes.

### Policy of personal ' s development

In 2020, 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 – 2020 (15 consecutive years) certification system and standard of Thai workers. (MRT. 8001-2546) complete level from the Ministry of Labor.

## 9. The Corporate Governance

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

### 9.1 Overview of Corporate Governance Policies and Practices

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

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

### 9.2 Director

Board of Directors As of March 31, 2021, 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.

Authority of the Chairman

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

#### Authority of the Board of Directors

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

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

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

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

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

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

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

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

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

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

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

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

#### Approval authority of the board of directors

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

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

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

- 3) Considering and approving documents, financial statements, including the balance sheet, profit and loss statements of the company to send the SET
- 4) Selection of the appointment of directors and the release of directors
- 5) Considering and approving the trading of shares of rival companies and the trading of company shares of directors
- 6) Consider issuing new shares and buy back the company's shares

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

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

#### 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.

#### **The Executive Board of Directors**

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

#### Authority of the Executive board

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

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

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

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

### **Audit Committee**

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

#### **Structure of Audit Committee**

Consisting of 3 independent directors; one of those has enough knowledge and adequate experience to review the reliability and accuracy of financial statement. Role and responsibility is clearly stated in the audit committee charter, amended for additional roles on 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 appointments, transfer, termination of the chief of the internal audit agency or any other agencies responsible for the internal audit.
  - 1.3 To Review that the Company has acted compliance with the company's anti-corruption policy.
  - 1.4 To verify and assure that the Company has acted in compliance with the law on Securities and Exchange, requirements of the Stock Exchange of Thailand, and other laws in relation to the Company's business
  - 1.5 To consider, select, propose to appoint an independent person(s) to perform the duty as the Company's auditor. To propose remuneration for that person(s) and to participate in a meeting with the auditors without the management involvement at least once a year.
  - 1.6 To consider connected transactions and any transaction that may have a conflict of interests by referring to the requirements of laws and the Stock Exchange of Thailand, to assure that such transactions are reasonable and resulted in maximum benefits to the Company.
  - 1.7 To prepare a report of the Committee as disclosed in the Company's Annual Report which must be signed by the Chairman of the Audit Committee and must consist of the information as follows (at least);
    - An opinion(s) about an accuracy, completion and reliability of the Company's financial report.
    - An opinion(s) about the adequacy of the Company's internal control systems.
    - An opinion(s) about an action in compliance with law of Securities and Stock Exchange, provisions of the Stock Exchange of Thailand or any related laws regarding the Company's business.
    - An opinion(s) about an appropriateness of the auditors.
    - An opinion(s) about any financial transaction that may have a conflict of interests.
    - A total number of the Committee's meetings and each member's meeting participation.
    - An overall opinion(s) or an observation(s) obtained by the Committee from the operation as required in this charter.
- Other essential information or transactions as deemed to be acknowledged by shareholders and investors

under the scope and responsibilities assigned to them by the Board of Directors.

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

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

#### 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.

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

Mr.Chokechai Tanpoonsinthana

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

2003-Present Independent Director and Audit Committee Chairman

Advance Information Technology PCL.

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

Experience in accounting and finance

2000 - 2004 Managing Director Bangkok Thanathorn Finance Public Company Limited

Director (authorized signatory), BFIT Securities Company

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

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

Total numbers of audit committee meetings held during fiscal year 2020 are 11 times. Details of meetings are as follows:

- 7 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 20.

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

The nomination and appointment of directors of the Company not through the Nomination Committee because The Company is in the process of setting up the Nomination Committee. However, in nominate directors the



board will consider the qualifications. This is in accordance with the Company's Articles of Association , -Selection and appointment process , as follows:

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

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

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

### **(1) Independent Director**

Criteria for selection of independent directors

- Qualifications of independent directors

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

1. Hold not more than 1% of the voting shares in the company, its subsidiaries, associates, or related companies, major shareholder or person with controlling power over the company, whilst the number of shares held by any related person of such an independent director must also be counted.
2. Have not been or are not involved in the management, employees, wage earners, advisors on the payroll of the company , its subsidiaries , associates , or equivalent companies , major shareholder or person with controlling power over the company except when such qualifications have ended for more than two years, provided that such restriction or prohibition shall not apply to an independent director who has been a government authority , which is the major shareholder of the company or the person having controlling power over the company.
3. Are not related by blood or registration as parents, spouses, siblings, or children, spouses of any of the children to members of the management, major shareholders, those exercising control, or those about to be nominated as members of the management or those exercising control over the company or subsidiaries.
4. Do not have and have not any business relationship with the company, subsidiaries, associated companies, major shareholders or those exercising control over the company in the manner in which independent discretion might be affected, and not be and have not been a substantial shareholder of or a person having power to control the person that has business relationship with the company subsidiaries, associated companies, major shareholders or those exercising control over the company unless such an independent director has not been a person referred to above for at least two years.

Business referred to in the first paragraph above shall meant to include any ordinary course of business or trade for business engagement purpose , any lease taking or lease out of any property , any transaction relating to asset or service , any financial support or acceptance of financial support by way of either borrowing , lending , guaranteeing or collateral providing or any other manner similar thereto that could result to an obligation required to be performed

by the applicant or the party thereto in an amount of three percent or more of the net tangible asset value of the applicant or twenty million baht or more, whichever is lesser. In light of this, the method for calculating the value of connected transaction pursuant to the Capital Market Supervising Committee's Notification, Re: Regulations in respect of an Entering into a Connected Transaction shall be applied mutatis mutandis for the purpose of calculation of such amount of debt of the applicant, provided that the amount of the debt incurred during the past one year prior to the date on which such a business relationship with such a business relationships with such person exists;

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

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

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

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

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

#### Process of recruiting independent directors

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

Business relationship of independent directors - Have, 1. The company paid for law service to Bangkok Global Law Offices that Mr.Picharn Sukparangsree be director in amount 0.10 million baht, this transaction was not over than the company's definition.

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

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

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

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

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

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

#### 9.4 The operations of the subsidiaries and associates company control.

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

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

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

- None

#### 9.5 Internal information controlling

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

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

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

The company announced the information system security policy. To control the company's information that cover on customer information. Information System Department , is response to control all information , equipment and license computer programs and all department manager to review , checking and evaluation at least 1 time per

year and report to the risk management committee and the executive board meeting and annual auditing by Internal Audit section.

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

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

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

## 9.6 Auditor's remuneration

The auditor in the 2020 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 2.16 million bath.

### (2) Other service fee

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

## 9.7 Other practice from the corporate governance

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

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

### 1. Rights of Shareholders

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

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

#### 1.1 The right to receive important and necessary information

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

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

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

##### The Invitation Letter

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

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

##### Facility

The company will arrange commuting transportation as facilitation for shareholders.

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

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

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

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

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

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

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

### 1.5 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 TLS800-2003 (since June 2008 until present) from Ministry of Labor and Social Welfare.

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

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

3.6 Society and Community , The company recognizes the importance of society and local communities that the company have become a part of society , so from founding to the present 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 focuses on managing and operating business under the principle of good governance and being aware of information disclosure with accuracy and in timely fashion as specified by regulatory agencies. Therefore, the company sets the policy and practice regarding information disclosure as follows:

##### 4.1 Information Policy

- Disseminating information about the company must be aligned to disclosure policy and under the scope of laws, provisions, and related regulations.

- Disseminating information about the company must be clear, accurate, complete, transparent, and reliable. The information must be explained clearly, easy to understand, and promptly to stakeholders.

- The information must be fair to all parties by treating all parties in an equitable and consistent manner under the scope of operation practice, also avoid causing conflict of interest.

- Ensure that such dissemination will not cause negative impact on relationship between the customers and the company or violate the privacy of customers, shareholders, or other stakeholders.



- Performing duty about disseminating confidential information must be complied with the company rules and regulations specified in the code of conduct for the board 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
- Web board
- Investor Relations activities such as quarterly meeting with securities analysts

### 5. Board Responsibilities

#### 5.1 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.

## 5.2 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. for new executives The company has conducted an orientation in accordance with the company's policies and guidelines.

## 5.3 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, 2021, which was evaluated in May 2021. The results were very good. And brought the evaluation results Remarks and suggestions go to review , to improve the operations of the Board of Directors

#### Evaluation of The Audit Committee

The Audit Committee conducted a self-evaluation in 2020 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.

## 10. Social Responsibility

### 10.1 Policy Overview

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

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

### 10.2 Operation and report

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

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

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

In 2020 The company operation of social responsibility in 3 items are as follows.

#### 1. Economic Performance

The company has a policy to manage the business to be effective and corporate governance policies that give priority to operations with fairness, transparency, and taking into account the impact of business operations on the entire supply chain

#### **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 2020, being evaluated at a Very Good level

### 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 (The company discloses the complete whistleblowing channel on the company's website. ([www.thaistanley.com](http://www.thaistanley.com) /about company/corporate governance policy/whistleblowing regarding company ethics system)

### Risk and Crisis Management

To control and reduce the impact of the risk that may arise and maintain the sustainable business objective, including control the implementation also comply 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 a severity, which have an effect on the company's strategic management policies, compliance with laws or relevant standards.
3. Manage the risk that may affect the operations 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 conform 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.

Under current environmental conditions, The Company carried out are updating our risk management practice to reflect the operation within the current environment; complying with the risk management policy in a constructive manner by incorporating administration and risk control practices in the strategic management policy and general administration. Reviewing and approving risk control and management requirements as well as the risk management manual, which functioned as a framework to assess and manage the risks.

In case of crisis, The Risk Management Committee will consider establishing the Business Continuity Plan (BCP), which will act as a centralized response to the crisis so that it can continue its operations. The structure is as The Director is the President, Deputy Director is the Vice President and membership is the board of directors. The executive from each division and person appointed by the director as necessary. The Business Continuity Plan (BCP) to coordinate with the Risk Management Committee of Stanley Electric Co., Ltd., Japan. to continue to operate.

We perform crisis operation drill annually. In 2020, the drill focused on IT failure where a situation was staged from the beginning till the end until all normalcy resumed so that every department could understand its roles, responsibilities and use the results to align the risk management plan between different departments. The Executive Board took part in the drill by observing and making comments and advice.

### **Tax management**

Tax practices have been clearly stated in the regulation of the Accounting and Finance Department of which the essence is to file a tax return within the deadlines and to comply with tax-related laws and regulations. At the same time, the company exerts itself to take maximum tax advantages available to us as well as prevent ourselves from overpaying it due to own miscalculation while committing to pay as much as we are obliged to.

The Accounting and Finance Manager is responsible for tax practices to ensure that it meets these principle. To pay tax, calculation forms must be submitted after approval from authorizing persons. In case of tax dispute, advice must be sought from the Executive Board

In the previous year, the company had operating profit before tax of 1,155.64 million baht, paid income tax 206.87 million baht that tax charged rate 20% , the company also received tax benefits from the investment promotion certificate (BOI).

## Supply Chain Management

As the Company manufactures automotive lighting equipment for sale to automotive manufacturer customers, its supply chain includes suppliers, customers or automotive manufacturers, and consumers or motor vehicle users. The Company manages its supply chain as follows:

The company has set the policy of the operations in purchasing and sale of goods and assets, to be a guideline for practice in this regard, the management and operations of each group are as follows:

### Supplier Management

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, 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.

### Customer Management

The Company has set a customer policy 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.

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.

- Customer Meeting and Involvement Because each of the Company's products is designed and manufactured for specific vehicle model, the Company has regularly held a meeting with its customers and participated in activities organized by customers

- Customer Evaluation The Company has been evaluated by customers on an annual basis for its quality, price, and delivery. In 2020, the Company won the following awards from customers.

- |  |  |
|--|--|
| 1. Quality Award   | Nissan Motor (Thailand) Co.,Ltd.         |
| 2. Total Service Parts Performance Award                               | Toyota Parts Center Asia Pacific (TPCAP) |
| 3. New Part Preparation Award  | Toyota Parts Center Asia Pacific (TPCAP) |
| 4. C-Award   | Honda Automobile (Thailand) Co., Ltd.    |
| 5. 2020 TCC Safety Activity Target and Achieving Audit (Level A) Award | Toyota Co-operation Club ( TCC )         |

### Vehicle Consumer Management

The Company has set up a Quality Assurance Department to be responsible for assuring product quality, providing suggestions about products, consulting, and receiving complaints to ensure that customers satisfy with the quality of products and services.



## Business and social innovation

The company and the Stanley group have the idea of designing products from being a lighting device to safety devices system by helping motorists to have visibility in various environments or weather conditions in driving better. In addition to adding value to products, there is also a greater contribution to social security.

## 2. Social Performance

Our business philosophy is not limited to being a high-quality product manufacturer only, but we also underline the four parties who help supporting our endeavors, namely, buying customers, selling customers, staff and shareholders. Other stakeholders playing this role include local communities and public agencies considering that we are aware of our social participation. Our social activities are

### 1. Labor management and HR development

In 2020, 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.

#### 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. We have formulated the Thai labor standard policy to guide our practice to meet the requirements of the Thai labor standards, labor laws and other regulations governing work enhancement continually.

#### **Thai Labor Standard Policy**

1. Thai Stanley Electrics commits to comply with the provisions of the Thai labor laws, requirements of the Thai labor 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 labor standard will apply not only internally to the entire organization but also to suppliers and subcontractors.

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

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

#### **Human rights issues**

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

Pregnancy 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

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 labor dispute and there is no labor 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 professional nurses available throughout office hours, clean canteen and healthy and inexpensive food are provided

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

- Other welfare, the company also providing such as travel allowance, uniform, and laundry service. Employees will also be offered special presents for special occasions like birthday and the New Year festival. The company approves food expenses for diligent employees working overtime and outside the company. Furthermore, the company also remains alert in offering medical expenses to employees and their family members. These benefits will be considered and approved on a yearly basis , and from the COVID-19 situation that affects a lot of household income. The company provides a special loan benefit to help alleviate the problem and reduce the informal debt of the employee's family.

The company organizes fun-filled activities to promote employees' good health, for example, sporting events and recreation activities. To foster greater awareness of Thai cultures for all employees, the company has launched its

culture-based activities. Remarkable examples are the Buddha image bathing, Buddhist lent candle parade, dry-food almsgiving, and merit-making ceremony for special occasions . The company still operates in some activities.

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 has set the principles of disciplinary calling by deducting or reducing wages or compensation or other money specified by the law on labor 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 labor activities in the company, for outside the company has always participated in labor activities with government agencies. In August 2020 the Company received the Outstanding Workplace Award for Labor Relations & Welfares from the Ministry of Labor for the 15th 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 is 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.

From the 2019 Labor Policy, the company has set the personnel development policy with target all employees must be trained on job knowledge or skills. In which the general employees have a target at least 1 training course

In 2020 , the company arranged 61 in house training course decreased 38%\* from the previous year and 2,621 employees participated increasing 50% from the previous year , with an average of 19.90 hours of training per employee decreased 29% from the previous year and 73 employees participated in external training courses, decreased 51%\* from the previous year . These courses such as English Business Brush up , Coaching Skill for Leader , Positive Thinking to Improve Work Performance and for the safety of the COVID-19 situation, the company pending the overseas training.

\* Due to the COVID-19 epidemic situation, the company cancelled several training programs during the year 2020.

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 attend 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. The 4 years LE's Reform Model, which starts at the Lamp Division, is between 2018-2022 and take place in 6 items. Although some activities in the reform project were restricted by Covid-19, most of the project continue to meet its plan. Updates of activities in 6 items are:

1. J-CoM (Job Competency Management) , In 2020 to update and facilitate the competency management, we grouped 5 types of work together are New Model, Production, Quality, Engineering, and Planning. In addition, we categorized them in 8 subjects are New Model, Planning & Control, Machine & Equipment, Measurement tool & Testing machine, Supplier control, Production & Quality Control, Design & Change Control and, finally, Education & Management. Application software was implemented to process the management with a purpose to collect policy information and long-term data, annual plans and individual information. The data can be further categorized into capability of learners in each subject, their performances measured in terms of PDCA during each annual exam and summary of report papers at the section, department, unit and individual levels. The information is for further analysis and development. About 673 staff in the managerial, supervisory and auditing levels had their competency tested. In 2021, the competency test will be open to staff of all levels and extended to other areas in the company.

2. Smart Manager Course , offers contents in 3 major items are Basic Knowledge, Smart Management and Practice Presentation. At present, 8 staffs from each factory have completed this course and actively applied their knowledge in the 3 Loss improvement production process. Some of them help teaching the Expert Course. In 2021, this course will be offered to other units. Those graduating from the course will assist the training of the next Smart Manager Course

3. Expert Course, at present 11 employees graduating from the course that offers 12 models involving New Model and Mass Production. Some of the coursework are Design & Development, Production preparation, Machine & Equipment, Measurement & Test Tool, Spec & Change Control and Quality Control. These 11 graduates are our major manpower to help teach the 3 Loss improvements where principle problems are analyzed to adopt a systematic control.

4. Survey • Feedback • Improve in 270° 360°, this refers to the actualization of the STARS Plan. It involves a survey of performance and competency as well as compliance of staff at the managerial level. The survey showed an average result of 3.2 (means is  $3\pm0.5$ ). Feedback was given to each staff. To further improve the performance, nine areas that received low performance scores were reflected through 6 activities, are

- 1.) Policy & KPI Breakdown
- 2.) Activity & Control hearing
- 3.) One person one subject
- 4.) 3 Loss Improvements
- 5.) J-CoM Full-scaled
- 6.) Individual self-development

In 2021, the 6 activities will continue

5. Quality In House Program In 2020, each factory implemented the QIH Application Software to analyze their weaknesses where a total of 89 production problems were identified and resolved. However, upon actual implementation, we found further weaknesses i.e., that implemented measures had to be intensified especially in regard to problems that had led to high losses. In addition, we found that there were needs to shorten time spent to resolve problems. In 2021, we will continue to enhance analytical skills to identify causes and set proper timeframe analysis so that major problems can be quickly resolved and brought under control.

6. 5S patrol by customer views; this refers to attempts to identify Quality risk, Safety risk and risk associated with 5S within the production process before exchange was made from customers' viewpoints. The goal is to prevent problems from happening. The production process has been developed from 2018 to March 2021 where weekly check was conducted, which however was temporarily suspended during Covid-19. From patrol we found risk 49% that related to 5S, while 29% was about quality and 22% was about safety. All identified risks were resolved to avoid further problem. Lessons learnt were shared with each factory as a preventive measure.

In 2021, The Company will continue to pursue its planned roadmap based on its strength, namely, collaboration from our staff and our PDCA operation in order to achieve our goal by early 2022

## **2. 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 set work safety is the first priority and responsibility of everyone’s operation.
2. The Company will strictly comply with laws, rules and regulations and standards governing health, safety, security and environment (HSSE) as well as safety policies and requirements of our clients.
3. The Company support and strive to continue improving safe workplace environment and operating procedures, the use of personal protection equipment (PPE) and the safeguarding of everyone’s wellbeing.
4. The Company support and promote safety activities to help raise safety awareness among our employees both during working hours and beyond. This includes promoting safety culture, training, incentive giving, public relations and organizing safety competitions.
5. The Company encourages employees, contractors and the third party to take part in health, safety, security and environment (HSSE) activities.
6. The Company require supervisors at all levels to be a role model and to lead by attending training, teach and incentivize as well as by raising awareness of employees to work safely.
7. All employees must regard their own safety, the safety of co-workers and company properties as a priority while on duty.
8. The Company strictly support the 5S scheme ( Tidying, Convenience, Cleanliness, Sanitation and Nurturing habits) at workplace to prevent accident, injuries and work-related illness.
9. The Company advocate every employee to collaborate in our HSSE project. Employees are entitled to propose ideas to improve work environment and procedures for the purpose of safety.
10. The Company support both human and capital resources for safety and HSSE management to establish safety of our employees and the third party.
11. The Company continues to support the safety shop floor management activity to achieve Zero Accident both on and beyond factory floor.
12. 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 2020, the company has established a safety management policy that is to create a safe and comfortable working environment due to zero work accidents / zero accidents. By setting goals and results as follows

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

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

Number of working hours free from accidents 18,000,000 work hours (Man x Hour). The outcome was achieved in March 2021 and the company set a new target of 21,000,000 hours of work or more.

#### Safety knowledge Promoting

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 how to use a fork lift, Executive Officer at executive level training
- Fire drill during day and night time;
- Top Gun's drill for emergency situation. (Top Gun is the name of the highly-emergency response team);
- Safety, environment and energy conservation exhibitions. Including safety campaigns such as voice on the line, Monday Meeting and internal media bulletin on the company continuously.

#### Occupational Health

Operation: We take into consideration the wellbeing of our staff by focusing on sanitation and hygiene at work, eradicating disease carriers on a monthly basis, providing sanitary facilities and disseminating health information with regard to seasonal diseases and healthcare tips through information boards

- Setting target and outcome , We aim to halve work-related illness of our employees by 50% from the 2019 level. The outcome was achieved.

- Health Check up , Every employee is offered an annual health check-up, which can be general health inspection and health inspection based on risk factors for those working in noisy or dusty areas or those exposed to hazardous chemical vapor.

Each employee receives a health report. In case of doubt, or if one wishes to seek health consultation, he/she can do so by directly asking the doctor. The information is kept confidential. In addition, medical doctors and nurses are available at the work premise every day while basic medication based on private hospital's standards are prescribed.

#### **Prevention measures during the Covid-19 outbreak**

In early 2020, the world experienced the Covid-19 pandemic. In Thailand, a large number of people were infected by the virus. We have given priority to this situation and issued preventive measures including .Setting up areas where hand sanitizer gel and alcohols are available throughout the premise. Distributing face masks for employees to wear at all time from when they leave their homes to their arrival at the company and on the way back. Measuring body temperature of employees and visitors for screening purpose. Erecting information boards to encourage staff to practice social distancing in common areas such as canteen and meeting rooms. And disseminating health information , so far, we have not found any employee infected by the coronavirus. At present, the company continues to implement preventive and surveillance measures against the Covid-19 outbreak

From various activities seriously and consistently resulting in the company receiving an award for occupational health and safety. In the year 2020, the company received the following awards

1. The Outstanding Occupational Health and Safety Award for the 17th consecutive year (December 2020).
2. 2020 TCC Safety Activity Target and Achieving Audit (Level A) as the 5<sup>th</sup> year from Toyota Co-operation Club ( TCC ) (January 2021)

### **3. Environment Performance and Energy Conservation**

#### **3.1 Environmental Management**

As a producer of industrial products, our operation especially our production process is having direct and indirect effects to the environment. Being aware of our impact, we pay close attention starting from the design process where environmental-friendly raw materials are used, to the production process where water, noise, chemical and odor pollution that could affect surrounding communities is seriously taking into consideration. This has lead to a systematic and tangible environmental management especially with regard to a full-fledged water management from where water is actively procured from various sources to when it is brought into the production process and when it is treated before going through the recycling process for re-use in both the production process and in general.

#### **Environmental Management**

The company has appointed the Environment Committee and ER (Environment Responsibility) consisting of executives and employees from all departments. Currently, there are 72 person responsible for pushing for recommendations on environmental management systems. Which is considered in accordance with the relevant



environmental laws and other requirements . And to comply Environmental management policy of the company of the Stanley Group (Japan Stanley Environment Policy), with the Safety & Environment Department responsible for driving operational activities covering all areas.

### The environmental policy

To reflect our environmental vision, The Company has formulated the environmental policy to ensure that our staff are fully aware of their roles and responsibilities in environmental protection when it comes to their work. Details are as follows.

1. We commit to practice, control and protect the use of natural resources as well as mitigate environmental impacts resulting from our operation for compliance with environmental laws and other requirements.

2. We strive to develop and enhance our environmental management systems relating to our products and services to prevent and minimize environmental impacts and to extend our practice to others involving in our operation.

3. We promote and support environmental activities such as training, public relations campaigns and others to raise environmental awareness among our employees. We also directly and indirectly promote and support environmental protection and mitigation campaigns.

4. The Company discloses our environmental policy as a means to communicate with stakeholders and the public at large and to express our commitment to monitor, protect, enhance and develop the environmental management system.

5. We support and take part in environmental activities held by local communities by collaborating with public or other local agencies.

6. We support the environmental shop floor management activities to achieve our best practice in environmental management.

7. The Company conducts a regular assessment regarding the compliance with this policy.

The environmental policy in 2020 was to achieve zero environmental disaster through the enhancement of our environmental protection capacity and strict compliance to the laws.

The environmental target in 2020 we aimed to reduce 1% of our CO2 emissions compared with Value added from 2019, Water consumption vs. Value added, a 1% drop from 2019, and a 1% drop in waste disposal volume from 2019.

Environment Slogan: “ Stanley helps reduce the use of water, paper and plastic bags.”

The following were the environmental activities we achieved in 2020:

#### **1. Reducing the use of major natural resources**

**1.1 Water** we use lots of water for production and consumption within the company each year. At present, our water comes from various sources such as running water from a waterworks agency to recycled water from wastewater going through the treatment process. The company constantly checks water quality (12 times a year)

Target to reduce water consumption rate by 1% from the base year 2019 (Company level) by using the indicators as water usage rate per product and to the number of employees

Operations 1. Recycle water is used in the water curtain system of the process of coating workpieces in the Lamp factory, lawn watering system and use it in the bathroom (Toilet flush) at the PQC welfare building

2. Change the toilet flush to save water and change the bathroom sink faucet to the Censor type in the company.

Result The target was achieved, we can reduce water consumption down to 645,088 m3 / MTB.

**1.2 Working paper** of the parties both from the office and the production department, a lot of paper is used. The company aims to reduce the use of other tools such as computer programs.

Target to reduce the paper usage rate by 1% from the base year 2019 (company level) by adjusting the conformity assessment method through the use of Excel program. Establish a system for handling waste materials through the use of the program of Information System Department . And set a campaign to reduce paper using every job at least 1 job per week.

Result The target was achieved; we can reduce paper usage by 2,428 reams.

**1.3 Waste disposal** : The company promotes employees to realize the worthwhile use of resources, reduce the use of plastic bags, waste sorting, etc.

Target Reduce the amount of waste sent for landfill disposal by 1% from the base year 2019 (company level).

Operations: Set the campaign for waste sorting and changing waste disposal methods by pushing for disposal as Reuse and Recycle, Organize a quarterly audit activity from the Environmental Committee to examine the waste management of each department and public relations to raise awareness by training on Company waste management for employee, As well as campaigning for all department to develop a project to reduce the amount of waste At least 1 project per each

Result The target was achieved. The company emphasizes the separation of different types of waste, destroying the waste and sending it to the company in sector for recycle. In addition to pay attention to 5S activities emphasize cleanliness of all areas.

## 2. Management and External Agencies Monitoring

The senior management continued to monitor every work area on a monthly basis to maintain and improve the environment. In 2020 the company hired the third-party agency to measure levels of noise, wastewater, heat and air pollution, the results of which were within the required standards.

## 3. Environmental Training

The company provides regular training in Environmental-related such as the ISO14001: 2015 training and the internal waste management training

## 4. Regular environmental campaign activities

To encourage employee to participate in the environmental protection were implemented through activities such as an exhibition on the occasion of the World Environment Day, the Say No to Plastic Bags project and the Green Factory campaign where executives and employees planted trees together to increase green areas within our compound on the last working day of the year. We also has taken part in educating environmental information to primary school students in Pathumthani Province through the SEE to School activity.

The Company have not found any violation of the environmental laws. There weren't any accident induced by the environment factor, either. We did not have any conflict or receive any environmental complaint from communities or third-party agencies. The Company has been certified for the ISO14001 since year 2015 – present .

### 3.2 Energy Conservation Management

Our business is closely related to electricity and fossil fuel used in the production process and transportation. That's why we underline energy conservation, a proper use of energy to maximize benefit, renewable energy and the energy-saving corporate culture through systematic management.

The Company has set up the Energy Conservation Committee whose members come from staff from all departments. The current 20 member Energy Committee oversees energy practices by ensuring that they align with the energy conservation policy and management procedures. The Committee is responsible for coordination, supervision and production of energy conservation reports. It also encourages the management to comply with the laws, having the Safety & Environment Department to make all relevant activities happen.

#### The Energy conservation policy

1. The Company commits to manage and conserve energy in compliance with the energy saving laws and other rules and regulations.
2. The Company strongly feel that energy conservation is the duty and responsibility of the management and employees at all levels to comply with, monitor and report to the Energy Conservation Committee on a regular basis to express our intention to continue improving the efficiency of our energy consumption.
3. The Company have allocated enough resources relating to energy conservation and energy management to ensure that the endeavor effectively reflects our goals and objectives.
4. The Company promotes production processes and other activities relating to energy consumption aimed for energy conservation and maximization of energy use.
5. The Company have improved the efficiency of our energy consumption at the corporate level to reflect the nature and amount of energy actually consumed. This is to align our consumption behavior with an appropriate technology and to continue updating our best practice on energy conservation.

6. The Company is constantly looking for clean energy for the purpose of sustainable energy and environmental conservation and we are ready to disclose, transfer and publicize our energy conservation activities to related parties and the public.

7. The Company managed to reduce the amount of CO<sub>2</sub> emission as witnessed in our 2020 annual indicator index.

**Energy conservation slogan in 2020** : Participate in electricity analysis, use clean energy.

#### Important issues in regard to energy management

The Company's major types of energy used in our business are:

1. Electricity: At present, electricity accounts for 7.81% of the total expenditures. About 36.85% of electricity we currently consume comes from the Provincial Electricity Authority (PEA) while another 62.03% is bought from the private sector. About 1.12% of our electricity comes from clean energy

2. Fossil fuel – 100% of fossil fuel is used in company vehicles. No fossil fuel is used in the production process.

In 2020, The Company's target and activities in energy conservation were as follows

- Reduce CO<sub>2</sub> by 1% from the base year in 2019 (at the company level) through the verification of energy use using yellow card, awareness training on the use of energy and promotion of the clean energy.

At present, the company has installed solar cell panels on the rooftop of our Lamp 7 Factory and the PQC Building, which encompasses a canteen, a library, a gym, an area for supporting production engineering and the training area of production staff before they are dispatched to work in the production line. With has power capacity : 1.2 MW . Which can reduce electricity consumption in 2020 (Produced Energy) : 932,704.63 kWh/Year . Can reduce CO<sub>2</sub> Emission : 554.96TonCO<sub>2</sub>/Year and Reduce Electric Consumption : 3,926,686.47 Baht/Year . The Company plans to expand solar cell production capacity in the future at the Lamp 7 expansion factory building and the Lamp 8 factory building.

The company also has activities to reduce electricity usage. With a target of 1% decrease from the year 2019 which has the electricity usage value equal to 8.9377 TonCO<sub>2</sub>/MTHB with the activity of reducing energy usage to achieve the target set as follows

- Install the Power Meter and use the electricity data to analyze the defective points.

- Holiday Energy Reduction Project Which will campaign to stop production on Sunday 1 day per month, with the results Makes it possible to reduce electricity use almost as targeted Which has the electricity consumption equal to 8.9377 TonCO<sub>2</sub>/MTHB

The Company continued to urge staff to effectively use the resources where environmental and energy consumption as follows:

- To promoted as corporate culture. Activities were translated into photos and slogans being posted at various sites for staff's visibility
- The message was transmitted through our internal broadcasting system on a daily basis at 11.30 hours
- Monitoring from the Energy Conservation Committee in every department every week to provide work conservation activities cover all areas.
- The executive board underlines the importance of continuous monitoring and advising environmental conservation activities on a quarterly basis
- Assessment of energy conservation potential and the status of energy management

#### **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.

#### **10.3 Business operations that affect social responsibility**

None

#### **10.4 Activities for social and environmental benefits (CSR after process)**

### Stanley Thailand Foundation activities

The Stanley Group has established the Stanley Thailand Foundation since 1993, aiming to promote various CSR activities mainly in Pathumthani province. Remarkable examples of CSR activities launched in 2020 can be described below:

#### **1. Education Activity** are

1.1 Annual Scholarship ceremony for year 2020 , provided to 640 students from 121 schools in Pathumthani and 8 schools in Nakornrachasima , total amount 770,000 baht.

For individualized scholarships (Outshining Fund ), the foundation was consistently responsible for all education-related costs starting from the high school to Bachelor's Degree levels. In 2020 the foundation selected 4 students from Buakaewkesorn School, Worarachathinaddhamartwittaya School , Triemudomsuksanomklow Pathumtani and Chaiyasithawas “ Pat Saibumrung” School , Pathumthani . Currently, there are 16 students selected to join the program and total supporting amount 1,306,540 baht .

1.2 The foundation offered its concrete support to the science competition named the Stanley Science Project Contest held to encourage primary and secondary students to create excellent robotic devices. The competition was hosted by the Technology Promotion Association (Thailand-Japan) , total supporting amount 250,000 baht.

**2. Environmental activities,** the foundation giving away a set of bins to separate waste types to the local community such as temple as Watchinwararam, Watsadet and Banklang Subdistrict Municipality, Khukhwang Subdistrict Municipality and Suanprikthai Subdistrict Administrative Organization Pathumthani Province,

In addition, the foundation corporate with the Safety & Environment Department of Thai Stanley Electric Public Company Limited and Asian Stanley International Co., Ltd. organized Safety To School activities (SEE to School) for 6 schools in Pathumthani Province. By providing knowledge on Safety Environmental and Energy conservation .There was a demonstration of firefighting and fire evacuation. The foundation gave 10 sets of fire extinguishers per school and a set of bins to separate waste types to every school , total amount 430,675 baht.

**3. Charity Activity** such as Air purifier for AIDS patients in the hospital of Wat Phrabatnamphu Lopburi Province and items used in daily life such as rice, dried food, seasoning, detergent for lame children at Ruamphanya Person Lame Association , Nonthaburi Province.

Due to the COVID-19 epidemic situation, the Foundation donated medical equipment and financial support for Ladlumkeaw Hospital, Pathumthani Province such as Foldable patient beds , UV disinfection machine, Air purifier , total amount 394,500 baht

## 11. Internal Control and Risk Management

### Internal Control

Realizing the importance of internal control and management, in 2020, the company conducted an organizational restructuring for a systematic management so that each department's roles and responsibilities were clearly identified. A manual describing approval authority was published as a main tool for implementation. In addition, an operation manual is made in writing to describe scopes of work of each function, auditing authority and reporting responsibilities.

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.

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

At the Board of Directors Meeting No. 3/2021 on May 14, 2021, 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 2020 are summarized as follows.

#### 1. Control Environment

The company's control environment was found to be proper and adequate for the operation. Besides, the business has been conducted under the CG and the Code of Conduct principles. Major management procedures were:

1.1 A CG policy, the Code of Conduct for directors and employee as well as the anti-corruption policy and practices have been established in writing.

1.2 The organization structure and a line of command were designed in such a way that roles and responsibilities and authority were taken into consideration. In addition, authority and responsibilities among directors, senior executives, the management and employees were clearly restricted. Financial approval authority was also clearly identified in writing.

1.3 The STARS Plan, which is a fair, widely-recognized merit-based HR management plan, was clearly established in writing.

## 2. Risk Assessment

Risk management requirements and manuals have been established to function as a risk management guideline. Each department was assigned to conduct risk management and formulate its risk management plan annually by identifying risk factors, assessing and prioritizing risk profiles as well as establishing proper measures. The Risk Control and Management Department acted as a coordinator to gather, give advice and summarize what's going on before proposing them to the Risk Management Committee.

## 3. Control Activities

Effective and efficient control activities have been identified through the following control measures:

3.1 Rules and procedures as well as operation manuals have been clearly made in writing to determine scopes and the line of command of those with approval authority. This covered HR and labor, accounting, marketing, procurement, production, technology, assets and contract departments.

3.2 The monitoring process was designed to constantly reflect the operation based on strategic plans, framework, policies and practices of the company.

3.3 A policy to prevent personal exploitation of opportunity or corporate interest has been established where the use of insider information and conflict of interest were part of the Code of Conduct of directors and that of employees. In addition, monitoring and reporting were constantly conducted.

3.4 IT safety control measures were established where, in this regard, a policy and relevant requirements governing the use of copyrighted software and proper development and maintenance of the IT system were stipulated.

## 4. Information and Communication

The Company has introduced IT to our finance & accounting activities, HR and the production process. Safe and sophisticated IT systems have been implemented to collect data, process, store and monitor it to enable the management to access information in order to make a proper decision in a timely fashion while having an effective safety system. Management guidelines are:

4.1 To determine confidentiality levels of the data and to establish practice guidelines of how to store important and controlled documents.

4.2 To properly communicate the information to the Board, the management, employees and stakeholders.

4.3 An emergency back-up plan has been formulated to promote information safety in case of a serious incident that may hamper the system. In addition, a drill using an emergency reserve plan was conducted on a regular basis.

4.4 Several internal communication channels with staff have been established such as via the intranet, email, board announcement and distribution of document through the Document Control system.

4.5 A channel to file grievances or to whistleblowing corruption or misconduct has been set up where report can be made by phone or through email. Reporting persons would be protected and the reported case would enter the fact-finding process for further resolution.



## 5. Monitoring activities

The Internal Audit Department has been tasked to audit the operation to ensure that it reflects the internal control system where results of the auditing will be reported to the Audit Committee. In finance and accounting, the auditing is conducted by a CPA whose auditing result is submitted to the Audit Committee on a quarterly and annual basis. The auditing results of both the auditor and the Internal Audit Department found no material defect in regard to the internal control.

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

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

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

## 11.3 Chief of Office of Internal Audit

(1) In 2002, the Executive Committee appointed the Chief of the Internal Audit, Mrs. Nongyao Apirum, who currently position as the Corporate Governance Department Manager responsible for internal audit and risk management , that has experience working in Accounting and Finance department for 22 years and used to attend the training course related to the audit such as

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

Chief of Internal Audit have an understanding of the operations of the company as well. It is appropriate and sufficient to perform such duties. (detail as attach No. 3-2)

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

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

## Risk Management

The risk management policy is as follows.

To control and reduce the impact of the risks that may arise and maintain the sustainable business objective, including control the implementation also comply 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 affect 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 conform 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 2020 , the company has performed as follows

1. Review and readjust the structure of the Risk Management Committee to reflect the current organization structure.
2. Craft out the risk management and control policy to align with the principles of good corporate governance and to ensure that the risk management framework shared the same direction. The policy had been approved by the Risk Management Committee and the Executive Board and subsequently communicated to employees.
3. Have our corporate risk management procedures monitored by BSI's IATF 16949 quality compliance system, where no material defect was found and the operation was in compliance with the plan.

4. Review the 2020 annual risk where important risks were identified and reported to the Risk Management Committee to assess and identify the first five risk priorities for 2020 for further formulation of the Business Continuity Plan (BCP). The five risk priorities identified were fire, flood, electricity blackout, IT system failure and epidemic.

For the 2021 risk assessment, the Risk Management Committee underlines the procurement of parts and raw materials, of which the failure may affect the delivery of our products to customers. Relevant departments are asked to assess risks and establish measures to mitigate it.

5. Conduct the BCP drill with regard to the IT system failure starting from when the internet was down to where the SAP was disrupted and affected the production and delivery of products to customers. The result of the drill met what had been planned.

## 12. The related transactions

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

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

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

The significant trade with the related company by purchasing and sales items. The company's auditor gave the explanation in the Note 29 the financial statement on 31<sup>st</sup> March 2021 ., are as follows:

- The purchasing items form the related company are those particular raw materials or merchandise from the same production source at the great quantity to reduce the production cost.
- The 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			
		2018	2019	2020	
1. Stanley Electric Co.,Ltd. - Major shareholder of Stanley Electric Holding Asia-Pacific PTE, holding 35.66 % - Common Director 2 person 1. Mr.Katsutoshi Iino 2. Mr.Toru Tanabe	1. Purchasing in raw materials , goods and equipment	713.45	896.68	764.14	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. Selling goods	126.42	171.25	134.72	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 from the related party in purchased from Stanley group	338.49	337.92	264.04	In the normal course of business and same practice in Stanley Group
	4. Designed and Development Fee is charged in case design and development product for Thai Stanley’s products	248.87	147.46	84.03	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.
	</				

- Common Director 2 persons 1. Mr.Apichart Lee-issaranukul 2. Mr.Koichi Nagano	2.Other Income	0.19	0.08	0.11	Stanley group 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
	3.Royalty Income	0.82	0.66	0.43	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	504.08	512.91	310.68	Specifically products Pricing are charged in the normal course of business and same practice with outsider.
	2.Selling goods	22.55	106.70	292.59	Specifically products Pricing are charged in the normal course of business and same practice with the outsider.
	3. Other Income	0.04	0.01	0.07	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) Fiscal Year			The reasonable of transactions
		2018	2019	2020	
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	1,914.74	1,903.27	1,707.61	Specifically products Pricing are charged in the normal course of business and same practice with the outsider.
	2.Selling goods	8.92	9.07	5.86	Pricing are charged in the normal course of business and same practice with the outsider.
	3. Other Income	0.18	0.02	-	Pricing are charged in the normal course of business and same practice with the outsider.
5. PT.Indonesia Stanley Electric - Common major shareholder as Stanley Electric Co.,Ltd. Hoding 60 % - Common director 3 person as 1.Mr.Koichi Nagano	1. Purchasing raw material	15.18	1.33	0.41	Specifically products Pricing are charged in the normal course of business and same outsider.
	2.Selling goods	299.77	192.41	155.44	Pricing are charged in the normal course of business and same practice with the outsider.

2.Mr.Apichart Lee-issaranukul 3. Mr.Toru Tanabe - Thai Stanley holding 10%	3. Other Income	14.10	2.88	0.69	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  2. Selling raw material  3. Other Income	378.68  9.85  0.35	470.38  7.48  0.06	368.98  3.56  -	Specifically products Pricing are charged in the normal course of business and same outsider.  Pricing are charged in the normal course of business and same outsider  Specifically products Pricing are charged in the normal course of business and same outsider.
Name of Company and Related ties	Related transaction details	Transaction Amount (million Baht)			The reasonable of transactions
		Fiscal Year			
		2018	2019	2020	
7. Inoue Rubber (Thailand) Public Company Limited - Thai Stanley holding 0.02% - Common director 4 person as 1. Mr.Apichart Lee-issaranukul 2. Mr.Thanong Lee-issaranukul 3. Mrs.Pimjai Lee-issaranukul 4. Mrs.Porntip Sethiwan	1. Purchasing raw material	12.42	9.66	5.61	Pricing are charged in the normal course of business and same practice with the outsider.
8. The Sittipol 1919 Co.,Ltd. -The shareholders holding 3.34% - Common director 2 persons as 1. Mr.Thanong Lee-issaranukul 2. Mrs.Porntip Sethiwan	1. Selling goods,	148.83	132.30	121.90	Pricing are charged in the normal course of business and same practice with the outsider.
9. Lumax Industries Co.,Ltd -Thai Stanley holding 1.73% - Common major	1. Purchasing goods	1.31	1.84	1.56	Pricing are charged in the normal course of business and same practice with the outsider.

shareholder as Stanley Electric Co.,Ltd. Holding 26.31 % -Common Director 1 person 1. Mr.Toru Tanabe	2. Selling goods	4.24	1.84	42.10	Pricing are charged in the normal course of business and same practice with the outsider
10. Bangkok Global Law Offices Limited - Common director 1 person as 1. Mr.Picharn Sukparangsee	1. Law service	0.74	0.81	0.10	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	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		
		2018	2019	2020
1.Guangzhou Stanley Electric (China)	Purchased amount	129.41	99.78	41.64
	Sold amount	0.20	0.09	0.15
2.Stanley Electric (Asia Pacific) (Taiwan)	Purchased amount	0.18	0.17	0.01
	Sold amount	0.80	-	-
3.Shenzhen Stanley Electric Co.,Ltd.	Purchased amount	107.70	104.67	84.17
	Sold amount	-	-	-
4.Stanley Electric US Inc. (U.S.A)	Purchased amount	1.49	0.66	0.80
	Sold amount	0.02	0.01	0.04
5. Tianjin Stanley Electric Co.,Ltd. (China)	Purchased amount	0.38	0.39	0.91
	Sold amount	1.73	15.71	253.63
6.Shanghai Stanley Electric Co.,Ltd.	Purchased amount	3.84	3.85	2.21
	Sold amount	-	-	-
7.Stanley Electric Do Brazil LTDA	Purchased amount	-	0.08	0.05
	Sold amount	0.29	35.53	0.35
8.Stanley Iwaki Works Ltd.	Purchased amount	12.95	16.66	7.31
	Sold amount	1.69	3.19	3.31
9.Stanley Electric (Asia Pacific) Hong Kong	Purchased amount	9.93	3.98	4.11
	Sold amount	-	-	-
10.Wuhan Stanley Electric Co.,Ltd.	Purchased amount	0.05	-	-
	Sold amount	17.07	18.18	14.15

11.Tianjin Stanley Electric Technology Co,Ltd	Purchased amount	7.46	5.55	12.60
	Sold amount	-	-	-
	Design and Development Fee	5.04	-	-
12. Stanley Electric Manufacturing Co.,Ltd.	Purchased amount	-	-	-
	Sold amount	0.01	47.93	61.14
13.Stanley Electric (Asia Pacific) Singapore	Purchased amount	-	-	-
	Sold amount	0.32	-	-
14. Stanley Electric Hungary	Purchased amount	0.75	-	-
	Sold amount	0.09	-	-
15. Stanley Electric Sale of America , Inc	Purchased amount	-	-	-
	Sold amount	2.29	-	-
16. Stanley Electric Philippines INC.	Purchased amount	-	-	12.39
	Sold amount	-	-	-
17. II Stanley Electric Co.,Inc	Purchased amount	-	-	-
	Sold amount	-	-	0.02

#### The approval for the related transactions

In Year 2020 , the related transactions was the normal course of business and same practice with the outsider , such as price comparison , selling price is determined based on manufacturing cost plus a certain margin. The related transaction controlling by the management director.

#### Policy or Trend towards Potential the related transaction

The related transaction to be continued, because of the raw material or goods are specifically and used only in Stanley Group. The selling price is determined based on manufacturing cost plus a certain margin that the normal course of business. Whatever these transaction are belong to The Purchasing and Selling products and assets policy , that announcement since year 2004 and for others transaction will consideration belong to The rule of The Stock Exchange of Thailand.

#### The related transaction Report from Audit Committee

The Audit Committee considered the related transaction in year 2020, that have transaction may cause conflict of interest, that transaction with related parties company and normal course of business.



## Part 3

### Financial Statement & Operation Result

#### 13. Financial Statements

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

A) In the past 3 years of the audit report, the auditor has expressed an opinion in certifying the financial statements, showing the financial position and results of operations and cash flows correctly, in all material respects, in accordance with the financial reporting standards.

B) Table of the Financial Statement

Statement of Financial Position

As at 31 March 2019 to 31 March 2021

(Financial statement in which the equity method is applied)

	Audited					
Asset	Mar 31,2021	(%)	Mar 31,2020	(%)	Mar 31,2019	(%)
<b>Current Assets</b>						
Cash and cash equivalents	2,663,330	12.36	3,177,436	15.60	1,671,997	8.68
Short-term investment held to maturity	2,258,000	10.48	1,166,000	5.72	3,625,000	18.83
Trade and other accounts receivable , net	2,550,248	11.84	2,633,161	12.93	2,549,178	13.24
Inventories , net	476,679	2.21	942,128	4.63	1,099,780	5.71
Current portion of loan to employee	44,381	0.21	31,765	0.16	41,877	0.22
Other current assets	7,525	0.04	39,654	0.19	45,971	0.24
<b>Total current assets</b>	<b>8,000,163</b>	<b>37.14</b>	<b>7,990,144</b>	<b>39.23</b>	<b>9,033,803</b>	<b>46.92</b>
<b>Non-current assets</b>						
Loan to employees	18,738	0.09	12,806	0.06	34,921	0.18
Financial assets measured at fair value Through other comprehensive income	1,336,748	6.20	-	-	-	-
Investments in an associates	1,710,120	7.94	1,597,063	7.84	1,357,930	7.05
Investment in a joint venture	23,267	0.11	23,397	0.11	22,165	0.12
Long-term investments , net	-	-	125,841	0.62	112,401	0.58
Property , plant and equipment, net	9,402,862	43.65	9,517,131	46.72	7,703,012	40.01
Intangible assets , net	1,027,622	4.77	1,087,800	5.34	974,757	5.06
Other non-current assets, net	23,089	0.10	15,748	0.08	15,514	0.08
<b>Total non-current assets</b>	<b>13,542,447</b>	<b>62.86</b>	<b>12,379,786</b>	<b>60.77</b>	<b>10,220,701</b>	<b>53.08</b>
<b>Total assets</b>	<b>21,542,610</b>	<b>100.00</b>	<b>20,369,930</b>	<b>100.00</b>	<b>19,254,504</b>	<b>100.00</b>

Statement of Financial Position  
As at 31 March 2019 to 31 March 2021

( Unit : Thousand Baht)

	Audited					
	Mar 31,2021	(%)	Mar 31,2020	(%)	Mar 31,2019	(%)
<b>Liabilities and shareholders 'equity</b>						
<b>Current liabilities</b>						
Trade accounts payable - other companies	498,068	2.31	505,701	2.48	601,417	3.12
-related companies	538,340	2.50	567,353	2.79	549,860	2.86
Other accounts payable - other companies	177,455	0.82	651,474	3.20	1,004,252	5.22
- related parties	253,230	1.18	155,305	0.76	169,764	0.88
Derivatives liabilities	239	0.00	-		-	
Accrued corporate income tax	153,388	0.71	218,806	1.07	218,377	1.13
Accrued expenses	346,717	1.61	371,259	1.82	339,438	1.76
<b>Total current liabilities</b>	<b>1,967,438</b>	<b>9.13</b>	<b>2,469,898</b>	<b>12.12</b>	<b>2,883,108</b>	<b>14.97</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities , net	472,245	2.19	194,848	0.96	170,451	0.89
Provision for post-employee benefits	385,147	1.79	383,368	1.88	234,385	1.22
<b>Total Non-current liabilities</b>	<b>857,392</b>	<b>3.98</b>	<b>404,836</b>	<b>2.84</b>	<b>404,836</b>	<b>2.11</b>
<b>Total liabilities</b>	<b>2,824,830</b>	<b>13.11</b>	<b>3,048,114</b>	<b>14.96</b>	<b>3,287,944</b>	<b>17.08</b>
<b>Equity</b>						
Authorised Share capital						
Ordinary shares	383,125	1.78	383,125	1.88	383,125	1.99
Premium on share capital	504,250	2.34	504,250	2.48	504,250	2.62
Retained earnings						
Appropriated						
Legal reserve	38,313	0.18	38,313	0.19	38,313	0.19
Unappropriated	17,024,856	79.03	16,595,671	81.47	15,229,792	79.10
Other components of equity	767,237	3.56	(199,543)	(0.98)	(188,920)	(0.98)
<b>Total equity</b>	<b>18,717,781</b>	<b>86.89</b>	<b>17,321,816</b>	<b>85.04</b>	<b>15,966,559</b>	<b>82.92</b>
<b>Total liabilities and equity</b>	<b>21,542,610</b>	<b>100.00</b>	<b>20,369,930</b>	<b>100.00</b>	<b>19,254,504</b>	<b>100.00</b>
Book Value * (Baht)	244.28		226.06		208.37	
Par Value (Baht)	5.00		5.00		5.00	
Number of share (thousand shares)	76,625		76,625		76,625	
Weighted average ordinary number of share (thousand shares)	76,625		76,625		76,625	

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

Statements of Income  
As at 31 March 2019 to 31 March 2021

(The equity method) (Unit : Thousand Baht)

	Audited					
	Mar 31,2021	(%)	Mar 31,2020	(%)	Mar 31,2019	(%)
<b>Revenue</b>						
Sales	11,727,609	100.00	15,150,090	100.00	14,634,621	100.00
Dividend income	60,398	0.52	86,131	0.57	71,979	0.49
Gain on exchange rates , net	24,094	0.20	16,614	0.11	21,238	0.15
Interest Income	20,454	0.17	53,823	0.36	71,138	0.49
Others	57,067	0.49	107,161	0.71	108,092	0.74
<b>Total Revenue</b>	<b>11,889,622</b>	<b>101.38</b>	<b>15,413,819</b>	<b>101.74</b>	<b>14,907,068</b>	<b>101.86</b>
Cost of sales	9,951,852	84.86	12,339,312	81.45	11,864,535	81.07
Selling and administrative expenses	883,305	7.53	947,581	6.25	927,798	6.34
<b>Total Expenses</b>	<b>10,835,157</b>	<b>92.39</b>	<b>13,286,893</b>	<b>87.70</b>	<b>12,792,333</b>	<b>87.41</b>
Operation profit	1,054,464	8.99	2,126,926	14.04	2,114,736	14.45
Share of profit from investment in Associates	241,893	2.06	318,837	2.10	316,180	2.16
Profit before income tax	<b>1,296,357</b>	<b>11.05</b>	<b>2,445,763</b>	<b>16.14</b>	<b>2,430,915</b>	<b>16.61</b>
Income tax	235,017	2.00	448,266	2.96	453,153	3.10
<b>Net profit for the year</b>	<b>1,061,340</b>	<b>9.05</b>	<b>1,997,497</b>	<b>13.18</b>	<b>1,977,762</b>	<b>13.51</b>
Net profit per share	13.85		26.07		25.81	
Par Value (Baht / Share)	5.00		5.00		5.00	
Weighted Average Number of Share (thousand share)	76,625		76,625		76,625	

Auditor

Ms.Varaporn Vorathitikul

Certified Public Accountant (Thailand) No.4474

PricewaterhouseCoopers ABAS Limited

Statements of Cash flows  
For the years ended 31 March 2019 to 31 March 2021

(Unit: Thousand baht)

	Audited		
	Mar 31,2021	Mar 31,2020	Mar 31,2019
<b>Cash flows from operating activities:</b>			
Profit before income tax for the year	1,296,357	2,445,764	2,430,915
Adjustments to reconcile profit before income tax			
For the year to net cash provided by operations:			
Depreciation	1,273,477	1,199,995	1,020,563
Amortisation	282,503	245,385	228,989
Interest income	(20,454)	(53,823)	(71,138)
Share profit (loss) from investments in associates	(241,893)	(318,8370)	(316,180)
Dividend income from			
- Long-term investments	(60,398)	(86,131)	(71,979)
Gains on disposal of property , plant and equipment , net	(3,338)	(10,124)	(4,119)
(Reversal of) Allowance for doubtful account	-	-	(3,413)
-Loss from changes in fair value of derivatives	239	-	-
Reversal of allowance for slow moving inventories and net	(223)	1981	(7,615)
realizable value lower than cost of inventories			
(Reversal of ) Allowance for net realisable value lower than cost of	(1,559)	(3,507)	5,066
inventories			
(Reversal of) Allowance for obsolete and slow moving inventories	-	-	-
and net realisable value lower than cost of inventories			
- Corporate income tax refund offset against withholding tax	-	-	-
on dividend and surcharge			
(Reversal of ) Provision for post-employment benefit	54,351	127,458	28,844
Unrealised gain on exchange rates	(7,793)	(1,369)	(792)
Cash flows before changes in operating assets and Liabilities	2,571,269	3,546,791	3,239,143
Changes in operating assets and liabilities			
Trade and other account receivable	76,348	(88,344)	(202,338)
Inventories	467,230	159,178	(422,504)
Other current assets	32,129	6,317	(28,278)
Other non-current assets	(7,341)	(234)	14,881
Trade accounts payable- other companies	(7,633)	(95,716)	86,671
Trade accounts payable related parties	(29,013)	17,493	51,578
Other accounts payable other companies	(22,185)	(88,960)	117,088
Other accounts payable related parties	98,881	(1,459)	(1,746)
Accrued expenses	(24,543)	31,821	13,349
Payments for post-employment benefits obligation	(27,209)	(7474)	(3,264)
Cash generated from operation	<b>3,127,833</b>	<b>3,479,412</b>	<b>2,864,579</b>
- Interest received	9,706	16,431	16,020
- Income tax paid	(264,735)	(420,785)	(376,829)
<b>Net cash received from operating activities</b>	<b>2,872,904</b>	<b>3,075,058</b>	<b>2,503,770</b>

Statements of Cash flows  
For the years ended 31 March 2019 to 31 March 2021

(Unit: Thousand baht)

	Audited		
	Mar 31,2021	Mar 31,2020	Mar 31,2019
<b>Cash flows from investing activities:</b>			
Loans made to employees	(101,101)	(460)	(81,931)
Loans repayments from employees	82,553	32,688	41,288
Purchases of property , plant and equipment	(1,603,827)	(3,298,191)	(2,647,384)
Proceeds from disposals of property , plant and equipment	4,216	10,175	4,154
Interest received on short-term investments held to maturity	17,313	41,753	59,497
Cash receipts from sale of long-term investment	-	(16,980)	-
Dividends received from			
- Financial assets measured at fair value through other comprehensive income	60,398	86,131	-
- Investment in associates	101,173	97,734	83,517
- Long-term investments	-	-	71,979
Purchase of intangible assets	(231,373)	(351,220)	(426,792)
Cash receipts from short-term investment held to maturity	2,697,000	4,806,000	10,647,000
Cash payment on short –term investment held to maturity	(3,789,000)	(2,347,000)	(10,059,550)
<b>Net Cash used in investing activities</b>	<b>(2,762,648)</b>	<b>(939,370)</b>	<b>(2,308,223)</b>
<b>Cash flow from financing activity :</b>			
Dividends paid	(632,155)	(631,619)	(536,374)
<b>Net cash used in financing activities</b>	<b>(632,155)</b>	<b>(631,619)</b>	<b>(536,374)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(521,899)</b>	<b>1,504,070</b>	<b>(340,827)</b>
Cash and cash equivalents at beginning of the year	3,177,436	1,671,997	2,012,032
Effects of exchange rate changes	7,793	1,369	792
<b>Cash and cash equivalents at end of the year</b>	<b>2,663,330</b>	<b>3,177,436</b>	<b>1,671,997</b>
Non – cash transaction :			
Outstanding liabilities arisen from purchases of plant , Equipment and intangible assets	28,696	480,529	744,348
Accrued dividend income from investment in associate	-	956	13,955

## Thai Stanley Electric Public Company Limited

## Ratio of financial statement

(The Company Only)

		Audited		
		Mar 31,2021	Mar 31,2020	Mar 31,2019
Liquidity Ratio				
Current Ratio	(Times)	4.07	3.24	3.13
Quick Ratio	(Times)	3.80	2.82	2.72
Cash Ratio	(Times)	1.29	1.15	1.01
Receivable Turnover Ratio	(Times)	4.53	6.25	5.98
Collection Period	(Days)	79.47	57.60	60.20
Inventory Turnover	(Times)	119.25	154.28	132.70
Sale Period	(Days)	3.02	2.33	2.71
Account Payable Turnover	(Times)	5.98	5.87	6.11
Payment Period	(Days)	60.50	61.33	58.92
Cash Cycle	(Days)	21.99	(1.40)	3.99
Profitability Ratio				
Gross Profit Margin	(%)	15.14	18.55	18.93
Operation Profit Margin	(%)	8.99	14.04	14.45
Other profit Margin	(%)	_**	_**	_**
Cash margin	(%)	272.45	144.58	118.40
Net profit margin	(%)	8.93	12.96	13.27
Return on Equity	(%)	5.89	12.00	12.97
Efficiency Ratio				
Return on Assets	(%)	5.06	10.08	10.93
Return on Fixed Assets	(%)	24.68	37.14	45.20
Asset Turnover	(Times)	56.74	77.80	0.82
Financial Policy Ratio				
Debt to Equity	(Times)	0.15	0.18	0.21
Interest coverage Ratio	(Times)	_**	_**	_**
Fixed Charge Coverage	(Times)	0.85	1.96	0.88
(CASH BASIS)				
Pay- out Ratio	(%)	*	34.72	35.28

\* It will be approved from the ordinary shareholders' meeting year 2021 and calculate from Net Profit – The company only

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

## 14. Management Analysis and explanations

### 14.1 Overview results operations

In 2020, the overall performance of the company has decreased as a result of the COVID-19 situation. That affect the business system both in the country and abroad around the world. The company had total revenues of 11,889.62 million baht, a 22.59 % decrease from the previous year, in line with the automobile industry, as the domestic sales declined 21.43% and the export sales decreased 30.17% and Motorcycle sale decrease 11.81%.

Net profit decrease 46.87% from Sales have dropped dramatically. Moreover, the company has fixed costs such as depreciation that comes from investment in manufacturing plants during the past year and employee expenses such as salaries throughout the year the company has no layoffs , so we can not to reduce costs until the breakeven point is maintained

#### Operating result and profitability

In 2020, sales and service revenues accounted for Baht 11,727.61 million, decreased 22.59% from the previous year . Details of the sales are as follows.

Domestic sales Baht 7,698.72 million, or 65.65% of total sales , decreased 20.26%. Export sales Baht 4,028.89 million, or 34.35% of total sales and decreased 26.68% , This is in line with the automotive industry impacted by the COVID-19 situation.

In terms of product categories, sales of Auto Bulbs total Baht 360.52 million or 3.07% of total sales and decreased 19.89% from the previous year. Sales of auto lamps accounted for Baht 10,764.46 million, or 91.79% of total sales and increased 22.54% from the previous year. Mold and design sales total Baht 602.63 million. or 5.14% of total sales and decreased 24.91% from the previous year.

Other incomes total Baht 162.01 million, decreased 38.57% from the previous year, most of which were from dividend income was 37.28% , Net gain from exchange rate 14.87%, interest income 12.62%, and other income was revenue from sales of scrap raw materials and defect from production, accounting for 15.62% , In Expenses , Costs of sales total Baht 9,951.85 million, or 84.86% of total sales , decreased of 19.35%.

Gross profit total Baht 1,775.76 million, or 15.14% of total sales and which increased 36.82% from the previous year .

Sales and administrative expenses total Baht 883.30 million or 7.53% of total sales. This increase 6.78% from the previous year and most of which were from company overall operating result decreased.

Operation profits total Baht 1,054.46 million, or 8.99% of total sales and decreased 9.80% from the previous year. Net profit meanwhile total Baht 1,061.34 million, or 9.05% of total sales and decreased 46.87% from the previous year.

#### Asset Management

##### Total Assets

As of March 31, 2021, The company's total assets stood at Baht 21,542.61 million, an increase of 5.76% from the previous year , Details are as follows.

Current assets total Baht 8,000.16 million or 37.14% of total assets, which increased 0.13% from the previous year. That consists of items are important as follows:

Current assets consisted of cash and cash equivalents total Baht 2,663.33 million or 12.36% of total assets and decrease by 16.18%; from fixed bank deposits, not more than 3 months Baht 2,348.00 million decreased 20.14% from

the previous year that from changing the type of deposit to savings bank deposit Bath 215.93 million increased 149.79 from the previous year.

Short-term investment total Baht 2,258.00 million or 10.48% of total assets, which was increased 93.65% 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 2,550.5 million, or 11.84% of total assets and decreased 3.15% from the previous year, from the overall sale decreased.

Non-current assets Bath 13,542.45 million or 62.86% of total assets, increased 9.39% from Financial assets measured at fair value through other comprehensive income Baht 1,336.75 million or 6.21% of total assets, increased 100% Due to the first time of new financial reporting standards on financial instruments TAS 32 and IFRS9, Investment in an associate Baht 1,710.12 million or 7.94% of total assets increased 7.08% from the previous year, Net property, plant and equipment total Baht 9,402.86 million or 43.65% of the total assets, which decreased 1.20% from the previous year.

This is because the company's profit has decreased significantly from the previous year. As a result, the rate of return on total assets dropped significantly to 5.06%, which previous year was 10.08%, and the return on fixed assets was 24.68% decreased from the previous year that of 37.14%. The asset turnover rate was 0.57 times, slightly lower than the previous year that was 0.78 times.

#### Total Liabilities

#### Equity

Total liabilities were Baht 2,824.83 million, or 13.11% of total assets, decreased 7.33% from the previous year. Due to the decrease in production, purchases of various purchases were also decreased. The Payable Turnover Ratio total 5.95 times, a slight increase from the previous year's rate of 5.87 times.

#### Shareholders' Equity

Total shareholders' equity was Baht 18,717.78 million, or 84.35% of the total assets or an increase by 8.06% from the previous year. And from the net profit decreased so the Return on Equity (ROE) was 5.89%, significant drop from the previous year that of 12.00%.

#### Liquidity and Capital Adequacy

Net cash and cash equivalents total Baht 2,663.33million, which decreased 16.18% from the previous year. Due to lower income but the company increased the short-term investment in fixed-term bank deposits with maturity periods of 3-12 months to increase of 61.44%. This led to the liquidity ratio of 4.07 increased from the previous year that of 3.24%. From the cash flow statement, The Company has cash generated from operating activities of 2,872.90 million baht, net cash used in investing activities of 2,762.65 million baht and financing activities by The company pays a dividend of 632.16 million baht.

In 2020, the company has also invested in Lamp 8 factory buildings as a continuous investment from the year 2019 to support more technology and electrical production. As well as investing in mold parts for use in the production of new automotive lighting products that to be continued.



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 was slightly down from last year's 0.18, due to new construction and increasing purchases of raw materials. However, the ratio was considered very low considering that the level of debt was very small compared to the asset size.

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

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

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

## CERTIFICATION OF THE ACCURACY OF INFORMATION

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

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

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

(3) We are responsible for good internal control and overseeing the conformity to such system. We informed the internal control evaluation as at May 14, 2021 to the auditors and the Audit Committee. The report included any shortcomings and major changes in the internal control system as well as any dishonesty that might affect the financial statements of the Company and subsidiaries.

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

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

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

## Attached 1

( List of Directors , Managers , and experience)

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

1.Name – Surname	<b>Mr. Apichart Lee-issaranukul</b>		
Position	Executive Chairman and Executive General Manager Administration Division.		
Date of Appointment	Year 1988		
Age	58		
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 31/03/2021)	7.11%		
Relations	Son Mr.Vitya Lee-issaranukul and Mrs.Porndee Lee-issaranukul		
	Brother Mr.Thanong Lee-issaranukul,Mrs. Pimjai Lee-issaranukul		
	and Mrs. Pornpip 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	<b>Mr. Koichi Nagano</b>		

Position	President
Date of Appointment	July 3, 2009
Age	61
Education Degree	Bachelor of The Faculty of Engineering , Hosei University , JAPAN
% of Holding (as 31/03/2021)	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. Nov 2019 – Present Director Electro Polymers (PVT)
- Other	2011-2019 Deputy Chairman Stanley Thailand Foundation 2019-Present Chairman Stanley Thailand Foundation

### 3.Name – Surname

**Mr. Etsuya Kawashima**

Position	Director and Executive General Manager Lighting Equipment Division
Date of Appointment	July 3 , 2020
Age	54
Education Degree	Bachelor Faculty of Engineering , Nihon University , JAPAN
% of Holding (as 31/03/2021)	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	61		
Education Degree	Bachelor of Business Administration – Commercial , Nanzan University, JAPAN.		
Training	Certificate Director Accreditation Program Thai Institute of Director (IOD)		
% of Holding (as 31/03/2021)	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	60
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 31/03/2021)	3.71%
Relations	Daughter Mr.Vitya Lee-issaranukul and Mrs.Porndee Lee-issaranukul Sister Mr.Apichart Lee-issaranukul , Mr.Thanong Lee-issaranukul and Mrs.Pornpip 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. 2010- Present Global Advisory Board Member Babson College , Ma, U.S.A
- Others	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	54
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 31/03/2021)	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	62
Education Degree	Bachelor Faculty of Electric Engineering , Hosei University , JAPAN
% of Holding (as 31/03/2021)	None
Relations	None
Working Experience and Position	
- Listed Companies in SET	2012 – Present Director Thai Stanley Electric PCL.
- Non Listed Companies	2017- Present Managing Director Stanley Electric Co.,Ltd.
	2012 – 2562 Director SL Lighting Corporation
	2012 – Present Director Stanley Electric U.S.Co.,Inc
	2014 – Present Director Asian Stanley International Co.,Inc.
	2014 – Present Director Stanley Electric Sales of India PVT.Ltd.
	2014 – Present Director Stanley Electric Trading (Shenzhen) Co.,Ltd.
	2014 – Present Director Stanley Electric Holding Asia-Pacific PTE .Ltd.
	2014 – Present Director Stanley Electric Korea Co.,Ltd.
	2014 – Present Director Stanley Electric (Asia Pacific) Ltd.
	2014 – Present Director Vietnam Stanley Electric Co., Ltd.
	2014 – Present Director Lumax Industrial Ltd.
	2014 – Present Director PT.Indonesia Stanley Electric Co., Ltd.
	2015 – Present Director Tianjin Stanley Electric Technology Co.,Ltd.
	2019 – Present Director Stanley Electric Philippine

8.Name – Surname	Mr. Katsutoshi Iino		
Position	Director		
Date of Appointment	July 4 , 2014		
Age	60		
Education Degree	Bachelor of Economy Industrial Management , Nihon University , Japan		
% of Holding (as 31/03/2021)	None		
Relations	None		
Working Experience and Position			
- Listed Company in SET	2014 - Present	Director	Thai Stanley Electric PCL.
- Non Listed Companies	2008 - Present	President	Stanley Electric PAL Co.,Ltd.
	2012 - Present	President	Stanley Electric Holding of America , President Stanley Electric Holding Europe Co.,Ltd.
	2013 - Present	President	Stanley Electric Holding Asia-Pacific PTE , Ltd. President Stanley Electric (China) Investment Co.,Ltd.

9.Name – Surname	<b>Mr. Krisada Visavateeranon</b>
Position	Independent Director and Audit Committee Chairman
Date of Appointment	October 15 , 1999
Age	71
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 31/03/2021)	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 – Present Audit Committee Textile Prestige PCL
- Non Listed Company	2012 – Present Director Wazeda Education (Thailand) Co.,Ltd.
- Other	Dec2020- Present Chancellor Thai-Nichi Institute of Technology

10.Name – Surname	<b>Mr.Chokechai Tanpoonsinthana</b>
Position	Independent Director and Audit Committee
Date of Appointment	March 31, 2000
Age	73
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 31/03/2021)	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	2013 – 2019 Independent Director and Audit Committee Witcorp Co.,Ltd.

11.Name – Surname	<b>Mr.Suchart Phisitvanich</b>
Position	Independent Director and Audit Committee
Date of Appointment	June 7 , 2010
Age	75
Education Degree	Master of Electrical Engineering Louisiana Tech University USA. Bachelor of Electrical Engineering Chulalongkorn University
Training	Certificate - Director Certification Program , Audit Committee Program , Financial Statements for Director , Board Matter & Trends 6/2018 Thai Institute of Director. (IOD)
% of Holding (as 31/03/2020)	None
Relations	None
Working Experience and Position	
- Listed Company	2010-Present Independent Director and Audit Committee Thai Stanley Electric PCL. 2006-Present Executive Advisor for the Board Navanakorn PCL. 2016 – 2019 Chairman Fancy Wood Industry PCL.
- Non Listed Company	2006-Present Director Investor Club Association 2011 – Present Monitoring and Evaluation Committee Ministry of Industry

12.Name – Surname	<b>Mr.Picharn Sukparangsee</b>
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Position	Independent Director
Date of Appointment	June 7, 2010
Age	60
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 31/03/2021)	None
Relations	None
Working Experience and Position	
- Listed Company in SET	2010 – Present Independent Director Thai Stanley Electric PCL.
- Non Listed Company	1987 – 2005 Associate / Partner International Legal Counsellors Thailand 2005 – 2015 Director Siam City Law Offices Limited 2015 – Present Managing Director Bangkok Global Law Offices Limited

13.Name – Surname	<b>Mr. Kazunori Nakai</b>
Position	Executive General Manager Marketing Division
Date of Appointment	November 6, 2018
Age	59
Education Degree	Bachelor of Arts , Law and Politics Department Law and Politics College , Rikkyo University , JAPAN
% of Holding (as 31/03/2021)	None
Relations	None
Working Experience and Position	
- Listed company in SET	2018 – Present Executive General Manager , Marketing Division Thai Stanley Electric PCL.
- Non Listed Company	2001 – 2011 General Manager Electronics Sales Division Stanley Electric Co.,Ltd. 2011 – 2016 General Manager LED Division / Sale Department Stanley Electric Co.,Ltd. 2016 – 2018 President Stanley Electric (Asian Pacific ) Co.,Ltd.

14.Name – Surname	<b>Mr.Hitoshi Omiyama</b>
Position	Executive General Manager Die&Mold Division
Date of Appointment	July 3 , 2020
Age	56
Education Degree	Bachelor Department of Mechanical Engineering , Kanagawa , Japan
% of Holding (as 31/03/2021)	None
Relations	None
Working Experience and Position	
- Listed Company in SET	July 2020 – Present Executive General Manager, Die&Mold Division Thai Stanley Electric PCL.
- Non Listed Company	Apr 2015 – May 2016 Section Manager Tooling Procurement Section Technology Tooling Center Stanley Electric Co.,Ltd.

15.Name – Surname	<b>Mr.Kasuya Shiraishi</b>
Position	Executive General Manager DC Center
Date of Appointment	October 30 , 2020
Age	55
Education Degree	Bachelor of Engineering, Mechanical Engineering Tokyo City University, Japan
% of Holding (as 31/03/2021)	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>Mrs.Sudjai Srifuengfung</b>
Position	Company Secretary
Date of Appointment	July 4 , 2008
Age	62
Education Degree	Bachelor of Accountancy Thammasart University
Training	Effective Minute Taking (EMT) Corporate Secretary Development Program –Chulalongkorn University Company Secretary Program - Thai Institute of Director. (IOD) Registration system of listed companies FTI Business Administration FIBA # 1 The Federation of Thai Industries
% of Holding (as 31/03/2021)	None
Relations	None
Working Experience and Position	
- Listed Company	1999 – 2002 Department Manager Accounting & Financial Department Thai Stanley Electric PCL. 2002 – 2015 Deputy Executive General Manager Administration Division Thai Stanley Electric PCL. 1999 – 2008 Board of Director Secretary Thai Stanley Electric PCL. 1999 – 2013 Audit Committee Secretary Thai Stanley Electric PCL. 2008 – Present Company Secretary Thai Stanley Electric PCL. 2015 – Present Advisor Administration Division Thai Stanley Electric PCL.
- Non Listed Company	2002 – Present Director Lao Stanley Co.,Ltd.

## 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	48
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 31/03/2021)	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 List	Company	Joint Venture Company	Associate Company	Related companies							
Name List	Thai Stanley Electric Public Company Limited	Lao Stanley Co.,Ltd.	Vietnam Stanley Electric Co.,Ltd.	Stanley Electric Co.,Ltd.	The Sittipol (1919) Co.,Ltd.	Inoue Rubber (Thailand) Public Company Limited	Top Hitech Co.,Ltd.	Sirivit – Stanley Co.,Ltd.	Asian Stanley International Co.,Ltd.	PT. Indonesia Stanley Electric	Electro Polymers (PVT)
1. Mr.Apichart Leeissaranukul*	X	X	/			/		/	//	/	
2. Mr.Koichi Nagano*	/	**					/	/		/	/
3. Mr.Thanong Leeissaranukul*	/				//	/					
4. Mrs.Pimjai Leeissaranukul	/					X					
5. Mrs.Pornpip Sethiwan	/				//	/					
6. Mr.Etsuya Kawashima *	/		/								
7. Mr.Toru Tanabe	/		/	/					/	/	
8. Mr.Katsutoshi Iino	/			/							
9. Mr.Krisada Visavateeranon	/										
10. Mr.Chokechai Tanpoonsinthani	/										
11. Mr.Suchart Phisitvanich	/										
12. Mr.Picharn Sukparangsee	/										

Remark : / = Director

X = Chairman

// = Executive Director

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

\*\* = Honorary 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)

### 3.1 Report of Audit Committee

The Audit Committee of Thai Stanley Electric Public Company Limited was appointed following a resolution at the Board of Directors Meeting, consists of three independent directors, there are Mr. Krisada Visavateeranon as Chairman of Audit Committee, with Mr. Chokechai Tanpoonsinthana and Mr. Suchart Phisitvanich as Audit Committee, who have expertise and also have qualification as required under the Notification of the Office of Securities and Exchanges Commission.

For the fiscal year period from 1 April 2020 to 31 March 2021, the Audit Committee held total of 11 meetings, which were 4 meetings with the auditors without attendance of any management, all members of the Audit Committee were attend every meeting. In which each meeting was meeting with auditors, internal auditors and management according to the relevant agendas to discuss significant matters and acknowledgments of performances result, observations detected as well as problems and obstacles during the operation. The Audit Committee independently reports, expressing opinions and giving recommendations to the Board of Directors. In summary, the key points are as follows

1. Review the financial report, The Audit Committee has reviewed quarterly financial statement and annual financial statement which has been 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 2020 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. 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 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. Consider to nomination appointment and determination of the Auditor's remuneration, The Audit Committee considered performance, experience, audit fees, and compliance with SEC's regulations. The Audit Committee resolved to nominate PricewaterhouseCoopers ABAS Ltd. (PwC) and auditor's remuneration for the Board's to consider and propose to the shareholders for approval in 2021.
7. Review the implementation of anti-corruption criteria. The Audit Committee has reviewed the company's operations in accordance with the anti-corruption measures of the Private Sector Collective Action Coalition Against Corruption Project. In which the company is in the process of improving its operations in accordance with the new requirements in order to join the announcement of intent against corruption. The Audit Committee has opinion that there was no significant inconsistent with the practice.
8. Evaluate the performance of the Audit Committee, which in 2020 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 2020, the Audit Committee performed its duties with prudent and independent in giving opinions and advices for the highest benefit of the company and also performed its duties in accordance with the Audit Committee charter and assignments from the Board of Directors in full of which the Audit Committee opinioned that the company had compliance system and internal control at the sufficient and appropriate level for the company's business including the company conduct the business with good governance to ensure that the preparation of financial information fully and duly presented facts in material part in compliance with the general accounting standard, disclosed of information to various regulatory agencies correctly, performed duties in compliance with the Good Corporate Governance principles with adequacy, transparency and reliability.

Mr. Krisada Visavateeranon  
Chairman of the Audit Committee

### 3.2 Chief of Office of Internal Audit profile

Name – Surname	Mrs. Nongyao Apirum	
Position	Department Manager , Corporate Governance Department	
Appointment date	4 July 2002	
Age	55	
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)	
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**

( Details on the asset valuation list )





None