

# ANNUAL REPORT

รายงานประจำปี 2560



# 2017



บริษัท ไทยสตีลเคเบิล จำกัด (มหาชน)  
Thai Steel Cable Public Company Limited

# Vision วิสัยทัศน์

## To be world class

automotive control cable manufacturer.  
เป็นผู้ผลิตสายควบคุมยานยนต์ระดับโลก

# Mission ภารกิจ



### Market ด้านการตลาด

Expand to the world market  
มุ่งสู่ตลาดโลก



### R&D ด้านการวิจัยและพัฒนาผลิตภัณฑ์

To be the world class cable designer  
มุ่งสู่การเป็นผู้ออกแบบระดับโลก



### Organization ด้านองค์กร

To be the learning organization  
มุ่งสู่ความเป็นองค์กรแห่งการเรียนรู้



### Product ด้านผลิตภัณฑ์

To be product of world standard quality  
พัฒนาสินค้าให้มีคุณภาพระดับโลก

## Contents

CG checklist	4
Financial highlights	6
Message from the Board of Directors	7
Policy and overall business operations of the company	8
Nature of business	10
Risk factors	15
General corporate	21
Shareholders	22
Dividend payment policy	24
Management structure	25
Corporate governance	47
Social responsibility	49
Internal control and risk management	51
Connected transactions	54
Financial information	56
○ Management Discussion and Analysis (MD&A)	57
○ Independent Auditor's Report	59
○ Statement of Financial Position and Notes	63
Audit fee	96
Directors' Background	98
A press conference / Newsletter regarding the financial position	115
Report of Audit Committee	116
Report of Nomination and Remuneration Committee	119
Report of Corporate Governance Committee	121
Report of Risk Management Committee	122

## CG Checklist

Section	Principle	Annual Report
<b>Section 1 Shareholders' Right</b>	1. Other than voting rights	Page 47 Section 1
	2. The approval of directors' remuneration	Page 40 - 42
	3. To give an opportunity for shareholders to participate in management	Page 47 Section 1
	4. The quality of invitation letter of shareholders' meeting	Page 47 Section 4
	5. The quality of minutes of shareholders' meeting	Page 47 Section 4
	6. The attendance of directors in shareholders' meeting	Page 32
<b>Section 2 Equitable Treatment of Shareholder</b>	1. Voting right	Page 23
	2. Procedure/channel of the appointment of director	Page 47 Section 1
	3. Internal data protection policy	Page 53
	4. Code of conduct : Conflict of interest	Page 50
	5. Report of vested interest policy	Page 55
<b>Section 3 Role of Stakeholders</b>	1. To provide the sustainability reporting	Page 50
	2. Code of conduct : Stakeholders	Page 47 Section 1
	3. Anti-corruption policy	Page 50
	4. Anti-corruption training	Page 50
	5. Channel/process of complaint and protection of complainer	Page 53
	6. Policy of employee remuneration in short and long terms	Page 48 No. 1
<b>Section 4 Disclosure and Transparency</b>	1. The company shall comply with corporate government	Page 47 - 48
	2. Long term goal of the company	Page 2 (Vision, Mission)
	3. Key risks for business operation	Page 15 - 20
	4. Dividend Policy	Page 24
	5. Whistle blowing of illegal activities	Page 53
	6. Details of directors : personal background, remuneration, and meeting attendance	Page 26 - 29, 41, 98 - 112
	7. Directors' training	Page 43 - 44

Section	Principle	Annual Report
<b>Section 5 Board Responsibilities</b>	1. Long term business goal	Page 8 – 9
	2. Directorship in other companies of Managing Director policy	Page 33
	3. To set Compliance unit	Page 25 (Compliance & Investor Relation Department)
	4. Knowledge continuous development for the Board of Directors policy	Page 42
	5. Meetings/ Minimum of quorum not less than two third	Page 48 No. 3
	6. Rule/ Procedure of self-assessment of director and sub-committee	Page 48 No. 4
	7. Succession plan of executives	Page 39 – 40

## Financial Highlights

งบการเงินของบริษัท ณ 30 กันยายน Financial Statement as of September 30	2558 2015	2559 2016	2560 2017
<b>ผลการดำเนินงาน Operating Performance</b>			
รายได้จากการขาย Revenues from Sales	2,828	2,724	2,906
รายได้ทั้งหมด Total Revenues	2,866	2,757	2,939
ค่าใช้จ่ายรวม Total Expenses	2,704	2,595	2,735
กำไรก่อนต้นทุนทางการเงินและภาษีเงินได้ Earnings Before Finance Costs and Income Tax	162	162	204
กำไรสุทธิ Net Earnings	144	132	176
<b>ฐานะทางการเงิน Financial Situation</b>			
สินทรัพย์หมุนเวียน Current Assets	1,378	1,440	1,565
สินทรัพย์รวม Total Assets	2,791	2,751	2,782
หนี้สินรวม Total Liabilities	1,141	1,112	1,097
ส่วนของผู้ถือหุ้น Shareholders' Equity	1,650	1,639	1,685
<b>ข้อมูลต่อหุ้น (หน่วย : บาท) Per Share Data (Unit : Baht)</b>			
กำไรสุทธิต่อหุ้น Earnings per Share (EPS)	0.56	0.53	0.68
เงินปันผลต่อหุ้น Dividend per Share	0.50	0.50	0.80
มูลค่าตามบัญชีต่อหุ้น Book Value per Share	6.35	6.31	6.48
<b>อัตราส่วนทางการเงิน (หน่วย : %) Financial Ratios (Unit : %)</b>			
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น (เท่า) Debt/Equity Ratio	0.69	0.68	0.65
อัตรากำไรสุทธิต่อรายได้รวม Net Earnings Margin	5	5	6
อัตราผลตอบแทนต่อส่วนผู้ถือหุ้น Return on Equity (ROE)	9	8	10
อัตราผลตอบแทนจากสินทรัพย์รวม Return on Asset (ROA)	5	5	6



## Message from the Board of Directors

In 2017, Thailand's automotive industry had been in line with the previous year. Even the exports declined from global economic and political situations, the domestic market still increased from strong government support and automotive marketing promotions. The Company, nevertheless, moved in compliance with its business plan accordingly, reducing costs without compromising the highest level of product quality. Everyone was committed to the development of environmentally friendly production process and the achievement of optimal resource utilization by collaborative efforts of every employee. As a result, the Company delivers quality products at the right cost and constantly pursuing research and development. In this regard, the aim is to increase production efficiency and the level of international competitiveness. Besides the business plan, the Board also upholds the Company's philosophy:

**“Achieve work-life balance, create the highest value for all concerned, grow people and organization, and make continual progress for the betterment of society.”**

This philosophy encourages people in the organization to discern the values of people, society, environment, ethics, knowledge, and quality; to understand social responsibility practices; and to ensure that the society and environment can co-exist in a balanced and sustainable manner better.

In 2018, the Company continued adherence and implementation of the business plan as well as the previous year. The commitment of management under the good corporate governance policy, make a conscious effort to maintain social, community, and environment as well as the importance of involving all stakeholders. According to the principle of social responsibility of business in an ethical, transparent business practices on the anti-corruption court corruption in all its forms. To bring the Company to a truly sustainable success.

The Board keeps abreast of changing trends in global and local circumstances, uphold the principle of sustainable business, and implement an internationally recognized risk management system which conforms to international standards in order to prepare the organization to effectively deal with external and internal changes.

The Board of Directors would like to express sincere appreciation to all shareholders and stakeholders as well as management executives and employees for collaborative efforts that could be attributed to the Company's success over the years. You all may rest assured that the Board will resolutely oversee our business to achieve secure and stable growth in the long run.



Mr. Sunsum Jurangkool  
Chairman of the Board of Directors

## Policy and overall business operations of the company

Thai Steel Cable Public Company Limited operates businesses pertaining to automobile and motorcycle control cables and automobile window regulators which are generally sold to leading automakers and motorcycle manufacturers as well as parts centers and retailers in local and foreign markets. Its trademarks include  as well as  of Hi-Lex Corporation. Under the licensing and technical assistance contract entered with Hi-Lex Corporation, the Company has to pay royalty fee to Hi-Lex Corporation.

Over a very long time, the Company has earned trust from automakers and motorcycle manufacturers for high-quality products and decent prices as well as outstanding pre-sales and after-sales services.

### Overall business operations

In the past year was the year of global change, both from political and economic factors which help to stabilize Thailand automotive industry comparing to the previous year. Our company (TSC) still maintains position as the top market share for automotive control cable within Asian. Our business partners are the leading automotive and motorcycle manufacturers who trust in TSC capability to design and produce control cables for their new models launching in Thailand and overseas.

In 2017, the company has been certified by VDA (Verband der Deutschen Automobilindustrie E.V) which is the quality standard for automotive manufacturer in Europe. Due to the challenges in the automotive industry which constantly changes, the company realizes the necessity to improve our capability as well to develop company working procedure in according to Industry 4.0 to enable our response simultaneously to the change of economic situation from inside and outside. Together with research and development on new technology to reduce cost efficiently, by maintaining high quality of products. The company builds up production process which is environmental friendly, maximize the resource, transfer and exchange of knowledge within organization and business partners in order to have sustainable business growth together.

### Business Goals

Our core company objective is to be the world class in automotive control cable and window regulator manufacturer. The most important factors which encourage our business objective to achieve the target is how to control our product quality, production cost, conveyance's accuracy and more engagement with the oversea customer. In term of product improving, we keep monitor our quality to gratify customer requirement. Moreover, we still improve our facilities for better quality of goods and more reliability. In addition, we are developing our production line to be automatic which will be useful in the future like we can reduce our defect ratio and number of workers as well.

The additional important factor for automotive manufacturer is design and development. We had designed and developed with both of domestic and oversea automaker. Besides, we also develop together with the leading educational institution in Thailand for improving engineering quality which is the continual of our business vision as world class automotive control cable who is social and environmental responsible, in accordance to principle of corporate Governance which emphasize on the sustainability of every sectors.

## Nature of business

### Corporate Background and Major Developments

Thai Steel Cable Company Co., Ltd. (TSK) was established on June 12, 1978. Two principal founders of the Company are Mr. Sunsum Jurangkool and Mr. Choothong Patanatmarueng. Initially, the Company's registered capital was 4 million Baht and its production capacity was 250,000 pieces per year. Subsequently, the Company increased its registered capital and engaged in a joint venture with HI-LEX Corporation, which is a major producer of automobile and motorcycle control cables in Japan.

In 2005, the Company became a public company listed in the Stock Exchange of Thailand. The company was renamed as Thai Steel Cable Public Company Limited but the shareholding remained same.

### Key changes and developments

Year	Description
2015	<ul style="list-style-type: none"> <li>- Received GM Supplier Quality Excellence Award 2014 from General Motors (Thailand) Ltd. The award was presented to parts suppliers with outstanding quality performance for year 2014</li> <li>- Received the Top Supplier Award from Auto Alliance (Thailand) Co., Ltd. This award was presented to manufacturers with outstanding VA/VE activities for year 2014.</li> <li>- Received the winner's award for the Graduate Group of TCC-HRD Activities for year 2014 from Toyota Motor Asia Pacific Engineering &amp; Manufacturing Co., Ltd. This award was presented to parts manufacturers that achieved outstanding performance related to development of work knowledge and skills as well as leadership of production supervisors.</li> <li>- Received the Outstanding Logistics Management Award for year 2014 from the Department of Primary Industries and Mines under Ministry of Industry. The award was presented to companies with efficient logistics management.</li> <li>- Received the certificate of merit for operational success and A grade audit results in connection with assessment of safety activities conducted by affiliated companies of parts manufacturers of Toyota Motor Asia Pacific Engineering &amp; Manufacturing Co., Ltd. As the Company earned grade A from this audit, it was chosen as a presenter at the 9<sup>th</sup> TCC-Safety Activity 2014: Final Conference."</li> <li>- Received the national-level outstanding company award in the area of occupational safety, health and environment for year 2015 from the Department of Labor Protection and Welfare under the Ministry of Labor.</li> <li>- Received the certificate of merit for safe workplace in honor of Princess MahaChakriSirindhorn from the Chonburi Labor Protection and Welfare Office under the Ministry of Labor</li> </ul>

Year	Description
2016	<ul style="list-style-type: none"> <li>- Received "Green Certificate Level 3 (Green System)" from the Ministry of Industry to certify that our company comply with a systematic environmental management as well as follow up, evaluate and review for continuous improvement.</li> <li>- Received "J.I.T.Service Parts Supplier Performance Award" from Toyota Parts Center Asia Pacific Co., Ltd. as result from excellent performance in quality assurance.</li> <li>- Received Best Organization award for training and development of personnel for improving efficiency of Energy Management from Department of Alternative Energy Development and Energy Conservation together with KhonKaen University.</li> <li>- Received Thailand's Private Sector Collective Action Coalition Against Corruption Certificate from CAC Council.</li> <li>- Received the outstanding award of Workplace Health, Safety and Environment in the working place in nationally level in 2016 from Ministry of Labor. The Company received this award for the second year in a row.</li> <li>- Received "GM Supplier Quality Award 2015" from General Motors (Thailand) Limited. The award is granted to product supplier with excellent quality of 2015.</li> </ul>
2017	<ul style="list-style-type: none"> <li>- Received certificate of appreciation from Toyota Co-operate Club to support and acted as the safety consultant and auditor to Toyota's supplier in "11st TCC Safety Activity 2016 Final Conference".The activity guarantees that all suppliers will commit to perform the relevant duties to enhance their safety management system and to ensure highest safety for employees.</li> <li>- Received the performance award from Isuzu in "Best in Spare Parts Delivery".</li> <li>- Received the "Quality Achievement" award from Mitsubishi Motor (Thailand) Co., Ltd.</li> <li>- Received the Green Industry Certificate in Level 4 (Green Culture) from the Ministry of Industry. The "Green Culture" is a way that all members of the organization cooperate to create environmental-friendly in all aspects of business operations. Then such becomes a part of corporate culture.</li> <li>- Received the "Regional Supplier Quality Award Finalist" from Nissan Motor (Thailand) Co., Ltd.</li> </ul>

### Products

Business of Thai Steel Cable Public Company Limited may be classified according to 2 categories as follows:

- 1) Control cable business, comprising
  - automobile control cables, such as hood release cables, trunk opener cables, engine start cables, and transmission cables
  - motorcycle control cables, such as brake cables, clutch cables, tachometer cables, and accelerator cables
- 2) Window regulators using cable for all types of automobile

Production of automobile control cables and window regulators using various types of control cables mentioned above. The Company manufactures these products under the license and technical assistance agreement between the

Company and Hi-Lex Corporation, which is a leading Japanese vehicle control cable manufacturer and a major shareholder of the Company.

### Revenue structure

The Company supplies products to both domestic and international partners. Summary of the company's revenue by products during 2015 - 2017 are as followed :

Product line	2015		2016		2017	
	Revenue Million Bt.	Ratio (%)	Revenue Million Bt.	Ratio (%)	Revenue Million Bt.	Ratio (%)
<b>Revenue from domestic sales</b>	2,675	93	2,542	92	2,771	94
- automobile control cables	1,859	65	1,853	67	2,018	69
- motorcycle control cables	356	12	326	12	364	12
- automobile window regulators	460	16	363	13	389	13
- others	-	-	-	-	-	-
<b>Revenue from overseas sales</b>	153	5	182	7	135	5
- automobile control cables	9	-	14	1	8	0
- motorcycle control cables	1	-	-	-	-	-
- automobile window regulators	1	-	-	-	-	-
- others	142	5	168	6	127	4
<b>Other income</b>						
- others	37	1	33	1	33	1
<b>Total revenues</b>	<b>2,865</b>	<b>100</b>	<b>2,757</b>	<b>100</b>	<b>2,939</b>	<b>100</b>

### Customer Satisfaction

To evaluate performance of the Company in quality, cost, delivery, and new model, the Company will compare result by annually in order to improve and develop to meet the needs of customers at most efficient.

The result of the annual customer satisfaction survey 2017 as followed.  
(Total is 100%)

Customer Satisfaction	2016	2017
Quality	88%	84%
Cost	80%	79%
Delivery	90%	87%
New model	87%	82%
Overall	<b>86%</b>	<b>84%</b>

## **Industrial Trends and Competitive Situation in the Future**

### **Overview of the automotive industry in 2017**

Last year was a year of change which affected globally from numerous factors both economics and politics which makes Thai's automobile industry rather stable compared to the previous year. However, the Company still enjoys the highest market share of the automotive control cable in the ASEAN region. The main target customers are the lead automobile and motorcycle manufacturers. Besides, the Company is trusted by the customers as the manufacturer and designer of the control cable for the new models within Thailand and abroad. In 2017, the Company certified by VDA (Verband der DeutschenAutomobilindustrie E.V.) which is the European standard of the automobile manufacturer. As the continuous challenges within the industry, the Company realized the necessity of the capacity development and improving the manufacturing processes on the basis of 4.0 in order to brace for the effects of the economic fluctuation internally and externally. Together with the R&D (Research and Development) and adoption of new technologies for the efficient cost reduction while maintaining similar product quality. The Company has conducted the environmentally friendly manufacturing processes by utilizing all production resources efficiently. Furthermore, the knowledge management program conducted within the Company, intercompany and business partner are all lead to success.

### **Trends of the automotive industry in 2018**

The main goal of the company is to be the global manufacturer of the control cable for automobile and motorcycle and window regulator. The Company realized that in order to achieve according to the spoken earlier, it needs to improve the product quality, control the production cost, increase the product delivery efficiency and also make a better relationship between the international customers (Automobile manufacturers). In order to maintain and improve the product quality according to the need of automobile and motorcycle manufacturers, the Company is continuously improving the production systems, therefore, the higher product quality which gains the customer trust. The Company is moving toward production automation which helped reducing human error and decrease amount of manpower in the production lines including other production systems e.g. Warehousing system, Transport system etc.

Another important factor for the auto parts manufacturers is the R&D, the Company has been continuously working with the automobile manufacturers both within Thailand and abroad for product design and improvement. The company has also been working with the lead academic institutes for improving the product engineering aspect quality which sustains the Company's vision "To be world class automotive control cable manufacturer", which makes the Company continue to grow sustainably with the social and environmental responsibility according to the good corporate governance principles.

## Statistics of automobile and motorcycle manufacturing

(Volume: units)

Year	Automobile				Motorcycle			
	Total product ion output	Domesti c sales	Export sales	Volume growth (%)	Total product ion output	Domesti c sales	Export Sales	Volume growth (%)
2015	1,913,002	799,632	1,204,895	2	1,807,325	1,639,090	939,980	(2)
2016	1,944,417	768,788	1,188,515	2	1,820,358	1,738,231	924,917	1
2017*	1,477,744	629,004	848,740	(32)	1,552,667	1,283,550	269,115	(17)

\*Cumulative data over a period of nine months (January – September)

Source: The Federation of Thai Industries as of September 30, 2017

## Risk factors

**Risk factors affecting the Company's business operation include the followings:**

### 1. Risks from reliance on majority shareholders

The Company entered into a technical assistance agreement pertaining to trademark rights of the **HI-LEX CORPORATION** and "HI-LEX" brands as well as technical supports for production of automobile and motorcycle control cables and cable-type window regulators. These present written agreements with HI-LEX Corporation.

In addition, the Company purchases certain raw materials and components from HI-LEX Corporation since these raw materials and some types of components cannot be procured from local sources in Thailand or low usage volume is not economically feasible and does not warrant production at its own facilities. Nevertheless, there is no contractual provision that imposes restriction on procurement of raw materials between both parties.

Regarding risks associated with procurement of raw materials and components, the Company can procure such materials from other firms in Japan instead of HI-LEX Corporation. However, this might entail prices and trade terms that differ from original terms and conditions. Moreover, the Company endeavored to source more raw materials and components from local manufacturers to reduce costs, particularly transportation cost and import tariffs.

Regarding risks arising from such agreements, it is anticipated that HI-LEX Corporation definitely renews the contract because it is a major shareholder in the Company and the Company already received an assurance in writing. Therefore, when the present agreements, each renewal will be effective for a period of five years (this is the contract renewal policy of HI-LEX Corporation which applies to all affiliated companies in its group). In addition, both companies have been joint venture partners and enjoyed a good partnership for more than 40 years. The Company is therefore confident that HI-LEX Corporation will remain a shareholder and continue to support the Company for years to come.

Consequently, these risks are rather low.

### 2. Risks from foreign competition

The Company may face risks arising from new competitors which are foreign companies relocating their parts production bases to Thailand under provisions of free trade agreements. Key attributes which enable proprietors to maintain their competitiveness include quality, production cost that fulfills customer requirements, on-time delivery and after-sales services which will boost customer confidence. In this regard, the Company formulated crucial marketing strategies, that is, focus on high-quality products in conjunction with implementation of an effective cost reduction program, on-time delivery and suitable, competitive product pricing. Moreover, the Company has customers which are leading manufacturers in Thailand, whose good business relationship has been maintained over the years; and with its own product testing facility, the Company could also reduce operational time, cost and expenses.

Consequently, market entry risk of any foreign competitor which can compete at the same level is rather low due to high investment and lack of capability to run a fully integrated operation similar to the Company.

### **3. Risks from fluctuation of raw material prices**

In 2017, the Company purchased basic raw materials, including steel, metal wire, plastic pellets and rubber, valued more than 58% of the total value of raw materials and components purchased by the Company. The prices of these raw materials were affected from fluctuation of trading prices based on supply and demand situations of these basic raw materials in the world market, and such factors are beyond the control of the Company.

Nevertheless, if fluctuation of raw material prices is significant, the Company can adjust product prices that keep up with volatile raw material costs in accordance with terms of a parts buy-sell contract made between the Company and a particular customer. Typically, such contract allows the Company and its customer to review price adjustment on a periodic basis, such as every 6 months or whenever raw material price changes more than 3%. In such case, both parties would mutually agree with each price adjustment, and sometimes customers would also consent to retroactive price adjustment. Such price adjustment helps alleviate impacts from fluctuation of raw material prices. Furthermore, the Company prescribed a policy encouraging manufacturers to reduce production cost so that a decent cost management program could be initiated. Thus, once manufacturers became strong and managed to achieve a low management cost, they would be able to stabilize selling prices even though raw material prices have gone up.

### **4. Risks from foreign exchange rate fluctuation**

In 2017, the Company procured imported raw materials and components, accounting for around 27.06% of the total purchase value of all raw materials and components. Throughout the year, the total purchase value of raw materials and components made in foreign currencies was equivalent to approximately 457 million Baht. Thus, the Company faced risks from foreign exchange rate fluctuation if exchange rates have gone up.

### **5. Risks from reliance on major customers**

At present, the Company has 8 key customers, 7 of which are major automobile manufacturers and 1 of which are major motorcycle manufacturers. Combined sales value to these major customers accounted for around 82% of the Company's revenue in 2017. Consequently, the Company might face income risk if any of these manufacturers curtailed production volume or stopped ordering products from the Company. Such events might adversely affect the Company's business operation, financial status and operating performance in the future.

Nonetheless, the Company has been a manufacturer of automobile and motorcycle control cables as well as window regulators for more than 39 years. Over the years, the Company has boosted its production efficiency up to a reputed level. The Company possesses production technology which earns widely respected quality and efficiency as well as has competitive production cost and its own product testing facility which effectively reduces operational time and improves turnaround time. Furthermore, the Company has maintained business relationship with major automobile

and motorcycle manufacturers for a long time, and its major shareholder, Hi-Lex Corporation, is a leading control cables manufacturer in Japan. Additionally, the Company is also affiliated with Summit Corporation which is a major automobile and motorcycle components manufacturer in Thailand with long experiences in this industry, and Summit Corporation is a manufacturer reputed for its reliable product quality. The product range offered by Summit Corporation covers almost every type of automobile and motorcycle components, such as body parts, seats, side door panels, and so forth. With such attributes, there is a small possibility that these automobile and motorcycle companies will place orders with our competitors instead.

The Company has a risk diversification policy and plans to increase export sale to other countries in order to reduce risks from reliance on major customers.

#### **6. Risks from majority shareholder groups holding shares more than 50% and having management control in the Company, and the interest of majority shareholders may conflict with the interest of the Company and/or other shareholders**

The Company has three groups of majority shareholders, including Jurangkool, Hi-Lex Corporation, and Patanatmarueng (see details in “Securities Information and Shareholders”). As of 30 September 2017, the number of shares held by these three groups totals 209,678,300 shares, or 80.71% of the total paid-up capital of the Company. Consequently, these shareholder groups possess enough shares to control nearly all of shareholders’ votes in their favor, whether it be director’s appointment or any other resolution that requires a majority vote – except legal matters or articles of association that require a three-fourths vote of shareholders’ meeting.

Furthermore, the majority shareholders also have power to control management of the Company. Out of eleven directors, six are the majority shareholders. Therefore, there are potential risks that these shareholders may exercise absolute management power and manage the Company in a way which may conflict with the interests of the Company and/or minority shareholders, causing adversely impacts to the Company’s business.

As a result, other shareholders and minority shareholders may not be able to muster up votes to scrutinize and counter-balance any matters proposed by the majority shareholders.

To prevent such risks, the Company appoints four independent outsiders out of 11 board members. These four independent directors serve on the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee in order to perform oversight and provide opinions about issues that may deprive minority shareholders of their potential benefits, to nominate candidates, and to determine their suitable remuneration.

As a result, it is less likely that such risks will occur.

#### **7. Risks from warranty claims**

The Company is responsible for the provision of product quality guarantee and must be accountable to its customers. In purchasing contracts, it is stipulated that any damage arising from the Company’s products must be compensated by the Company. In the event automobile and motorcycle manufactures demanded

compensation for any damage incurred by a product in an amount equal to or exceeding the Company's sales revenue, and the court conclusively ruled that the Company must be financially liable for such damage, the Company's business might be adversely affected in the future. Moreover, the Company and manufacturers must be jointly liable for any damage arising from defects of the Company's products.

Each year there are a number of customers filing warranty claims to the Company, but the amount of such claims is considered minimal compared to overall sales. Moreover, such claims are normal occurrences in the vehicle business and do not constitute a factor that influences customer's purchase decision. Over the past years, there has never been any significant repercussion on the Company's normal operation whatsoever, and the Company also recognizes the importance of product quality. Therefore, before delivering products to customers, the Company will inspect product quality thoroughly. Furthermore, total value of warranty claims is summed up every 6 months, so that the results would be used in further planning of quality inspection and product quality development programs. Therefore, the Company is confident that these measures will help reduce damage compensation risks.

## **8. Risks from reliance on automobile and motorcycle industries**

Primarily, the Company's operation will change to directions that accommodate automobile and motorcycle industries. If these industries experienced a decline or a slowdown, the Company's business would be affected as well.

Presently, the automotive industry is recognized as an industry that can create tremendous economic value. Therefore, many countries have been endeavoring to foster local production as much as possible. Thailand is now the ninth largest auto maker in the world, and total production volume in 2017 is estimated at 2 million units. The government has launched the Eco Car 2 project as a supplementary policy to promote Thailand as an automotive hub in the ASEAN region, so there is less likelihood that the automotive industry would face a slump soon.

## **9. Risks from competition within automobile and motorcycle components manufacturing industries**

The Company could potentially lose market share to its competitors due to intense competition within automobile and motorcycle components manufacturing industries, both locally and abroad. Therefore, this may pose as a downside risk to the Company's business operation.

Since the production of automobile and motorcycle components requires highly efficient and precise manufacturing processes to ensure product quality that meets each customer's requirements. Additionally, before ordering components for each automobile or motorcycle model, automobile and motorcycle manufacturers will select components manufacturers before actual production. Then, the selected components manufacturer will receive product orders from automobile or motorcycle manufacturers throughout the production run of that particular model. Furthermore, changes in automobile or motorcycle models have no bearing on technological changes in the production of control cables or window regulators that much.

The Company has been a manufacturer of automobile and motorcycle control cables as well as window regulators for more than 39 years and it is one of the country's

largest manufacturers of these products. With widely acclaimed track records and long-standing reputation among automobile and motorcycle manufacturers. Moreover, the Company is still conducting numbers of research and development projects for its new products to cope with the change of the industry which makes the company enjoys a considerable advantage over local competitors in the production of automobile and motorcycle control cables and window regulators in Thailand. Thus, the Company could gain considerable benefits from the market share and will be able to compete effectively against other industry players.

#### **10.Risks related to occupational safety, health, environment, and community**

The Company formulates clear policies on safety, environment, and social responsibility. In respect of safety, the Company pays attention to every step in the production process, ranging from machine and equipment design and control and monitoring systems to various alarm systems. Not only that, the Company also manages operating procedures and regularly updates them. In addition, it also regularly disseminates knowledge and insight understanding among all levels of employees through safety and environment training programs, as evidenced by ongoing programs and activities.

Moreover, the Company also regularly promoted various activities aimed at preventing internal and external safety risks. Examples of these activities included Completely Check, Completely Find Out (CCCF) as well as safety culture and machine safety activities. In addition, emergency preparedness and response activities included, for example, fire fighting and evacuation drills as well as emergency response plan drill in the event of chemical spill. Not only that, these activities also included safety awareness and off-premise occupational health promotion, such as “Don’t Drink and Drive” campaign. As a result, these programs have reduced accidents and achieved full compliance with the laws. Regarding employees, they have also been trained so that they could be highly efficient in terms of meeting customers’ quality and safety goals.

As for the activities related to environment, community and society, the Company regularly conducted inspections to measure work environment as well as to monitor air quality in its premise and surrounding communities. For this purpose, modern technologies were used to support environmental management and prevent pollution problems, such as installation of efficient air pollution control system. In addition, various efforts were made to maximize resource utilization and reduce waste disposal expenditure. For example, 3R project was implemented to recycle waste materials or create values by reprocessing them into other materials. In this process, production by-products were delivered to stakeholders so that waste materials could be reprocessed into recycled materials, and waste materials gained added value when they were turned into regularly used items for employees in the Company. Not only that, the Company also developed techniques to reduce LPG usage in the production process. Moreover, the Company also collaborated with leading educational institutions in the establishment of the Center for Energy Management Research and Development and to design the production process, which is modern and safe for employees and which can reduce waste and enhance product quality. Furthermore, the Company conducted activities, such as 5S activities and Big Cleaning Day, to instill a sense of awareness among employees to ensure that everyone recognizes the importance of environment, particularly work environment. Then, these activities were extended to of

the environment of surrounding communities, such as mangrove reforestation and TSC Love the Sea activities. All in all, employee responses have been positive.

### **Investment risks related to investors**

To purchase share offers opportunities to gain a higher return, compared to any other types of investment, but its risk is higher. Therefore, investors need to assess pertinent risks and their risk tolerance level before making investment decisions.

Key risks associated with stock investment:

Market risk depends on domestic and global situations which cause fluctuations or changes in share prices, such as social or political situation, riot, labor strike, economic problems, inflation rate, or changing interest rates.

Company risk may stem from management failure to reach goals, executive shuffle or business policy changes, financial issues, labor shortage, or overdependence on large customers.

Industrial risk is industry-specific risk. Investors can mitigate this risk by purchasing shares in several industries, instead of just one industry.

## General corporate

### Company Profile

Registered company	Thai Steel Cable Public Company Limited
Company registration number	0107548000145
Nature of business	The production of automobile and motorcycle control cables, as well as the manufacture of automobile window regulators. The products are distributed to major domestic automobile and motorcycle manufacturers and spare parts centers. Output is also exported to oversea markets.
Head Office	AmataNakorn Industrial Estate, 700/737 Moo 1, TambolPanthong, AmphurPanthong, Chonburi Province, 20160.
Website	www.thaisteelcable.com
Telephone	(038) 447 200 – 15
Fax	(038) 185 025
Registered capital	268,500,000 Baht
Paid-up capital	259,800,000 Baht
Shares type	Ordinary share
Other	Investors can further study the listed company from annual statement (Form56-1) at <a href="http://www.sec.or.th">www.sec.or.th</a> or above link.

### Information on shareholding over 10 percent

The Company does not hold shares of other business or company.

### Information on other cited persons

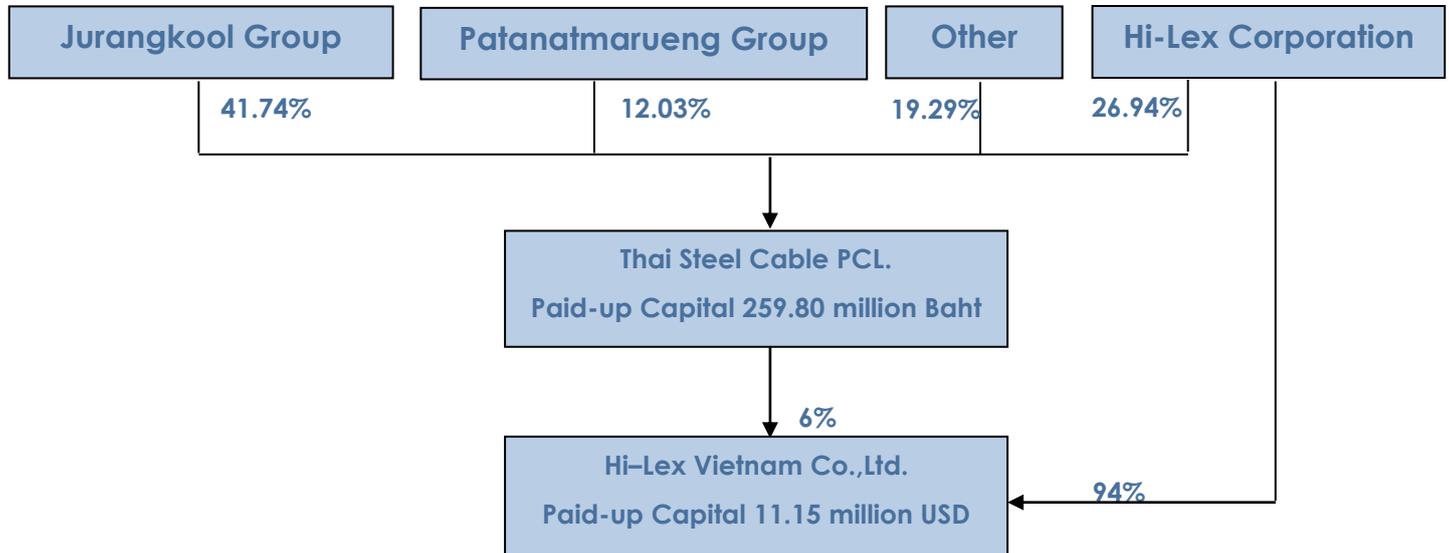
1) Company Registrar	Thailand Securities Depository Centre Co., Ltd. 93, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400. Tel. (02) 009 9000 Fax. (02) 009 9991
2) Auditor	EY Office Limited 193/136 - 137, 33rd Floor, Lake Rajada Office Complex, Klongtoey, Bangkok 10110 Tel. (02) 264 9090 Fax. (02) 264 0789  Ms.Poonnard Paocharoen, CPA. (Thailand) No. 5238 Mr.Khitsada Lerdwana, CPA. (Thailand) No. 4958 Ms.Vissuta Jariyathanakorn, CPA. (Thailand) No. 3853
3) Law consultant	-None-

### Others

-None-

## Shareholders

### Shareholding Structure of the Company as of September 30, 2017



### Major shareholders

The major shareholders of the Company as of September 30, 2017 are presented as below:

No.	Name	Paid-up capital 259,800,000 Baht	
		Number of shares	% of shareholding
1	Jurangkool Group	108,429,400	41.74
2	Hi-Lex Corporation	70,000,000	26.94
3	Patanatmarueng Group	31,248,900	12.03
4	Thai NVDR Company Limited	12,636,200	4.86
5	Mr. ChaitatChaipipatsuke	6,500,000	2.50
6	Mr. DumrongKulthanapong	6,000,000	2.31
7	AIRA Securities Public Company Limited	5,378,800	2.07
8	Ms. WarapornSongpracha	2,105,400	0.81
9	Mr. ThewarugWerawatganon	1,929,200	0.74
10	Mr. PithakWerawatganon	1,750,000	0.67
11	Ms. DuangpornWerawatganon	1,665,500	0.64
12	Ms. PornpenWerawatganon	1,501,000	0.58
13	Ms. SumitraDomrongkitchaiporn	1,500,000	0.58
14	Other	9,155,600	3.53
<b>Total</b>		<b>259,800,000</b>	<b>100</b>

**Note:** 1) Jurangkool Group comprises 4 shareholders of the same family name and related individuals as follows :

- Mr. Sunsum	Jurangkool	holds 83,115,000	shares, or 31.99 %	of paid up capital
- Mr. Thaveechat	Jurangkool	holds 21,121,900	shares, or 8.13 %	of paid up capital
- Mr. Kornkrit	Jurangkool	holds 4,000,000	shares, or 1.54 %	of paid up capital
- Mr. Apichart	Jurangkool	holds 192,500	shares, or 0.07 %	of paid up capital

2) Top 10 major shareholders of Hi-Lex Corporation (as of September 30, 2017) are :

1.	Teraura Investment Co., Ltd	holds	20.69 %
2.	JP Morgan Chase Bank	holds	6.20 %
3.	Teraura Scholarship Foundation	holds	4.06 %
4.	BBH For Fidelity Low-Priced Stock Fund	holds	3.90 %
5.	Japan Trustee Services Bank, Ltd.	holds	3.36 %
6.	Nippon Life Insurance Company	holds	3.29 %
7.	NISHIKAWA RUBBER CO., LTD.	holds	2.70 %
8.	J.P. Morgan Bank Luxembourg S.A.	holds	2.33 %
9.	Honda Motor CO., LTD.	holds	2.22 %
10.	State Street Bank and Trust Company	holds	2.16 %

3) Patanatmarueng Group comprises 3 shareholders of the same family name and related individuals as follows :

- Mr. Santi	Patanatmarueng	holds 10,546,200	shares, or 4.06% of paid up capital
- Mr. Sarit	Patanatmarueng	holds 10,506,400	shares, or 4.04% of paid up capital
- Ms. Sirina	Patanatmarueng	holds 10,196,300	shares, or 3.92% of paid up capital

### **Restrictions to foreign shareholder**

Foreign shareholder shall together hold not more than 49% of paid-up stock and capital. As of September 30, 2017, the Company shares being hold foreigners was 27.15%.

### **Shareholding of the Board of Directors**

As of September 30, 2017, the Board of Directors together holds 49.63% of paid-up stock and capital.

The Company's shareholders, shall have the same basic rights as follows:

- Rights to receive share certificates and rights to transfer shares
- Rights to receive adequate information in a timely fashion and in a form appropriate for making decisions
- Rights to attend shareholders meetings and to vote at these meetings
- Rights to elect and remove directors
- Rights to approve the appointment of auditors
- Rights to share in profits of the company

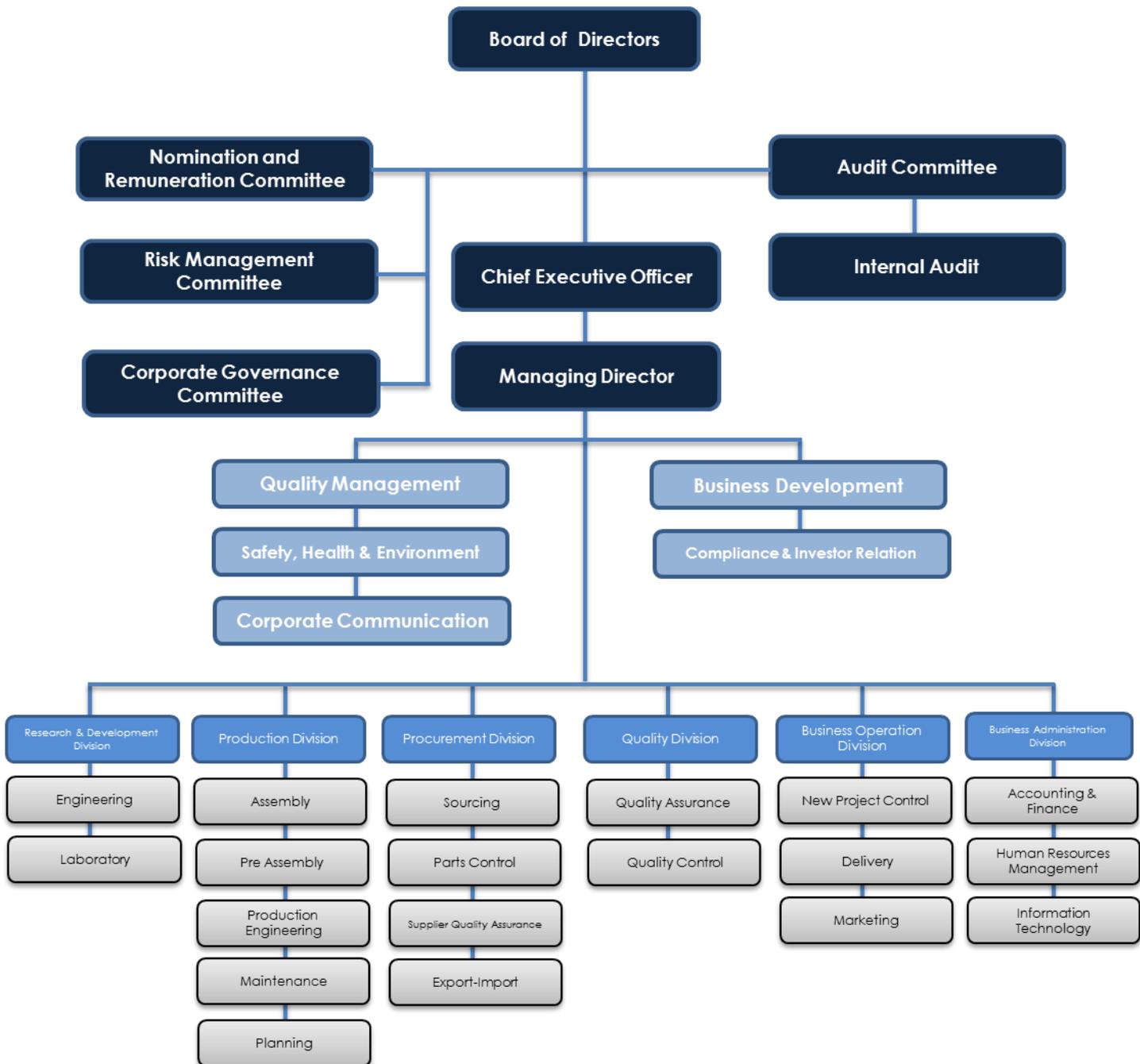
The Board of Directors values the importance of shareholders' meetings and shall facilitate all shareholders to attend meetings, especially institutional shareholders.

## Dividend payment policy

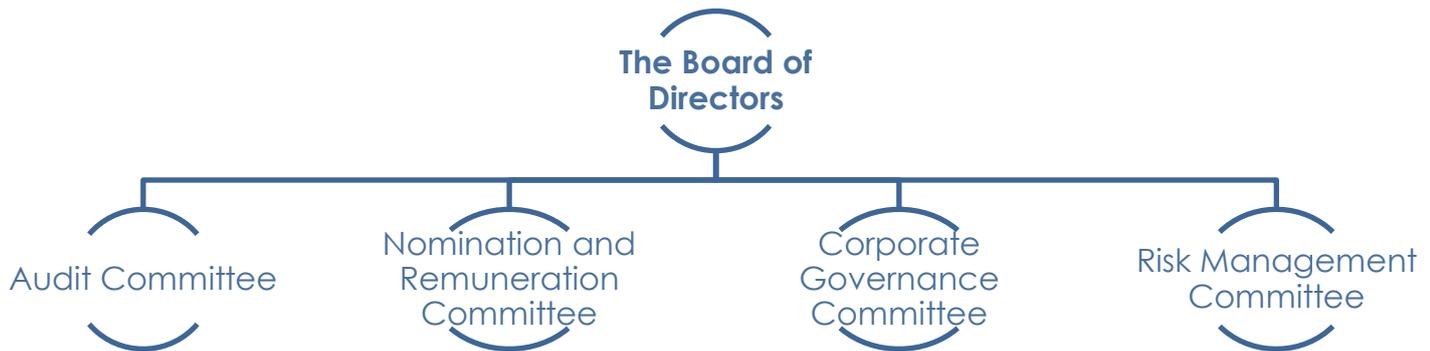
The Company has a dividend policy that pays dividend at a rate of no less than 25% of net profit after deductions of all types of reserve stated in regulations and legal provisions; provided that there is no ground of other necessity and dividend payment will not have significant effects on the Company's normal operations. It is required that proposed dividend payment be approved by Shareholders' meeting. The dividends must be paid within one month after the shareholders' meeting date or board meeting date, where dividend resolution was passed, as the case may be. Moreover, shareholders must be notified about dividend payment via a notification letter or a public notice placed in newspapers.

# Management structure

Organization Chart as of September 30, 2017



The Company's management structure as of September 30, 2017 comprises the Board of Directors and 4 sub-committees, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee. The details of this structure are outlined as followed:



## 1. The Board of Directors

The Board of Directors as per the certification of the Ministry of Commerce dated September 6, 2017 shows that there are 11 Directors comprises of :

- Executive Directors 4 persons
- Non-Executive Directors 3 persons
- Independent Directors 4 persons

No.	Name of Directors	Designation	Total number of meetings	Meeting attendance
1	Mr. Sunsum Jurangkool	Chairman of the Board	6	3
2	Mr. Sarit Patanatmarueng	Director	6	4
3	Mr. Makoto Teraura	Director	6	0
4	Mr. Thaveechat Jurangkool	Director	6	3
5	Mr. Kornkrit Jurangkool	Director	6	4
6	Ms. Sirina Patanatmarueng	Director	6	6
7	Mr. Keizo Tani <sup>1</sup>	Director	2	2
8	Mr. Prinya Waiwatana	Independent Director Chairman of Audit Committee Nomination and Remuneration Committee Chairman of Corporate Governance Committee	6	6
9	Mr. Apinan Na Ranong	Independent Director Audit Committee Chairman of Nomination and Remuneration Committee Corporate Governance Committee	6	6

No.	Name of Directors	Designation	Total number of meetings	Meeting attendance
10	Mr. Chatchai Earsakul	Independent Director Audit Committee Nomination and Remuneration Committee Corporate Governance Committee	6	6
11	Mr. Veerawat Korphaibool <sup>2</sup>	Independent Director Audit Committee Nomination and Remuneration Committee Corporate Governance Committee	6	6
<b>The directors who resigned during the year</b>				
1	Mr. Kazuhiro Takeshita <sup>2</sup>	Director	4	4

<sup>1</sup> Board of Directors meeting No. 4/2017 on May 9, 2017 resolved to appoint Mr. Keizo Tani to be the Director in place of Mr. Kazuhiro Takeshita who resigned since May 31, 2017 onward.

<sup>2</sup> Mr. Kazuhiro Takeshita resigned from the director on May 31, 2017 and other designations on June 30, 2017.

#### Directors with signatory authority

Either one of Mr. Sunsum Jurangkool; Mr. Thaveechat Jurangkool; or Mr. Kornkrit Jurangkool signs with either Mr. Sarit Patanatmarueng; Ms. Sirina Patanatmarueng; or Mr. Keizo Tani and affix the Company seal. Otherwise, Mr. Sarit Patanatmarueng; Ms. Sirina Patanatmarueng signs with Mr. Keizo Tani and affix the Company seal.

## 2. Audit Committee

No.	Name of Directors		Designation	Total number of meetings	Meeting attendance
1	Mr. Prinya*	Waiwatana	Chairman	4	4
2	Mr. Apinan	Na Ranong	Director	4	4
3	Mr. Chatchai	Earsakul	Director	4	4
4	Mr. Veerawa	Korphaibool	Director	4	4
The directors who resigned during the year					
-None-					

\* Mr. Prinya Waiwatana is an audit committee member who is highly knowledgeable and experienced in accounting and financial matters.

Mrs. Benjamas Tepparit, Supervisor of Internal Audit Department, serves as Secretary to the Audit Committee.

## 3. Nomination and Remuneration Committee

No.	Name of Directors		Designation	Total number of meetings	Meeting attendance
1	Mr. Apinan	Na Ranong	Chairman	2	2
2	Mr. Prinya	Waiwatana	Director	2	2
3	Mr. Chatchai	Earsakul	Director	2	2
4	Mr. Veerawa	Korphaibool	Director	2	2
The directors who resigned during the year					
-None-					

Mrs. Kasita Pitaksongkram, Company Secretary, serves as Secretary to the Nomination and Remuneration Committee.

#### 4. Corporate Governance Committee

No.	Name of Directors	Designation	Total number of meetings	Meeting attendance
1	Mr. Prinya Waiwatana	Chairman	2	2
2	Mr. Apinan Na Ranong	Director	2	2
3	Mr. Chatchai Earsakul	Director	2	2
4	Mr. Veerawa Korphaibool	Director	2	2
The directors who resigned during the year				
-None-				

Mrs. Kasita Pitaksongkram, Company Secretary, serves as Secretary to the Corporate Governance Committee.

#### 5. Risk Management Committee

No.	Name of Directors	Designation	Total number of meetings	Meeting attendance
1	Mr. Sarit Patanatmarueng (Managing Director /Acting Senior General Manager - Business Operation Division)	Chairman	4	4
2	Mr. Suthon Prempree (Senior General Manager - Production Division)	Director	4	4
3	Ms. Sirina Patanatmarueng (Senior General Manager - Business Administration Division)	Director	4	4
4	Mr. Sawat Sukaachin (Senior General Manager - Procurement Division / Acting General Manager - Quality Division)	Director	4	4
The directors who resigned during the year				
1	Mr. Kazuhiro Takeshita <sup>1</sup> (Senior General Manager - Research & Development Division)	Director	2	2

<sup>1</sup> Mr. Kazuhiro Takeshita resigned from the director on May 31, 2017 and other designations on June 30, 2017

The member of Risk Management Committee, as the management of the Company, expressed their intention not to receive remuneration in this matter.

Mrs. Benjamas Tepparit, Supervisor of Internal Audit Department, serves as Secretary to the Risk Management Committee.

## 6. Executive

No.	Name of Executives	Designation
1	Mr. Sunsum Jurangkool	Chief Executive Officer
2	Mr. Sarit Patanatmarueng	Managing Director, Acting Senior General Manager, Business Operation Division
3	Mr. Suthon Prempreee	Senior General Manager, Production Division
4	Mr. Sawat Sukaachin	Senior General Manager, Procurement Division Acting General Manager, Quality Division
5	Ms. Sirina Patanatmarueng	Senior General Manager, Business Administration Division
6	Ms. Sineenuth Srithamma	Manager, Accounting & Finance Department

Executive refers to a person holding the first four management positions below the Board of Directors, which includes every person holding a position equivalent to that of the fourth executive, including accounting manager.

### Scope and authority of the board of directors and management

#### The board of directors

1. Perform the duties in accordance with the law and the Company's objectives and articles of association as well as legitimate resolutions of shareholders' meeting with integrity and prudence in order to protect the interest of the Company and serve the best interest of shareholders.
2. Scrutinize and approve the appointment of a person with required qualifications and prohibited characteristics in accordance with the Public Limited Companies Act B.E. 2535 (1992) and the securities and exchange law as well as relevant notifications, bylaws and/or regulations, in case a Director's seat is vacated due to any reason other than retirement by rotation.
3. Scrutinize and select a candidate nominated by the Nomination and Remuneration Committee for the position of independent Director based on review of required qualifications and prohibited characteristics in accordance with the Public Limited Companies Act B.E. 2535 (1992) and the securities and exchange law as well as relevant notifications, bylaws and/or regulations, so that such nomination will be proposed to a Board meeting and/or shareholders' meeting for approval and appointment as an independent Director of the Company.
4. Scrutinize the appointment of the Audit Committee by reviewing qualifications set out in the securities and exchange law as well as notifications, bylaws and/or regulations of the Stock Exchange of Thailand.
5. Scrutinize and approve the appointment of an executive by examining a candidate nominated by the Nomination Committee. Scrutinize and approve appointment of managing Director, prescribe the scope of authority and duties of managing Director, and authorize managing Director to act on behalf of the Company in regard to its normal business operation.
6. Consider and approve management structure of the Company. Deliberate on appointment of an executive Board by selecting candidates from Board members, and stipulate the scope of authority and duties of the Executive Board.

7. The Board of Directors shall have the power to consider, select and revise the list of authorized signatory Directors of the Company.
8. Scrutinize the appointment or designation of one or several Directors to act on behalf of the Board of Directors where appropriate; and able to revoke, amend or modify such power.
9. Consider and approve a dividend policy of the Company and principal policies for investment in subsidiaries, joint venture companies and related companies.
10. Consider and approve the interim dividend payment to shareholders when the Company deems it has sufficient profit to do so, and notify shareholders' meeting of such payment at the next shareholders' meeting for acknowledgement.
11. Consider and approve significant matters, such as corporate governance policy, execution of connected transactions or related party transactions as well as acquisition or sale of assets of a listed company in accordance with relevant notifications, rules and/or regulations of the Stock Exchange of Thailand.
12. Consider and approve various matters that require shareholder meeting's approval in accordance with statutory provisions.
13. Consider and approve the following matters ;
  1. Policy, business strategy and guidelines, targets, plans and annual budget of the Company.
  2. The Company's quarterly business performances that compare with plan and budget and consider the trends of next year.
  3. The investment for the annual non-budgetary project or authority.
  4. Spending on the investment capital at 10% in excess of the investment budget in the approved project and 10% in excess of the other investment budgets that are not the project investment budget.
  5. Purchase and sale of assets, purchase of business and the participation in the co-investment project that is not contradicted to the Stock Exchange of Thailand's criteria and not exceeding in authority of executives.
  6. The transaction or any actions that shall impact to the Company's financial status, debt, business strategy, and reputation.
  7. Any contract execution that is not related to the normal business operation and the contract related to the major regular business operation.
  8. Inter-related transaction between the Company, subsidiaries, associated companies and the related persons in part of the transactions that are not meet with the requirements of the Stock Exchange and the Securities and Exchange Commission.
  9. Any transactions effecting the Company's capital structure at the debt ratio against the capital that is exceeding 1.5:1.
  10. Payment of the interim dividends.
  11. The change of policy and practices with the significance related to the accounting, risk management, and internal audit.
  12. Employment of executives.
  13. Determine and change of the approval authority to executives.
  14. The appointment and the termination of the Board of Directors and company secretary status.
  15. Authorization and duties for Managing Director, management, or one of Director including the revision of authorization. However, this must not be in contradiction with the criteria and requirements of the Stock Exchange and Securities and Exchange Commission.

16. The appointment and the determination of authority of the Sub-committee.
17. Arrangement and control the management with the corporate governance principle.
18. Approval to change and modify the organizational structure in level of Managing Director or higher.
19. Any other actions to be in accordance with laws, objectives, Articles of Association and resolutions of the meeting of shareholders.

### **Chairman of the Board of directors**

1. To be a chairman for the Board of directors meeting
2. To be a chairman in the Annual General Meeting and control the meeting according to concerned regulations
3. Encourage the corporate governance principle of directors
4. Perform duties as defined by law as a function of the Chairman.
5. Ensure communications between directors and stakeholders are effective.

### **Sub-committee**

Sub-committees consist of the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee. Scope and authority of Sub-committees refer the charters that were approved by the Board of directors meeting (Detail as [http://www.thaisteelcable.com/investor\\_information\\_th.php?id=3&subid=10](http://www.thaisteelcable.com/investor_information_th.php?id=3&subid=10))

### **The attendance of Director in Shareholders' Meeting**

In 2017, the Company arranged one shareholders' meeting which was the Annual General Meeting of Shareholders on January 24, 2017. Nine directors attended the meeting, contributed 90.90 percent of the attendance of all Directors.

### **Management**

Management refers to Chief Executive Officer, Managing Director, Senior General Manager, and General Manager.

Management's purview is to take actions as mandated by the Board of Directors in accordance with the Company's regulations and articles of association. However, such empowerment does not mean that the management is permitted to approve transactions in which they or other persons may have stakes in board decisions or conflict of interest in any other manners with the Company or its subsidiaries. Usually, such transaction must be resolved by board meeting and/or shareholders' meeting (whatever the case may be), which contemplates this in accordance with the articles of association or relevant laws, except approval required to run the Company in its normal course of the business, which has a clearly defined scope. The scope of the management's purview can be summarized as follows:

1. Responsible for management tasks typically required for the Company's business operation.
2. Administer internal affairs and develop work systems for various functions of the Company.
3. Plan and formulate internal projects of the Company.
4. Formulate various policies required for normal business operation.

5. Determine management structure together with the Board of Directors.
6. Supervise, liaise and monitor the operation; determine work units and positions; define roles and responsibilities; and assign administrative duties in a suitable and efficient manner.
7. Formulate sensible and appropriate management control approaches to ensure efficient goal achievement as set out by the Company's policy.
8. Manage day-to-day business operation and undertake routine management tasks according to policies, goals, rules and regulations set out by the Board.
9. Manage business operation as directed by board meetings' resolutions under approved budget in a prudent and honest manner, and protect the interests of the Company and shareholders to the best of its abilities.
10. Regularly present progress report on actions directed by board resolutions and key performance results of the Company at scheduled board meetings.
11. Manage business operation under corporate governance principles.
12. Must not operate business or engage in business operation which is similar to that of the Company or competes against the Company – whether this is undertaken to serve one's own interest or the interests of others, except in case a superior or the Board learns of such information and determines that such business can be undertaken.

### **Directorship in other companies of Managing Director**

Managing director can devote more time for efficient performance of duties. The Board of Directors has policy and practices in regards to any position for managing director in line with the practices of good corporate governance. The Managing Director is responsible for reporting information about companies, type of business, and positions to the Board of Directors for approve before the inauguration at least 3 months besides a report of vested interest of director whentake a position and should hold directorship in not more than 3 listed companies, excluding subsidiaries, affiliates, and joint venture that the company is required to supervise the management to protect the interests of the company.

## Board of Directors



**Mr. Sunsurin Jurangkool**  
Chairman  
of the Board of Directors



**Mr. Makoto Teraura**  
Director



**Mr. Thaveechat Jurangkool**  
Director



**Mr. Kornkrit Jurangkool**  
Director



**Mr. Sarit Patanatmarueng**  
Director



**Ms. Sirina Patanatmarueng**  
Director



**Mr. Keizo Tani**  
Director



**Mr. Prinya Waiwatana**  
Independent Director  
and  
Chairman of Audit Committee



**Mr. Apinan Na Ranong**  
Independent Director  
and  
Audit Committee



**Mr. Chatchai Earsakul**  
Independent Director  
and  
Audit Committee



**Mr. Veerawat Korphaibool**  
Independent Director  
and  
Audit Committee

## Executive



**Mr. Sunsum Jurangkool**  
Chief Executive Officer



**Mr. Sarit Patanatmarueng**  
/Managing Director /  
Chairman of Risk Management Committee /  
Senior General Manager - Business Operation Division (Acting)



**Mr. Suthon Prempre**  
Senior General Manager - Production  
Division



**Ms. Sirina Patanatmarueng**  
Senior General Manager Business  
Administration Division



**Mr. Sawat Sukaachin**  
Senior General Manager Procurement  
Division / General Manager  
- Quality Division (Acting)

## Shareholding of the Board of directors and Management

As of September 30, 2017

No.	Name - Surname	Position	Shareholding (shares)		The number of shares that are bought/sold during the year.	Spouse and Minor children
			September 30, 2016	September 30, 2017		
1	Mr. Sunsum Jurangkool	Chairman of the Board of Directors/ Chief Executive Officer	83,115,000	83,115,000	0	0
2	Mr. Makoto Teraura	Director	0	0	0	0
3	Mr. Thaveechat Jurangkool	Director	20,913,400	21,121,900	208,500	0
4	Mr. Komkrit Jurangkool	Director	4,000,000	4,000,000	0	0
5	Mr. Sarit Patanatmarueng	Director /Managing Director/ Chairman of Risk Management Committee/ Senior General Manager - Business Operation Division (Acting)	9,640,400	10,506,400	866,000	0
6	Ms. Sirina Patanatmarueng	Director / Senior General Manager Business Administration Division	9,330,300	10,196,300	866,000	0
7	Mr. Keizo Tani	Director/ Marketing Manager	0	0	0	0
8	Mr. Prinya Waiwatana	Independent Director / Chairman of Audit Committee/ Nomination and Remuneration Committee / Chairman of Corporate Governance Committee	0	0	0	0

No.	Name - Surname	Position	Shareholding (shares)		The number of shares that are bought/sold during the year.	Spouse and Minor children
			September 30, 2016	September 30, 2017		
9	Mr. Apinan Na Ranong	Independent Director / Audit Committee/ Chairman of Nomination and Remuneration Committee / Corporate Governance Committee	0	0	0	0
10	Mr. Chatchai Earsakul	Independent Director / Audit Committee/ Nomination and Remuneration Committee / Corporate Governance Committee	0	0	0	0
11	Mr. Veerawat Korphaibool	Independent Director / Audit Committee/ Nomination and Remuneration Committee / Corporate Governance Committee	0	0	0	0
12	Mr. Suthon Prempreee	Senior General Manager - Production Division	0	0	0	0
13	Mr. Sawat Sukaachin	Senior General Manager Procurement Division / General Manager - Quality Division (Acting)	0	0	0	0

### **Nomination of Company Directors and Executives**

An initial screening and selection for nomination of company directors, members of various committees, managing director and senior executives is undertaken by the Nomination and Remuneration Committee. Then, a list of nominees will be proposed to the Board of Directors and/or shareholders meeting in accordance with the Company's policy.

#### Nomination of directors

##### 1. Criteria and method

The Nomination and Remuneration Committee determines suitable qualifications which are consistent with the Board of Directors Charter. A suitable candidate must

be competent and can devote sufficient work time for the Company. According to the articles of association, board of directors must comprise at least five members but not more than 12, whereby at least one-half of the total number of directors must be domiciled in Thailand. Directors may or may not be a shareholder of the Company.

2. Appointment: There are two cases of appointment as follows:

**Case 1 Director's office is vacated due to retirement by rotation**

Shareholders meeting is mandated to cast votes for a new director to replace a director retiring by rotation, whereby a retiring director may be reelected. At each annual shareholders meeting, one-third of the total number of directors shall retire by rotation. If the number of retiring directors is not divisible by three, the number of retiring directors must be rounded to the nearest one-third, and a retiring director may be reelected. Directors retiring from the office in the first or second year after the Company's registration shall draw lots. Then, in the following year the longest-serving director shall vacate the office.

**Case 2 Director's office is vacated due to other circumstances, besides retirement by rotation**

The Board of Directors shall nominate a qualified candidate as a replacement at the next board meeting. However, if the remaining tenure of resigning director is less than two months, the nominee can serve only the remaining term of the replaced director. Such resolution shall require cast votes of no less than three-fourths of the number of remaining directors.

Criteria and method for director's election by shareholders meeting

- Each shareholder is entitled to one vote for each share.
- Each shareholder may cast his entire votes to elect one or several persons as a director. However, he may not split votes unequally for any candidate.
- The candidates receiving the highest number of votes in a successive order shall be elected as directors, and the number of elected candidates shall be equal to the number of directors required in that particular election. In case elected candidates with the least votes receive tie vote and exceed the required number of directors, the meeting chair shall cast a deciding vote.
- Shareholders meeting may pass a resolution to remove any director before the end of a term with no less than three-fourths of the total number of attending shareholders with voting rights that accounts for more than one-half of the number of attending shareholders with voting rights.

Criteria for selection and procedure for appointment of new directors

Selection criteria

The Company selects a director from two channels described below:

1. The Nomination and Remuneration Committee nominates a qualified individual through screening of potential candidates in the director's pool of the Thai Institute of Directors. If the committee cannot find any candidate that matches requirements of the Company, it will then search candidates from other sources.
2. Shareholders nominate qualified candidates.

### Procedure for appointment of new directors

Once names of new director candidates are obtained, the Board's secretary will table this motion at the Nomination and Remuneration Committee's meeting so that basic qualifications and other support information can be considered.

If the Nomination and Remuneration Committee endorses a candidate, the candidate will be presented to the Board of Directors for approval. Then, his name will be further proposed to shareholders' meeting for approval.

Director appointment must be endorsed by annual general shareholders' meeting as scheduled below:

Period	Activity
August – October	Inform the secretary of the Nomination and Remuneration Committee of the name of suitable candidate.
November	The Nomination and Remuneration Committee scrutinizes the candidate. The Nomination and Remuneration Committee proposes the candidate to board meeting. The Board of Directors endorses the candidate and proposes him or her at annual general shareholders' meeting.
January in the following year	The annual general shareholders' meeting considers and endorses the candidate.

### **Recruiting the Executives**

In order to maintain business stability continuously, reduce risk of vacated director and apply to internal control guidelines, Board of Directors shall assign to Nomination and Remuneration committee to provide executive succession plan for chief executive officer, director, managing director also general manager and propose board of directors to consider afterward.

### **Chief Executive Officer and Director**

#### Principle

To provide succession plan for chief executive officer and director

#### Procedure

In case of vacated position of chief executive officer and director or inability of replacement, Nomination and Remuneration committee shall arrange meeting in order to appoint the lower position to be a deputy. The tenure of the deputy shall be over 3 months in order to cover recruiting process.

Period of the tenure of deputy will be determined by Nomination and Remuneration committee, depending on performance of the deputy.

Basic Qualifications of the chief executive officer and director

- Education level: Master's degree is prerequisite, In case of, the applicant holds a lower education level, this shall fall to the Nomination and Remuneration committee discretion.
- More than 10 year experience in the management positions at least managing director in the company which has similar incomes or industry to TSC.
- Able to conduct a strategic planning and organizational planning.

- Leadership skill and coherent visions according to corporate governance, business, and organization culture policies.
- Good moral and ethics, without and involvement in criminal cases.

## Senior General Manager and General Manager

### Principle

Having a position succeed plan for the senior general manager and general manager.

### Procedure

Senior general manager and general manager have to create a succession plan by transferring their knowledge to the potential subordinates in order to mitigate the risk of default, resignation, and/or retirement.

Basic Qualifications of the senior general manager and general manager

- Education level: Bachelor degree or higher.
- More than 10 year experience in the management positions at least managing director in the company which has similar incomes or industry to TSC.
- Able to conduct a strategic planning and organizational planning.
- Leadership skill and coherent visions according to corporate governance, business, and organization culture policies.
- Good moral and ethics, without and involvement in criminal cases.

## Remuneration of Directors and Executives

The Board of Directors deliberated to prescribe fair and reasonable director's remuneration commensurate with responsibility and in line with financial health of the Company and comparable with SET listed companies which are in the same industry and have a similar business size as detailed below:

### (1) Remuneration

#### (1.1) Remuneration of Directors (on behalf of Director only)

Remuneration of Director within 6,000,000 (six million) Baht as detailed below:

- Meeting allowance (for each meeting attended) is the same as the 2016 rate.
  - Chairman of the Board of Directors 35,000 baht
  - Directors and committee members 25,000 baht
- Bonus is paid to directors at a rate of 1.50% of total dividend payout based on 2016 operating results.

The Company did requested approval of Director's remuneration from the Shareholders meeting.

Details of remuneration of each director in 2017 are as followed:

Name - Surname	Designation	Remuneration Committee (Baht)					
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Bonus	Total
1. Mr. Sunsumn Jurangkool	Chairman of the Board	105,000				194,850	299,850
2. Mr. Sarit Patanatmarueng	Director	100,000				194,850	294,850
3. Mr. Makoto Teraura	Director					194,850	194,850
4. Mr. Thaveechat Jurangkool	Director	75,000				194,850	269,850
5. Mr. Kornkrit Jurangkool	Director	100,000				194,850	294,850
6. Mr. Kazuhiro Takeshita <sup>1</sup>	Director	100,000				194,850	294,850
7. Mr. Keizo Tani <sup>2</sup>	Director	50,000					50,000
8. Ms. Sirina Patanatmarueng	Director	150,000					150,000
9. Mr. Apinan Na Ranong	Independent Director	150,000	100,000	50,000	50,000	194,850	544,850
10. Mr. Prinya Waiwatana	Independent Director	150,000	100,000	50,000	50,000	194,850	544,850
11. Mr. Chatchai Earsakul	Independent Director	150,000	100,000	50,000	50,000	194,850	544,850
12. Mr. Veerawat Korphaibool	Independent Director	150,000	100,000	50,000	50,000	194,850	544,850
<b>Total</b>		<b>1,280,000</b>	<b>400,000</b>	<b>200,000</b>	<b>200,000</b>	<b>1,948,500</b>	<b>4,028,500</b>

<sup>1</sup> Mr. Kazuhiro Takeshita resigned from the director on May 31, 2017 and other designations on June 30, 2017.

<sup>2</sup> Board of Directors meeting No. 4/2017 on May 9, 2017 resolved to appoint Mr. Keizo Tani to be the Director in place of Mr. Kazuhiro Takeshita who resigned since May 31, 2017 onward.

Total remuneration of the executives\*\*\*:

Remuneration	2016 Amount (MB Baht)	2017 Amount (MB Baht)
Salaries, bonus etc.	73.18 (15 executives)	66.47 (14 executives)

## (1.2) Remuneration of Executives \*\*\*

- The remuneration of Chief Executive Officer in 2017 can be adjusted not more than 10% of rate in previous year.
- Remuneration of lower-ranking executives\*\*\* depends on the discretion of the Chief Executive Officer.

In 2017, remuneration of 14 executives\*\*\* were comprises of salary and bonus in amount of 66.47 million Baht.

## (2) Other compensation

- Other compensation of directors
  - None -
- Other compensation of executives\*\*\*

### Provident fund

The Company established a provident fund in which employees are required to contribute 3 or 5% of their salaries and the Company is

required to make the same rate of contribution. In 2017, the Company's contribution to the provident fund for 12 executives amounted to 1,181,654.49 Baht.

Social security

In 2017, the Company's social security contribution for executives. amounted to 56,250 Baht.

\*\*\*The first four executive positions below the Board of Directors and every individual holding a position equivalent to the fourth executive, not including accounting and finance manager, comprise Chief Executive Officer, Managing Director, Senior General Manager, and General Manager.

All types of director's remuneration, such as meeting allowance, gratuity payment, and other benefits are regularly proposed for shareholders' consideration and approval every year.

**Knowledge continuous development for the Board of Directors policy**

The Board of Directors has a responsibility to stakeholders about business of the company and oversight management base on company's policy, company's guidelines, and company's objectives that will make the maximum benefit to all stakeholders. So that all directors have the potential to drive the company to company's vision and mission, the Board of Directors has a knowledge continuous development for the Board of Directors policy in terms of corporate governance, industry, business, technology, and new innovation, etc. For support the efficiency of committees. Directors must attend the course at least one person per year.

### Training Record

No.	Name - Surname	Position	Courses	Group	Institute	Year
1	Mr. Sunsum Jurangkool	Chairman of the Board of Directors/Chief Executive Officer	-	-	-	-
2	Mr. Makoto Teraura	Director	-	-	-	-
3	Mr. Thaveechat Jurangkool	Director	1. Director Accreditation Program (DAP)	109/2014	IOD	2557
4	Mr. Kornkrit Jurangkool	Director	1. Director Accreditation Program (DAP)	77/2009	IOD	2552
5	Mr. Sarit Patanatmarueng	Director /Managing Director/ Chairman of Risk Management Committee/ Senior General Manager - Business Operation Division (Acting)	1. Director Certification Program (DCP)	42/2004	IOD	2547
6	Ms. Sirina Patanatmarueng	Director / Senior General Manager - Business Administration Division (Acting)	1. Financial Statements for Directors (FSD)	26/2014	IOD	2557
			2. Director Certification Program (DCP)	227/2016	IOD	2559
			3. Ethical Leadership Program (ELP)	9/2017	IOD	2560
7	Mr. Keizo Tani	Director /Marketing Manager	-	-	-	-
8	Mr. Prinya Waiwatana	Independent Director / Chairman of Audit Committee/ Nomination and Remuneration Committee / Chairman of Corporate Governance Committee	1. Audit Committee Program (ACP)	9/2005	IOD	2548
			2. Director Accreditation Program (DAP)	35/2005	IOD	2548
			3. Directors Certification Program (DCP)	72/2006	IOD	2549

No.	Name - Surname	Position	Courses	Group	Institute	Year
			4. Monitoring the System of Internal Control & Risk Management (MIR)	2/2008	IOD	2551
			5. Role of the Compensation Committee (RCC)	10/2010	IOD	2553
			6. AC vs Changing of financial reporting	-	SET	2554
9	Mr. Apinan Na Ranong	Independent Director / Audit Committee/ Chairman of Nomination and Remuneration Committee / Corporate Governance Committee	1. Audit Committee Program (ACP)	9/2005	IOD	2548
			2. Director Accreditation Program (DAP)	35/2005	IOD	2548
			3. Monitoring the System of Internal Control & Risk Management (MIR)	2/2008	IOD	2551
10	Mr. Chatchai Earsakul	Independent Director / Audit Committee/ Nomination and Remuneration Committee / Corporate Governance Committee	1. Director Accreditation Program (DAP)	84/2010	IOD	2553
11	Mr. Veerawat Korphaibool	Independent Director / Audit Committee/ Nomination and Remuneration Committee / Corporate Governance Committee	1. Director Accreditation Program (DAP)	13/2014	IOD	2547
			2. Directors Certification Program (DCP)	151/2011		2554
			3. Financial Statements for Directors (FSD)	14/2011		2554

### Employees (Exclude managements)

As of September 30, 2017, total employees was 983 persons and sub-contract 392 persons, separate by type of product as followed.

Business	September 30, 2015		September 30, 2016		September 30, 2017	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
• Automobile control cable	220	210	240	198	254	214
• Motorcycle control cable	100	15	91	9	94	8
• Window Regulator	22	20	20	19	17	25
• Center	653	138	645	162	618	145
<b>Total</b>	<b>995</b>	<b>383</b>	<b>996</b>	<b>388</b>	<b>983</b>	<b>392</b>

Changes in staff numbers significantly

-None-

Labor disputes in 3 years previously

-None-

### Company Secretary

The Board of Directors appointed Mrs. Kasita Pitaksongkram as company secretary whose purview is stipulated in the Securities and Exchange Act B.E. 2535, 4<sup>th</sup> Amendment Issue B.E. 2551 (2008). The qualifications and the scope of duties are as follows:

#### Qualifications

Since qualifications of company secretary are not stipulated by the law, it is incumbent upon the Board of Directors to dutifully select a competent person with suitable qualifications to assume these duties. As an employee of the Company, company secretary is not allowed to assume the duties of company secretary in other companies but may assume the duties of company secretary in a subsidiary of the Company.

#### Scope of duties of company secretary

The Company designates a company secretary to liaise between directors and management, oversee and coordinate various matters concerning relevant laws and regulations, facilitate compliance with corporate governance principles as well as the rules and notifications of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The company secretary shall have the following duties and responsibilities as prescribed by the bylaws and the Company.

1. Provide preliminary recommendations to directors concerning legal provisions and the Company's rules and regulations; follow up and ensure proper and regular compliance; and report significant changes to directors.
2. Liaise between directors and management; oversee and coordinate various matters concerning relevant laws and regulations; and ensure that actions are taken in conformity with the Board's resolutions.
3. Organize shareholders meeting and board meeting in accordance with statutory requirements, the articles of association of the Company, and pertinent guidelines.
4. Record minutes of shareholders meeting and board meeting. Follow up and ensure compliance with resolutions of shareholders meeting and board meeting.

5. Oversee disclosure of information and issuance of pertinent reports in accordance with regulations and statutory requirements of the SEC and SET.
6. Prepare and keep the following documents:
  - (a) Directors register;
  - (b) Notices of board meeting, minutes of board meeting, and annual reports;
  - (c) Notices of shareholders meeting and minutes of shareholders meeting.
7. Keep conflict of interest reports submitted by directors or management.
8. Perform other tasks stipulated in notifications of the Capital Market Supervisory Board.
9. Organize a new director orientation program, and promote awareness and understanding of good corporate governance among directors, management and employees.
10. Liaise and communicate with shareholders to ensure that they are informed of shareholder's rights and keep them abreast of the Company's news and development.
11. Others issues that assigns by the Board of Directors.

## Corporate governance

The Board of Directors is committed to business operation that adheres to corporate governance principles as well as transparent and examinable principles. These principles are built upon the concept of social responsibility that addresses all aspects of stakeholders' requirements, and they are consistent with the Company's philosophy and approach that strike a balance between business, society and environment.

The Company prescribes the corporate governance policy in writing so that it can be upheld as a good practical guideline by directors, executives and employees when engaging in business practices and pursuing organizational development to achieve sustainable growth. Moreover, the aim is to uplift corporate governance to the level of best practices which conform to international standards. There are five key principles as follows:



**Section 1 Rights of shareholders:** The Company provides shareholders with more opportunities to exercise oversight and give their inputs about business operation. For example, shareholders are given opportunities to propose certain items to be added to meeting agenda in advance and to cast votes to elect each director one by one.

**Section 2 Equal treatment of shareholders:** Regardless of whether shareholders are large or small, particularly institutional investors or foreign investors, all shareholders must be treated equally. For example, shareholders are given an opportunity to nominate a candidate for appointment as director beforehand.

**Section 3 Recognition of the roles of stakeholders:** Such recognition can ensure a greater degree of organizational sustainability, and the Board of Directors can clearly stipulate a code of conduct for each stakeholder group and arranges a process and a channel for dealing with stakeholders' complaints.

**Section 4 Information disclosure and transparency:** The Company recognizes the importance of accurate, complete, and timely disclosure of information.

**Section 5 Accountability of the Board of Directors:** The Board of Directors emphasizes the importance of transparent oversight and stewardship. Moreover, it also determines structure of the Board itself so that the Board is composed of directors with diverse qualifications in terms of specialized skills, experience and capability which serve the interests of the Company. Under the Board's directive, a compliance unit has been set up to oversee business operation.

In 2017, the Company observed the best practices under the prescribed corporate governance principles and organized training and communication programs to ensure that every director, executive and employee could understand the principles and really apply them to organizational management. Download the corporate governance policy from [http://www.thaisteelcable.com/investor\\_information.php?id=3&subid=4](http://www.thaisteelcable.com/investor_information.php?id=3&subid=4)

Furthermore, the Board has observed corporate governance principles which adhere to the practical guideline of the Stock Exchange of Thailand. This guideline conforms to the principles of the ASEAN's CG scorecard as follows:

1. Determine employee remuneration in line with short-term/ long-term operating performance of the Company.
2. Set up a compliance unit.
3. When a resolution is passed by board meeting, at least two-thirds of the entire board must be present.
4. Disclose performance assessment criteria and procedure used for evaluation of performance of each director and every committee.

\* The company has a clear remuneration policy. In short term, the target is set for employees and the company every year. The remuneration shall correspond to the actual performance in each year. For long term, the company arranges the career path for 5 years with an individual development plan that the remuneration would be consistent with each position, actual performance, and policies of the company.

The non-compliance issues related to the corporate governance principles of the Stock Exchange of Thailand are as follows:

No.	Issue	Corrective action
1	Section 5 "Accountability of Directors" The Committee shall contain Independent Directors more than half of the entire Board of Directors in case the Chairman of the Board of Directors was not Independent Director.	Not applicable due to inconsonant and inappropriate action in practice.
2	Section 5 "Accountability of Directors" The Committee shall indicate the tenure of directors distinctively by mentioning in Corporate Governance policy.	
3	Section 5 "Accountability of Directors" The Committee shall indicate the tenure of Independent Directors, continue not more than 9 years from the first date of designation as Independent Directors.	
4	Section 5 "Accountability of Directors" The Committee shall elect one of Independent Directors to be the chairman of the committee.	

It has properly considered and reviewed the application of the CG Code Principles and Sub-Principles. The company is not obliged to disclose the full content of the board resolution.

## Social responsibility

### Corporate social sustainability responsibility policy

The Company adheres to ethical business practices and corporate governance principles and focuses on environmental and social safeguards by recognizing how important relevant stakeholders are. Moreover, the Company also conducts various activities to safeguard the environment and enhance well-being of people in the society and communities, thereby leading to sustainable business development, in compliance with the corporate social responsibility (CSR) policy as follows:

#### Corporate governance

The Company properly conducts its businesses in accordance with relevant laws, rules and regulations, and it discloses vital and auditable information in a transparent manner. Moreover, the Company pursues the corporate governance policy and adheres to the code of conduct and its business philosophy while recognizing the interest of every stakeholder group.

#### Fair business practices

The Company fosters free trade competition and fair business practices and avoids business activities which may lead to any conflict of interest and intellectual property infringement. In addition, it also promotes social responsibility in every stage of business chain.

#### Anti-corruption efforts

The Company resists all forms of corruption and ensures stringent compliance with its anti-corruption policy.

#### Respect for human rights

The Company encourages compliance with the Convention on Human Rights and other universal human rights practices. Moreover, the Company also examines human rights issues related to human rights violation, and it also supports, respects and protects human rights.

#### Equal treatment of employees

The Company treats every employee in a fair and equitable manner by looking after their welfare as well occupational safety and health. In addition, the Company also supports the ideology that promotes labor rights and social welfare of workers, and it stringently complies with relevant laws and regulations pertaining to employee recruitment and engagement.

#### Accountability for consumers

The Company is committed to developing products which are not harmful to consumers and to mitigating environmental impacts under a fair condition. Moreover, the Company also provides correct and adequate product information, which is not an overclaim, and it also keeps customer information confidential without exploiting it for undue benefits.

#### Engagement in the development of communities and the society

The Company considers that it is obligated to support activities which are beneficial to the society, environment, and community development in order to increase quality of life in Thai society on an ongoing basis as a way to return to profits to the society.

#### Environmental management

The Company recognizes the importance of environmental management and applies various processes to analyze environmental risks and impacts as well as occupational safety and health in business processes. Moreover, it also ensures economical and efficient utilization of resources.

### Innovation and dissemination of innovation

The Company fosters creativity and development of innovation that strike a balance between business operation and environment so that the business can achieve sustainable growth.

The Company encourages the Board of Directors, executives and employees to learn and observe such policy so as to achieve the objectives and engage in social responsibility a consistent basis.

### **Anti-corruption efforts**

- In 2017, no complaint was reported about this issue.
- Corruption risk assessment was undertaken. Moreover, the Company has joined the anti-corruption network and collaborated with the network in the project called Collective Action Coalition Against Corruption (CAC), announced intention on May 26, 2015 and has been certified as one of CAC members on July 22, 2016.
- The company shall designate anti-corruption policy and create code of conduct which covers granting or receiving gifts/possessions/any benefit, conflict of interests and internal data protection.
- All employees shall be educated in corporate governance handbook which contains code of conduct on orientation day according to annual professional career training program in order to implant work ethics and encourage all employees to develop an awareness of significance, disadvantages of anti-corruption, in addition, reporting procedures and whistleblower protection policy.

### **Sustainable Development**

Mission of the company "Organization-To be the learning organization" that commit and encourage employees have continued to develop the ability of work and daily life as the company's philosophy and know the value of people, society, environment, ethic, knowledge, and quality. Such can be the concept and practices of social responsible approach to sustainability.

#### **TSC Philosophy**

***Well-balance of work and life***

***Maximum value to all stakeholders***

***People and organization that grow together***

***Moving forward at all time***

***Promote good society***

### **Reporting**

The Company prepared the sustainability reporting first time in 2017 in refer to guidelines of Stock Exchange of Thailand and International Global Reporting Initiatives Guideline (GRI) Version 4.0.

## Internal control and risk management

In 2017, the Audit Committee jointly assessed the adequacy of the internal control system. In Meeting No. 2/2018 held on 21 November 2017, the Board of Directors reviewed the adequacy and suitability of the internal control system of the Company based on the internal control system adequacy evaluation form issued by the Office of the Securities and Exchange Commission. The meeting viewed that “the Company has an internal control system deemed adequate and suitable for its business operation.” Key points are as follows:

### 1. Internal control of the organization

The Company defined clear and measurable business goals. In this regard, business plan, organizational objectives, annual budget, and key performance indicators (KPI) have been formulated based on justification and likelihood of achieving the stipulated objectives. Moreover, the organizational structure has been developed to support the management’s functions, thus ensuring that the internal control system can function efficiently. For example, division of responsibilities of work sections is defined so as to promote mutual check and balance, and internal audit works are directly reported to the Audit Committee. Furthermore, the Company reviewed the corporate governance manual, which contains up-to-date information about the policy, code of conduct, and relevant regulations, and it also disseminated this information to every employee and outsiders.

As for anti-corruption activities, the Company has been participating in the project called Collective Action Coalition Against Corruption (CAC), which requires assessment of corruption risks in the Company and compliance review of the anti-corruption policy. Consequently, the Company could be assured that it has adequate measures to combat and detect corrupt practices in an efficient manner.

### 2. Risk assessment

The Company formulated the risk management policy, framework, principles and process, which are used as a tool that could help the Company achieve its objectives. In this process, it is incumbent upon the Risk Management Committee to be vigilant of the Company’s risk management. Moreover, every executive and employee must dutifully define departmental objectives; develop a risk assessment table, which addresses both internal and external factors; identify risk indicators; and prepare a risk report as required by the risk management process. Furthermore, all employees have collectively developed risk management practices to increase opportunities for achieving greater success and to reduce potential obstacles which might hamper goal achievement. The process calls for quarterly monitoring of divisional risk management and reporting of risk management outcomes to the Audit Committee and the Board on a regular basis.

### 3. Operational control

The Board of Directors appoints four committees, comprising the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee. It is incumbent upon these committees to control performance of the management, and it is the

management's duty to stipulate operating regulations in writing so as to develop operational control system and IT-based control mechanics, which clearly define scope, purview, and approval layers for each level of management and also tackle data security issues. Moreover, the Audit Committee reviews and approves the annual audit plan and contemplates s paramount issues. Not only that, the Committee also provides recommendations to the management so that corrective actions could be taken and outcomes and preventive measures could be later reported.

In case there are transactions made between related business or individual, the Company requires that directors and executives must stringently comply with relevant laws. In this regard, it must determine whether such transactions are reasonable or normal for the business and provide with maximum benefits to the Company and shareholders. These stakeholders do not have voting right, and information disclosure conforms to the legal provision.

#### 4. IT system and data communication

The Company made arrangements to have sufficient storage for vital information to which the Board of Directors could refer when making decisions. Before each meeting, required information and support documents are usually provided to the Board of Directors seven days in advance so that directors can study the information beforehand. Typically, the secretary to the Board acts as a contact center where directors can request for other information. Moreover, the Company also completely stored support documents related to accounting records, which were neatly filed in separate categories. Concerning this, auditors did not report any shortcomings.

The company provides process of external communication and extra or undisclosed channel for whistleblowing from outside an organization securely.

#### 5. Monitoring system

The Company constantly monitored and evaluated performance to ensure that it achieved the stipulated goals and still maintained an efficient internal control system. The management is required to prepare and present quarterly performance reports or an ad hoc report, whenever an incident occurs. In 2017, the Board of Directors convened six times. This year the Audit Committee required regular compliance audits of the internal control system, and internal auditors were required to report audit results directly to the Audit Committee ensure that internal auditors could work independently.

To sum up, the Company developed and maintained the internal control system and regularly reviewed the efficiency of the internal control system. Such review encompassed financial control and management supervision to ensure compliance with relevant laws and regulations, asset protection, and risk management. The Company pursued internal audits by hiring Dharmniti Law Office Co.,Ltd.. Besides, the Internal Audit Department also examined performance of various work units to ensure that they followed guidelines set out in the approved annual audit plan and focused on ad hoc matters required by the Audit Committee and the management (if any). Furthermore, the Internal Audit Department is required to monitor improvement results on a regular basis and to directly report audit results to the Audit Committee. According to the internal audit report prepared by Dharmniti Law Office Co.,Ltd. and the Internal Audit Department for year 2017, no significant shortcomings were found.

Therefore, it is deemed that the internal control system is stringent enough, and the Company had enough personnel to efficiently perform various tasks required by the internal control system and to properly comply with relevant laws and regulations prescribed by various government entities. Furthermore, the Company regularly protected its assets, prevented any illegitimate and unauthorized usage by directors, executives and employees, and constantly improved its work systems.

### **Whistle blowing policy**

To be a good corporate governance, every stakeholder group can use the communication mechanism to file a corruption witnessing / tip-off/ complaint report. Code of Conduct / Company Policies / Reporting an Infringement or Business Operations Suggestion

The company provides channels for receiving and addressing stakeholders' complaints through the following channels:

#### Contact the Chairman of the Audit Committee

- Website : [www.thaisteelcable.com](http://www.thaisteelcable.com) (Whistle-blowing Notice Policy)
- Postal service : Chairman of the Audit Committee  
Thai Steel Cable Public Company Limited  
700/737 Moo 1, Panthong Sub-District,  
Panthong District, Chonburi 20160
- Comment box : (Red box) For all levels of employees  
Send comments at office and plant buildings

Tip-offs, complaints and recommendations will be taken up for consideration and resolved as deemed appropriate. Such issues will be dealt with on a case by case basis without revealing whistleblower's name. Moreover, such information will be kept confidential and a whistleblower protection program will be put in place in order to ensure that whistleblowers will not face any repercussion from the filing of such report. The Company recognizes the importance of the need to keep whistleblower's identity confidential and stipulates a procedure for receiving complaints and investigating such matters. Moreover, such complaints will be kept confidential among concerned individuals. The Company will use these tip-offs for the purpose of operational management and internal oversight, or they may be disclosed upon receiving a legitimate order, a court order and/or any order from SEC, SET, government entities and/or concerned regulatory bodies. In this regard, the Audit Committee will consider and report these cases to the Board, where appropriate, on a regular basis.

### **Protection of internal data use**

The Board emphasizes the importance of overseeing internal data use which is instrumental in fostering good corporate governance. Therefore, the Company formulates the internal data protection policy so as to safeguard usages of vital internal data, which have not yet been disclosed to the general public, to serve one's own interests and the interests of others. Moreover, the Board also announces such guideline that is binding on every director, executive and employee. It is stipulated that every director and executive must dutifully report share ownership as required by the law, and such report must be regularly submitted to the Board and published in an annual report.

## Connected transactions

### **(1) Necessity and rationale of connected transactions**

The Audit Committee reviewed connected transactions in 2017 and determined that buy-sell transactions of products and services as well as asset purchase between related parties were normal transactions of the Company executed reasonably and necessarily in the normal course of business. Such transactions were engaged with the best interests of the Company and shareholders in mind. Thus, the conditions of connected transactions were consistent with common trade terms and the prices were set under competition mechanism or deemed reasonable. Moreover, such trade terms did not differ from the transactions between the Company and external parties.

### **(2) Measure or procedure for approval of connected transactions**

The Company stipulates a procedure for approval of connected transactions. Importantly, connected transaction must be engaged on the basis of necessity and reason, and practices must be similar to transactions between the Company and external parties. In case of connected transaction between the Company or a party which may have conflict of interest or personal interest or conflict of interest in the future, the Audit Committee will give opinions about necessity of such transaction and suitability of the price deal in this transaction by scrutinizing the conditions to ensure that trade terms are consistent with regular transactions in the normal course of business in the industry and by comparing the price deal with prices quoted by external parties or market prices. Furthermore, in case of significant connected transactions the Company requires approval from the Audit Committee and the Board of Directors as well as shareholders' meeting, as the case.

If the Audit Committee does not have experience in scrutinizing potential connected transaction, the Company will seek an independent expert who can give opinions about such connected transaction which will be scrutinized by the Board of Directors, Audit Committee or shareholders, as the case may be. In this instance, a director who has personal interest in such transaction does not have voting right. In practice, connected transactions are disclosed under the notes to financial statements or subject to oversight of company auditors.

### **(3) Policy governing or trend of connected transactions**

In the future, the Company may need to engage in connected transactions. In this case, it will ensure that such engagement complies with the securities and exchange law; rules, notifications, orders or provisions of the Stock Exchange of Thailand; and accounting standards concerning disclosure of information about related party or business prescribed by the Federation of Accounting Professions, as well as provisions on disclosure of information on connected transactions and related acquisition and disposal.

In case of routine connected transactions, such as engagement to produce pieces of contents, purchase of products and raw materials and product sale, which are continuing transactions in the future, the Company laid out practical guideline and

approach to ensure that such transactions conform with general trade terms by referring to fair, suitable and reasonable prices and trade terms. Moreover, such transactions can be examined based on the criteria of routine transactions. To this end, the Audit Committee requires that connected transactions may be examined by internal audit experts to determine whether they comply with the regulations of the Company and the Stock Exchange of Thailand.

If connected transactions do not meet the aforesaid criteria of routine transactions, the Company, however, will adhere to the securities and exchange law; rules, orders or provisions of the Stock Exchange of Thailand; as well as provisions concerning disclosure of information about connected transactions and related acquisition and disposal of company assets. Moreover, the Company discloses connected transactions under the notes to financial statements already audited by company auditors. In case of connected transactions between related parties with personal interest at stake or parties which may have conflict of interest in the future, the Company advises the Audit Committee to give opinions about appropriateness of such transactions. If the Audit Committee does not have expertise in examining certain connected transactions, the Company will seek for knowledgeable and competent individuals, such independent asset valuator, who can give opinions about connected transactions. Therefore, opinions of the Audit Committee and competent individuals will be scrutinized for deliberation by the Board of Directors or shareholders, as the case may be, to ascertain that such transactions do not constitute transfer or shift of interests between the Company and its shareholders but are executed by the Company with the best interest of every shareholder in mind.

### **Report of Vested Interest**

The company requires Director, Management, and Related Person submit a Report of Vested Interest as Criteria of Report Submission as followed.

1. The first report shall be submitted within 15 days from the date that the Board of Directors approves this form of report.
2. Inform every change within 15 days from date of change.
3. The secretary of the company shall collect information to propose to the Chairman of Board of Director and the Chairman of Audit Committee within 7 days from the date of submission.

### **Code of conduct for Stakeholders**

Committed to promoting the Company as an efficient entity that is responsible to stakeholders, whether business-related or personal-related, the Company has defined the following basic guidelines for directors, the management, and employees as Corporate Governance Handbook.

## Financial information

### Report of the Board of Director's Responsibility to the Financial Reports

The Board of Directors is responsible for the financial statements of Thai Steel Cable Public Company Limited and the financial information contained in the Annual Report. The said financial statements were prepared in accordance with generally accepted accounting standards in Thailand, wherein appropriate accounting policies were adopted for consistent use. Furthermore, prudent judgment was exercised in their preparation. Adequate disclosure of information is also provided in the Notes to the Financial Statements.

The Board of Directors of the Company has implemented an effective system of internal controls, in order to ensure that the recording of accounting transactions is accurate and complete. The Company's financial statements have been audited by EY Office Limited. During such audit, the Board of Directors has provided various supporting information and documentation, to allow the auditors to review and express their opinions in accordance with accounting standards. The opinions of the auditors are presented in the Auditors' Report section of the Annual Report.

Moreover, the Company has established the Audit Committee, comprising Directors who are not Executives, officers or employees of the Company. They are responsible for overseeing the quality of the financial reports, internal control systems, as well as the opinions of the Audit Committee in this regard. These opinions are presented in the Audit Committee's Report.

The Board of Directors of the Company is of the opinion that overall, the Company's internal control systems are of a satisfactory level, and are able to engender reasonable confidence in the credibility of the Company's annual financial statements for the year ended September 30, 2017. The Company has complied with generally accepted accounting principles and also complied with the relevant Laws and regulations.



(Sarit Patanatmarueng)  
Managing Director



(Sunsun Jurangkool)  
Chairman of the Board of Directors

## Management Discussion and Analysis (MD&A)

### Financial Position

Unit : Million Baht	2015 At Sep 30, 2015	2016 At Sep 30, 2016	2017 At Sep 30, 2017
Current asset	1,377.64	1,440.46	1,565.15
Total Assets	2,790.53	2,750.99	2,782.16
Current Liabilities	1,074.22	931.59	981.32
Total liabilities	1,140.54	1,112.39	1,097.45
Total equity	1,649.99	1,638.60	1,684.71

Ratio	2015 (Oct 1, 2014 - Sep 30, 2015)	2016 (Oct 1, 2015 - Sep 30, 2016)	2017 (Oct 1, 2016 - Sep 30, 2017)
Gross Profit Ratio	17.92%	17.35%	17.93%
ROE	8.75%	8.37%	10.45%
Current Ratio	1.28	1.55	1.59
Debt/Equity Ratio	0.69	0.68	0.65

The gross profit margin of 2017 is higher than that of 2016 due to the effective cost control.

Return on Equity (ROE) of 2017 was higher than that of 2016 due to the increase in net profit compared to the same period of last year.

The Current Ratio of 2017 increased over 2016 due to the increase in trade accounts receivable in proportion to the increase in sales.

Debt / Equity Ratio in 2017 was lower than the previous year as the Company repaid long-term loans to commercial banks.

## Performance

Unit: Million Baht	2015 (Oct 1, 2014 - Sep 30, 2015)	% on sale	2016 (Oct 1, 2015 - Sep 30, 2016)	% on sale	2017 (Oct 1, 2016 - Sep 30, 2017)	% on sale
Revenue from sales	2,828.12	100.00%	2,724.17	100.00%	2,905.68	100.00%
Other Income	37.40	1.32%	32.57	1.20%	33.22	1.14%
Cost of goods sold	-2,321.21	-82.08%	-2,251.53	-82.65%	-2,384.78	-82.07%
Selling & Administrative expenses	-382.51	-13.53%	-343.31	-12.60%	-350.38	-12.06%
Finance cost	-16.00	-0.57%	-16.80	-0.62%	-15.31	-0.53%
Income tax	-1.36	-0.05%	-7.90	-0.29%	-12.43	-0.43%
Net Profit	144.44	5.11%	137.20	5.04%	176.00	6.06%
Gain (loss) on change estimate the actuarial	0.00	0.00%	-5.69	-0.21%	0.00	0.00%
Total comprehensive income	144.44	5.11%	131.51	4.83%	176.00	6.06%

The year 2017 is another challenging year but the Company was able to increase its sales revenue by 6.66% and net profit up 28.28%. This was mainly contributed by the expansion of its customer base, the launching of new products to support new models of key customers, and also the effective control over production costs and operating costs.

The sales revenue in 2017 was 2,905.68 million Baht, an increase of 181.51 million Baht or 6.66% from the same period of last year. The Company was able to increase sales revenue continuously, whilst the domestic automotive industry has been gradually recovered. The cost of sales increased 133.25 million Baht or 5.92%, selling and administrative expenses increased 7.07 million Baht or 2.06% comparing to the same period of last year.

## Independent Auditor's Report

To the Shareholders of Thai Steel Cable Public Company Limited

### Opinion

I have audited the accompanying financial statements of Thai Steel Cable Public Company Limited (the Company), which comprise the statement of financial position as at 30 September 2017, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Steel Cable Public Company Limited as at 30 September 2017, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matter

Key audit matter is those matters that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for such matter is described below.

## Sales

Sales are significant to the Company's financial statements and directly impact on the Company's operating results. Moreover, the Company has both domestic and overseas sales transactions under various terms and conditions. I therefore focused on the Company's recognition of sales, especially the timing of revenue recognition.

I assessed and tested the Company's internal controls related to revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. On a sampling basis, I checked documents supporting sales transactions occurring during the year and near the period end. I reviewed credit notes issued by the Company to customers after the end of the reporting period and performed analytical review of the sales accounts.

### Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mrs. Ponnard Paocharoen.

Ponnard Paocharoen  
Certified Public Accountant (Thailand) No. 5238  
EY Office Limited  
Bangkok: 21 November 2017

## Financial Statement

**Thai Steel Cable Public Company Limited**  
**Statement of financial position**  
**As at 30 September 2017**

	Note	2017	(Unit: Baht) 2016
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	575,990,985	506,856,901
Current investments	8	202,080,430	200,502,565
Trade and other receivables	9	549,507,290	488,318,415
Inventories	10	211,351,452	235,965,414
Other current assets		26,221,337	8,815,339
<b>Total current assets</b>		<u>1,565,151,494</u>	<u>1,440,458,634</u>
<b>Non-current assets</b>			
Long-term investment	11	25,704,000	25,704,000
Investment properties	12	127,154,781	129,315,735
Property, plant and equipment	13	1,019,984,581	1,104,011,855
Intangible assets	14	20,014,441	25,613,985
Deferred tax assets	23	8,375,093	12,854,924
Other non-current assets		15,772,231	13,035,628
<b>Total non-current assets</b>		<u>1,217,005,127</u>	<u>1,310,536,127</u>
<b>Total assets</b>		<u><u>2,782,156,621</u></u>	<u><u>2,750,994,761</u></u>

The accompanying notes are an integral part of the financial statements.

**Thai Steel Cable Public Company Limited**  
**Statement of financial position (continued)**  
**As at 30 September 2017**

	Note	2017	(Unit: Baht) 2016
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loans from banks	15	300,000,000	300,000,000
Trade and other payables	16	599,373,250	551,099,823
Current portion of long-term loan from bank	17	64,920,000	64,920,000
Current portion of finance lease payables	18	4,686,772	4,075,307
Other current liabilities		12,335,700	11,496,184
<b>Total current liabilities</b>		<u>981,315,722</u>	<u>931,591,314</u>
<b>Non-current liabilities</b>			
Long-term loan from bank - net of current portion	17	48,520,000	113,440,000
Finance lease payables - net of current portion	18	6,024,028	8,837,804
Provision for long-term employee benefits	19	49,894,505	45,883,951
Provisions	20	11,600,012	12,535,702
Other non-current liabilities		96,456	101,456
<b>Total non-current liabilities</b>		<u>116,135,001</u>	<u>180,798,913</u>
<b>Total liabilities</b>		<u>1,097,450,723</u>	<u>1,112,390,227</u>
<b>Shareholders' equity</b>			
Share capital			
Registered			
268,500,000 ordinary shares of Baht 1 each		<u>268,500,000</u>	<u>268,500,000</u>
Issued and paid-up			
259,800,000 ordinary shares of Baht 1 each		259,800,000	259,800,000
Share premium		464,870,185	464,870,185
Retained earnings			
Appropriated - statutory reserve	21	26,850,000	26,850,000
Unappropriated		933,185,713	887,084,349
<b>Total shareholders' equity</b>		<u>1,684,705,898</u>	<u>1,638,604,534</u>
<b>Total liabilities and shareholders' equity</b>		<u>2,782,156,621</u>	<u>2,750,994,761</u>
		-	-

The accompanying notes are an integral part of the financial statements.

**Thai Steel Cable Public Company Limited**  
**Statement of comprehensive income**  
**For the year ended 30 September 2017**

	Note	2017	(Unit: Baht) 2016
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales	24	2,905,683,160	2,724,168,855
Other income		33,226,297	32,571,263
<b>Total revenues</b>		<u>2,938,909,457</u>	<u>2,756,740,118</u>
<b>Expenses</b>			
Cost of sales		2,384,784,381	2,251,532,605
Selling expenses		54,571,920	68,296,433
Administrative expenses		295,810,236	275,016,872
<b>Total expenses</b>		<u>2,735,166,537</u>	<u>2,594,845,910</u>
<b>Profit before finance cost and income tax expenses</b>		203,742,920	161,894,208
Finance cost		(15,309,952)	(16,795,985)
<b>Profit before income tax expenses</b>		188,432,968	145,098,223
Income tax expenses	23	(12,431,604)	(7,902,686)
<b>Profit for the year</b>		<u>176,001,364</u>	<u>137,195,537</u>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss - net of income tax		-	(5,688,827)
<b>Total comprehensive income for the year</b>		<u>176,001,364</u>	<u>131,506,710</u>
<b>Earnings per share</b>			
Basic earnings per share	25		
Profit attributable to equity holders of the Company		<u>0.68</u>	<u>0.53</u>
Weighted average number of ordinary shares (shares)		<u>259,800,000</u>	<u>259,800,000</u>

The accompanying notes are an integral part of the financial statements.

**Thai Steel Cable Public Company Limited**  
**Cash flows statement**  
**For the year ended 30 September 2017**

	2017	(Unit: Baht) 2016
<b>Cash flows from operating activities</b>		
Profit before tax	188,432,968	145,098,223
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	150,334,826	156,247,288
Reversal of allowance for doubtful accounts	-	(678,283)
Reduction of inventory to net realisable value	3,932,784	596,518
Gain on disposal of equipment	(658,696)	(4,826,059)
Provisions (reversal)	14,393	(3,209,474)
Provision for long-term employee benefits	4,821,197	10,628,696
Unrealised gain on exchange	(55,631)	(1,613,262)
Dividend income	(3,861,703)	-
Interest income	(4,088,585)	(1,260,941)
Interest expenses	15,309,952	16,795,985
Profit from operating activities before changes in operating assets and liabilities	354,181,505	317,778,691
Operating assets (increase) decrease		
Trade and other receivables	(59,874,315)	(6,603,664)
Inventories	20,681,178	6,470,065
Other current assets	(17,405,998)	(1,949,671)
Other non-current assets	(12,624,945)	(14,963,972)
Operating liabilities increase (decrease)		
Trade and other payables	46,454,069	3,678,137
Other current liabilities	(104,627)	(4,625,594)
Other non-current liabilities	(955,083)	(921,450)
Cash flows from operating activities	330,351,784	298,862,542
Cash paid for long-term employee benefits	(810,643)	(8,852,939)
Cash paid for interest expenses	(15,288,768)	(16,809,914)
Cash paid for income tax	(7,007,629)	(12,045,992)
<b>Net cash flows from operating activities</b>	<b>307,244,744</b>	<b>261,153,697</b>

The accompanying notes are an integral part of the financial statements.

**Thai Steel Cable Public Company Limited**  
**Cash flows statement (continued)**  
**For the year ended 30 September 2017**

	2017	(Unit: Baht) 2016
<b>Cash flows from investing activities</b>		
Increase in current investments	(1,577,865)	(200,400,884)
Cash paid for purchase of property, plant and equipment	(43,259,211)	(44,129,393)
Cash paid for purchase of intangible assets	(2,559,159)	(4,882,070)
Proceeds from sales of equipment	1,808,263	14,965,196
Dividend income	3,861,703	-
Interest income	2,816,420	1,260,941
<b>Net cash flows used in investing activities</b>	<b>(38,909,849)</b>	<b>(233,186,210)</b>
<b>Cash flows from financing activities</b>		
Decrease in short-term loans from banks	-	(200,000,000)
Cash received from long-term loan	-	200,000,000
Repayment of long-term loan	(64,920,000)	(21,640,000)
Repayment of finance lease payables	(4,380,811)	(4,760,016)
Dividend paid	(129,900,000)	(142,890,000)
<b>Net cash flows used in financing activities</b>	<b>(199,200,811)</b>	<b>(169,290,016)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>69,134,084</b>	<b>(141,322,529)</b>
Cash and cash equivalents at beginning of year	506,856,901	648,179,430
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>575,990,985</b>	<b>506,856,901</b>
	-	-
Non-cash items		
Increase (decrease) in other payables from purchase of equipment	1,811,409	(4,667,877)
Purchases of equipment under finance lease agreements	2,178,500	1,498,000
Purchases of intangible assets under finance lease agreements	-	234,200
Transfer other non-current assets to equipment	9,888,342	37,600,731

The accompanying notes are an integral part of the financial statements.

**Thai Steel Cable Public Company Limited**

**Statement of changes in  
shareholders' equity**

**For the year ended 30 September 2017**

(Unit: Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropri- d- statutory reserve	Unappropriated	
<b>Balance as at 1 October 2015</b>	259,800,000	464,870,185	26,850,000	898,467,639	1,649,987,824
Profit for the year	-	-	-	137,195,537	137,195,537
Other comprehensive income for the year	-	-	-	(5,688,827)	(5,688,827)
Total comprehensive income for the year	-	-	-	131,506,710	131,506,710
Dividend paid (Note 28)	-	-	-	(142,890,000)	(142,890,000)
<b>Balance as at 30 September 2016</b>	<u>259,800,000</u>	<u>464,870,185</u>	<u>26,850,000</u>	<u>887,084,349</u>	<u>1,638,604,534</u>
<b>Balance as at 1 October 2016</b>	259,800,000	464,870,185	26,850,000	887,084,349	1,638,604,534
Profit for the year	-	-	-	176,001,364	176,001,364
Total comprehensive income for the year	-	-	-	176,001,364	176,001,364
Dividend paid (Note 28)	-	-	-	(129,900,000)	(129,900,000)
<b>Balance as at 30 September 2017</b>	<u>259,800,000</u>	<u>464,870,185</u>	<u>26,850,000</u>	<u>933,185,713</u>	<u>1,684,705,898</u>
	-	-	-	-	-
	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

## Notes to financial statements

### Thai Steel Cable Public Company Limited

#### Notes to financial statements

#### For the year ended 30 September 2017

##### 1. General information

Thai Steel Cable Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles. The registered office of the Company is at Amatanakorn Industrial Estate 700/737, Moo 1, Tambol Panthong, Amphur Panthong, Chonburi.

##### 2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

##### 3. New financial reporting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

###### (a) Financial reporting standards that became effective in the current year

During the year, the Company have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company' financial statements.

## **(b) Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company believes that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

### **4. Significant accounting policies**

#### **4.1 Revenue recognition**

##### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

##### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

##### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

#### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

#### **4.4 Inventories**

Finished goods and work in process are valued at the lower of cost under the first-in, first-out method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

#### 4.5 Investment

Investment in non-marketable equity security, which the Company classifies as other investment, is stated at cost net of allowance for impairment loss (if any).

The weighted average method is used for computation of the cost of investment.

#### 4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years and 40 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

#### 4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	- 20 years
Building	- 20, 40 years
Building improvement	- 5 - 20 years
Machinery and equipment	- 3 - 20 years
Tools	- 3 - 10 years
Molds	- 2 - 10 years
Furniture, fixtures and office equipment	- 3 - 10 years
Motor vehicles	- 5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.8 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 10 years

#### 4.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### 4.10 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### 4.11 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### 4.12 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### 4.13 Employee benefits

##### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### **Post-employment benefits and other long-term employee benefit**

###### *Defined contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

###### *Defined benefit plan and other long-term employee benefit*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other long-term employee benefit plan, namely long service awards. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised in other comprehensive income and actuarial gains and losses arising from other long-term benefit are recognised in profit and loss.

#### 4.14 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### Litigation

The Company has contingent liabilities as a result of litigation, which is in the process of execute to file in the court. This requires judgements from management to assess of the results of the litigation.

## 6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	2017	2016	(Unit: Million Baht) Transfer Pricing Policy
<u>Transactions with related companies</u>			
Sales of goods	207	241	Cost plus margin
Purchases of raw materials and finished goods	449	418	Cost plus margin
Purchases of assets	1	1	Agreed upon basis
Royalty fee	43	37	2.0% on the net sales amount

As at 30 September 2017 and 2016, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	2017	2016
<u>Trade and other receivables - related parties (Note 9)</u>		
<u>Trade receivables - related parties</u>		
Related companies	34,643	42,582
<u>Other receivables - related parties</u>		
Related companies	134	108
<u>Trade and other payables - related parties (Note 16)</u>		
<u>Trade payables - related parties</u>		
Related companies	71,854	70,027
<u>Other payables - related parties</u>		
Related companies	1,523	619
<u>Accrued royalty - related party</u>		
Related company	11,718	9,600

Directors and management's benefits

During the years ended 30 September 2017 and 2016, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	2017	2016
Short-term employee benefits	67,699	69,807
Post-employee benefits	2,836	3,577
Total	70,535	73,384

**7. Cash and cash equivalents**

	(Unit: Thousand Baht)	
	2017	2016
Cash	715	325
Bank deposits	575,276	506,532
Total	575,991	506,857

As at 30 September 2017, bank deposits in saving accounts carried interests between 0.05 and 0.50 percent per annum (2016: between 0.05 and 0.50 percent per annum).

## 8. Current investments

These represent fixed deposits with banks with an original maturity of more than three months and not subject to withdrawal restrictions.

## 9. Trade and other receivables

	(Unit: Thousand Baht)	
	2017	2016
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	33,838	42,270
Past due up to 3 months	805	312
Total trade receivables - related parties	<u>34,643</u>	<u>42,582</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	485,767	416,154
Past due		
Up to 3 months	51	217
3 - 6 months	-	5
Over 12 months	-	13,935
Total	<u>485,818</u>	<u>430,311</u>
Less: Allowance for doubtful debts	-	(13,935)
Total trade receivables - unrelated parties - net	<u>485,818</u>	<u>416,376</u>
Total trade receivables - net	<u>520,461</u>	<u>458,958</u>
<u>Other receivables</u>		
Other receivables - related parties	134	108
Other receivables - unrelated parties	55,825	56,165
Total	<u>55,959</u>	<u>56,273</u>
Less: Allowance for doubtful debts	(26,913)	(26,913)
Total other receivables - net	<u>29,046</u>	<u>29,360</u>
Total trade and other receivables - net	<u><u>549,507</u></u>	<u><u>488,318</u></u>

## 10. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
	Finished goods	50,361	65,318	(5,905)	(2,572)	44,456
Work in process	33,107	30,373	(225)	(46)	32,882	30,327
Raw materials	98,415	122,708	(1,547)	(1,126)	96,868	121,582
Goods in transit	29,521	13,272	-	-	29,521	13,272
Spare parts	7,624	8,038	-	-	7,624	8,038
<b>Total</b>	<b>219,028</b>	<b>239,709</b>	<b>(7,677)</b>	<b>(3,744)</b>	<b>211,351</b>	<b>235,965</b>

During the current year, the Company reduced cost of inventories by Baht 4 million (2015: Baht 1 million), to reflect the net realisable value. This was included in cost of sales.

## 11. Long-term investment

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage		Cost	
			2017	2016	2017	2016	2017	2016
					(%)	(%)		
Hi-Lex Vietnam Co., Ltd.	Manufacture automobile parts	Vietnam	USD 11,150,000	USD 11,150,000	6.28	6.28	<u>25,704</u>	<u>25,704</u>

## 12. Investment properties

The net book value of investment properties of the Company as at 30 September 2017 and 2016 is presented below.

(Unit: Thousand Baht)

	Land and land improvement	Building and building improvement	Total
30 September 2017:			
Cost	93,510	161,877	255,387
Less: Accumulated depreciation	(4,076)	(124,156)	(128,232)
<b>Net book value</b>	<b>89,434</b>	<b>37,721</b>	<b>127,155</b>
30 September 2016:			
Cost	93,510	161,877	255,387
Less: Accumulated depreciation	(4,076)	(121,995)	(126,071)
<b>Net book value</b>	<b>89,434</b>	<b>39,882</b>	<b>129,316</b>

A reconciliation of the net book value of investment properties for the years 2017 and 2016 is presented below.

(Unit: Thousand Baht)

	2017	2016
Net book value at beginning of year	129,316	131,479
Depreciation	(2,161)	(2,163)
Net book value at end of year	<u>127,155</u>	<u>129,316</u>

The fair value of the investment properties as at 30 September 2017 and 2016 stated below:

(Unit: Thousand Baht)

	2017	2016
Land	264,000	264,000
Buildings	82,400	82,400
Total	<u>346,400</u>	<u>346,400</u>

The fair value of the investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land has been determined based on market prices, while that of the buildings has been determined using the replacement cost approach.

### 13. Property, plant and equipment

(Unit: Thousand Baht)

	Land and land improvement	Building and building improvement	Machinery, and other factory equipment	Motor vehicles	Furniture, fixtures, equipment and other operating equipment	Asset under installation and construction	Total
<b>Cost</b>							
1 October 2015	142,981	574,729	1,147,546	36,617	97,718	18,055	2,017,646
Additions	-	480	1,216	-	3,511	35,752	40,959
Disposals/write-off	-	-	(17,307)	(16,109)	(1,152)	(108)	(34,676)
Transfers in (out)	-	649	77,200	-	799	(41,048)	37,600
30 September 2016	<u>142,981</u>	<u>575,858</u>	<u>1,208,655</u>	<u>20,508</u>	<u>100,876</u>	<u>12,651</u>	<u>2,061,529</u>
Additions	-	-	7,308	-	3,858	36,083	47,249
Disposals/write-off	-	-	(15,305)	-	(3,711)	(18)	(19,034)
Transfers in (out)	-	372	39,021	-	-	(29,505)	9,888
30 September 2017	<u>142,981</u>	<u>576,230</u>	<u>1,239,679</u>	<u>20,508</u>	<u>101,023</u>	<u>19,211</u>	<u>2,099,632</u>
<b>Accumulated depreciation</b>							
1 October 2015	63	144,132	589,467	30,092	72,258	-	836,012
Depreciation for the year	36	15,973	116,296	2,820	10,918	-	146,043
Depreciation on disposals/ write-off	-	-	(7,837)	(15,631)	(1,070)	-	(24,538)
30 September 2016	<u>99</u>	<u>160,105</u>	<u>697,926</u>	<u>17,281</u>	<u>82,106</u>	<u>-</u>	<u>957,517</u>
Depreciation for the	36	15,801	114,504	1,062	8,612	-	140,015

(Unit: Thousand Baht)

	Land and land improvement	Building and building improvement	Machinery, equipment and other factory equipment	Motor vehicles	Furniture, fixtures, equipment and other operating equipment	Asset under installation and construction	Total
year							
Depreciation on disposals/ write-off	-	-	(14,259)	-	(3,626)	-	(17,885)
30 September 2017	135	175,906	798,171	18,343	87,092	-	1,079,647
<b>Net book value</b>							
30 September 2016	142,882	415,753	510,729	3,227	18,770	12,651	1,104,012
30 September 2017	142,846	400,324	441,508	2,165	13,931	19,211	1,019,985

**Depreciation for the  
year**

2016 (Baht 132 million included in cost of sales, and the balance in selling and administrative expenses)	<u>146,043</u>
2017 (Baht 130 million included in cost of sales, and the balance in selling and administrative expenses)	<u>140,015</u>

As at 30 September 2017, the Company had equipment with net book values of Baht 7 million (2016: Baht 8 million) which were acquired under finance lease agreements.

As at 30 September 2017, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 426 million (2016: Baht 360 million).

#### 14. Intangible assets

The net book value of intangible assets as at 30 September 2017 and 2016 is presented below.

	(Unit: Thousand Baht)		
	Computer software	Computer software under installation	Total
As at 30 September 2017:			
Cost	79,546	-	79,546
Less: Accumulated amortisation	(59,532)	-	(59,532)
Net book value	<u>20,014</u>	<u>-</u>	<u>20,014</u>
As at 30 September 2016:			
Cost	73,246	3,741	76,987
Less: Accumulated amortisation	(51,373)	-	(51,373)
Net book value	<u>21,873</u>	<u>3,741</u>	<u>25,614</u>

A reconciliation of the net book value of intangible assets for the years 2017 and 2016 is presented below.

	(Unit: Thousand Baht)	
	2017	2016
Net book value at beginning of year	25,614	28,539
Additions	2,559	5,116
Amortisation	(8,159)	(8,041)
Net book value at end of year	<u>20,014</u>	<u>25,614</u>

As at 30 September 2017, the Company had intangible assets with net book values of Baht 5 million (2016: Baht 6 million) which were acquired under finance lease agreements.

#### 15. Short-term loans from banks

	(Unit: Thousand Baht)	
Interest rate (% per annum)	2017	2016
Promissory notes	MMR	MMR
	<u>300,000</u>	<u>300,000</u>

The short-term loans from banks are clean and denominated in Baht.

## 16. Trade and other payables

	(Unit: Thousand Baht)	
	2017	2016
Trade payables - related parties	71,854	70,027
Trade payables - unrelated parties	362,725	324,389
Other payables	33,355	35,426
Accrued expenses	131,439	121,258
Total	<u>599,373</u>	<u>551,100</u>

## 17. Long-term loan from bank

		(Unit: Thousand Baht)	
Interest rate (% per annum)	Repayment schedule	2017	2016
3.90	Payment of principal in monthly installments of Baht 5.41 million commencing in June 2016	113,440	178,360
	Less: Current portion	<u>(64,920)</u>	<u>(64,920)</u>
	Long-term loan from bank - net of current portion	<u>48,520</u>	<u>113,440</u>

Movements in the long-term loan from bank account during the year ended 30 September 2016 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 October 2016	178,360
Less: Repayment	<u>(64,920)</u>
Balance as at 30 September 2017	<u>113,440</u>

The loan agreement contains several covenants which, among other things, requires the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreement. The loan is clean.

## 18. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	2017	2016
Liabilities under finance lease agreements	11,648	14,296
Less: Deferred interest expenses	(937)	(1,383)
Total	10,711	12,913
Less: Portion due within one year	(4,687)	(4,075)
Liabilities under finance lease agreements - net of current portion	6,024	8,838

The Company has entered into the finance lease agreements with leasing companies for rental of equipment and intangible assets for use in its operation, whereby it is committed to pay rental on a monthly basis. The term of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Thousand Baht)		
	As at 30 September 2017		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	5,278	6,370	11,648
Deferred interest expenses	(591)	(346)	(937)
Present value of future minimum lease payments	4,687	6,024	10,711

	(Unit: Thousand Baht)		
	As at 30 September 2016		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	4,756	9,540	14,296
Deferred interest expenses	(681)	(702)	(1,383)
Present value of future minimum lease payments	4,075	8,838	12,913

## 19. Provision for long-term employee benefits

	(Unit: Thousand Baht)		
	Provision for employee retirement benefits	Provision for other long-term employee benefits	Total
Provision for long-term employee benefits as at 1 October 2015	37,598	458	38,056
<b>Included in profit or loss:</b>			
Current service cost	5,357	2,981	8,338
Interest cost	1,683	608	2,291
<b>Included in other comprehensive income:</b>			
<b>Actuarial (gain) loss arising from</b>			
Demographic assumptions changes	3,595	-	3,595
Financial assumptions changes	2,011	-	2,011
Experience adjustments	446	-	446
Benefit paid during the year	(8,291)	(562)	(8,853)
Provision for long-term employee benefits as at 30 September 2016	42,399	3,485	45,884
<b>Included in profit or loss:</b>			
Current service cost	3,420	386	3,806
Interest cost	934	81	1,015
Benefit paid during the year	(304)	(506)	(810)
Provision for long-term employee benefits as at 30 September 2017	46,449	3,446	49,895

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)	
	2017	2016
Cost of sales	3,042	7,855
Selling and administrative expenses	1,779	2,774
Total expenses recognised in profit or loss	4,821	10,629

The Company expects to pay Baht 1 million of long-term employee benefits during the next year (2016: Baht 8 million).

As at 30 September 2017, the weighted average duration of the liabilities for long-term employee benefit is 18 years (2016: 18 years).

Significant actuarial assumptions are summarised below:

	2017	2016
	(% per annum)	(% per annum)
Discount rate	2.7	2.7
Salary increase rate	0.0 - 6.5	0.0 - 6.5
Employee turnover rate (depending on age of employees)	0.0 - 20.0	0.0 - 20.0

The result of sensitivity analysis for significant assumption that affect the present value of the long-term employee benefit obligation as at 30 September 2017 are summarised below:

	(Unit: Thousand Baht)
	<u>Increase (decrease)</u>
<b>Discount rate</b>	
Increase by 1%	(5,008)
Decrease by 1%	6,021
<b>Salary increase rate</b>	
Increase by 1%	6,192
Decrease by 1%	(5,240)
<b>Employees turnover rate</b>	
Increase by 20% of base in each age	(6,098)
Decrease by 20% of base in each age	7,891

## 20. Provisions

These provisions are provisions for product warranty which have movements during the years ended 30 September 2017 and 2016 summarised below.

	(Unit: Thousand Baht)
Balance as at 1 October 2015	16,632
Increase during the year	5,048
Utilised	(886)
Reversal of provisions	(8,258)
Balance as at 30 September 2016	<u>12,536</u>
Increase during the year	3,788
Utilised	(950)
Reversal of provisions	(3,774)
Balance as at 30 September 2017	<u><u>11,600</u></u>

Provisions for product warranty is recognised at a percentage of sales. The rate used in the calculation is based on historical data of actual expenses.

## 21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required set aside a statutory reserve at least 5 percent of its net profit

after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2017	2016
Salaries and wages and other employee benefits	544,337	498,145
Depreciation	142,176	148,206
Amortisation	8,159	8,041
Warranty provisions	3,788	5,048
Rental expenses from operating lease agreements	21,654	13,272
Raw materials and consumables used	1,479,536	1,340,580
Changes in inventories of finished goods and work in process	12,224	14,233
Loss on reduction of inventories to net realisable value	3,933	596

## 23. Income tax

Income tax expenses for the years ended 30 September 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)	
	2017	2016
<b>Current income tax:</b>		
Current income tax charge	7,952	10,531
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	4,480	(2,628)
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>12,432</u>	<u>7,903</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 30 September 2017 and 2016 are as follows:

	(Unit: Thousand Baht)	
	2017	2016
Deferred tax relating to loss on actuarial	<u>-</u>	<u>363</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)	
	2017	2016
Accounting profit before tax	188,433	145,098
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	37,687	29,020
Effects of:		
Promotional privileges (Note 24)	(27,228)	(21,941)
Non-deductible expenses	(247)	1,319
Additional expense deductions allowed	(198)	(195)
Others	2,418	(300)
Total	(25,255)	(21,117)
Income tax expenses reported in the statement of comprehensive income	12,432	7,903

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	As at 30 September 2017	As at 30 September 2016
<b>Deferred tax assets</b>		
Allowance for doubtful accounts	5,270	8,057
Allowance for diminution in value of inventories	399	225
Provision for long-term employee benefits	2,594	2,753
Warranty provisions	603	752
Accrued rebate	1,100	1,795
Others	22	-
	<u>9,988</u>	<u>13,582</u>
<b>Deferred tax liabilities</b>		
Accumulated depreciation - investment properties	692	726
Advance payments tax	921	-
Others	-	1
	<u>1,613</u>	<u>727</u>
Net	<u>8,375</u>	<u>12,855</u>

## 24. Promotional privileges

The Company was granted investment promotional privileges by the Board of Investment under the Investment Promotion Act B.E. 2520. As at 30 September 2017, important tax privileges granted to the Company are summarised below.

	Investment promotion certificate no.	Exemption from import duty on machines	Exemption from corporate income tax for the periods	Commencing from
Manufacture of control cable of vehicles and window regulator of automobiles	1827(2)/2550	Expired	8 years	1 July 2007
Manufacture of control cable of vehicles and window regulator of automobiles	1715(2)/2555	Expired	7 years	28 February 2013
Manufacture of control cable of vehicles and window regulator of automobiles	1006(2)/2557	Expired	7 years	9 December 2013
Manufacture of control cable of vehicles and window regulator of automobiles	1539(2)/2557	Expired	7 years	2 March 2016
Manufacture of control cable of vehicles and window regulator of automobiles	60-0797-0-00-1-0	Will expire on 19 January 2020	7 years	4 May 2017

The Company's operating revenues for the years ended 30 September 2017 and 2016, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2017	2016	2017	2016	2017	2016
<b>Sales</b>						
<b>Domestic sales</b>	2,108,693	1,793,946	661,833	748,748	2,770,526	2,542,694
<b>Exports sales</b>	31,476	37,852	103,681	143,623	135,157	181,475
<b>Total sales</b>	<u>2,140,169</u>	<u>1,831,798</u>	<u>765,514</u>	<u>892,371</u>	<u>2,905,683</u>	<u>2,724,169</u>

## 25. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## 26. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is principally engaged in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

### Major customers

For the year 2017, the Company has revenues from three major customer groups in amount of Baht 541 million, Baht 537 million and Baht 395 million (2016: Baht 549 million, Baht 499 million and Baht 383 million, respectively).

## 27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 5 percent of basic salary. The fund, which is managed by AIA Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to approximately Baht 8 million (2016: Baht 8 million) were recognised as expenses.

## 28. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for the year ended 30 September 2015	The Annual General Meeting of the Company's shareholders on 26 January 2016	77,940	0.30
Interim dividends for the year ended 30 September 2016	The Board of Directors Meeting of the Company on 10 May 2016	64,950	0.25

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Total dividends for year 2016		142,890	0.55
Dividends for the year ended 30 September 2016	The Annual General Meeting of the Company's shareholders on 24 January 2017	64,950	0.25
Interim dividends for the year ended 30 September 2017	The Board of Directors Meeting of the Company on 9 May 2017	64,950	0.25
Total dividends for year 2017		129,900	0.50

## 29. Commitments and contingent liabilities

### 29.1 Capital commitments

As at 30 September 2017, the Company had capital commitments of approximately Baht 19 million and USD 0.03 million (2016: Baht 11 million and USD 0.02 million), relating to the purchase of equipment.

### 29.2 Operating lease and service commitments

The Company has entered into several operating lease agreements in respect of the lease of vehicles and equipment and service agreements. The terms of the agreements are generally between 1 and 5 years.

The Company had future minimum lease and service payments required under these non-cancellable operating leases and service agreements as follows.

	(Unit: Million Baht)	
	2017	2016
Payable:		
In up to 1 year	29	38
In over 1 and up to 5 years	10	10

### 29.3 License commitments

The Company has entered into license and technical assistance agreement with an overseas related company for the use of a trademark and the receipt of information related to the manufacture and assembly of control cable of automobiles and motorcycles. Under the conditions of the license agreement, the Company is to pay the fee twice a year as stipulated in the agreement. The fees for the year ended 30 September 2017 amounting to approximately Baht 43 million (2016: Baht 37 million) were recognised as expenses.

## 29.4 Guarantees

As at 30 September 2017, there were outstanding bank guarantees of approximately Baht 3 million (2016: Baht 3 million and USD 0.04 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee electricity use, among others.

## 29.5 Litigation

The Customs Department conducted a post clearance audit at the Company, and accused the Company of making incorrect tariff code declarations (with lower duty rates) in import entries between 2003 and 2006. It therefore assessed import duty and VAT shortfalls amounting to Baht 17.9 million, excluding penalties and surcharges. In February 2017, the Company filed an appeal with the Central Tax Court and in September 2017, the Central Tax Court delivered a judgment to revoke only the assessment of import duty and surcharges. The Company is not allowed to file a lawsuit against the Revenue Department demanding the revocation of the VAT assessment because the Company has not yet exercised its right to appeal to the Board of Appeal in accordance with Section 30 of the Revenue Code. However, the Customs Department still has the right to appeal to a special court, while the Company has the right to appeal to the special court on the VAT issue as well. As at 30 September 2017, the Company's management has assessed the case and believes that the Company is not liable for the import duty and VAT shortfalls, including penalties and surcharges, because the Company correctly paid import duty in accordance with the Customs Tariffs Decree B.E. 2530. Considering legal opinions and the opinions of customs tariff experts, the declared imported products are classified according to the product definitions specified in the customs tariff schedule. The Company therefore did not record a provision for the contingent liabilities as a result of this litigation in the financial statements.

## 30. Financial instruments

### 30.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, investment, trade accounts payable, short-term loans and long-term loan. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material

financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

### **Interest rate risk**

The Company's exposure to interest rate risk relates primarily to its cash at banks, short-term and long-term interest bearing debts. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 30 September 2017

	Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<u>Financial assets</u>						
Cash and cash equivalent	-	-	567.8	8.2	576.0	0.05 – 0.50
Current investments	202.1	-	-	-	202.1	0.80 - 1.375
Trade and other receivables	-	-	-	549.5	549.5	-
Long-term investment	-	-	-	25.7	25.7	-
	<u>202.1</u>	<u>-</u>	<u>567.8</u>	<u>583.4</u>	<u>1,353.3</u>	
<u>Financial liabilities</u>						
Short-term loans from banks	-	-	300.0	-	300.0	2.90 - 3.00
Trade and other payables	-	-	-	599.3	599.3	-
Liabilities under finance lease agreements	4.7	6.0	-	-	10.7	2.46 - 6.47
Long-term loan from bank	64.9	48.5	-	-	113.4	3.90
	<u>69.6</u>	<u>54.5</u>	<u>300.0</u>	<u>599.3</u>	<u>1,023.4</u>	

(Unit: Million Baht)

As at 30 September 2016

	Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<u>Financial assets</u>						
Cash and cash equivalent	-	-	499.2	7.7	506.9	0.05 - 0.50
Current investments	200.5	-	-	-	200.5	0.80 - 1.375
Trade and other receivables	-	-	-	488.3	488.3	-
Long-term investment	-	-	-	25.7	25.7	-
	<u>200.5</u>	<u>-</u>	<u>499.2</u>	<u>521.7</u>	<u>1,221.4</u>	
<u>Financial liabilities</u>						
Short-term loans from banks	-	-	300.0	-	300.0	2.90 - 3.05
Trade and other payables	-	-	-	551.1	551.1	-
Liabilities under finance lease agreements	4.1	8.8	-	-	12.9	2.46 - 5.01
Long-term loan from bank	64.9	113.4	-	-	178.3	3.90
	<u>69.0</u>	<u>122.2</u>	<u>300.0</u>	<u>551.1</u>	<u>1,042.3</u>	

### **Foreign currency risk**

The Company's exposure to foreign currency risk arises mainly from purchase and sale finished goods transactions that are denominated in foreign currencies. The Company seeks to reduce this risks by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 30 September		as at 30 September		as at 30 September	
	2017	2016	2017	2016	2017	2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.5	1.2	1.1	0.8	33.37	34.70
Japanese yen	4.0	2.8	141.8	124.4	0.30	0.34

Foreign exchange contracts outstanding are summarised below.

*As at 30 September 2017*

Foreign currency	Bought amount	Contractual exchange bought rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.2	33.93 - 34.16	December 2017 - January 2018
Japanese yen	30.0	0.30 - 0.31	November 2017 - March 2018

*As at 30 September 2016*

Foreign currency	Bought amount	Contractual exchange bought rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.3	34.72 - 34.83	February - March 2017
Japanese yen	49.6	0.34 - 0.35	March - April 2017

### 30.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature, loans bear interest closed to market interest rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

As at 30 September 2017, the Company had the assets that were disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Level1	Level2	Level3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	346	-	346

During the current year, there were no transfers within the fair value hierarchy.

### **31. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 30 September 2017, the Company's debt-to-equity ratio was 0.65:1 (2016: 0.68:1).

### **32. Event after the reporting period**

The meeting of company's Board of director, held on 21 November 2017 passed the resolution to propose the payment of a dividend for the year 2017 of Baht 0.80 per share. Since the Company's Board of Directors previously approved an interim dividend from income of the year 2017 of Baht 0.25 per share, the remaining dividend payment is Baht 0.55 per share, amounting to Baht 142.89 million. The Board of Director will propose the dividend payment for approval by the Annual General Meeting of the Company's Shareholders for the year 2017.

### **33. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 21 November 2017.

## Audit fee

### 1. Audit fee

No.	Name of paying company	Auditor's name	Type of audit	Audit fee
1	Thai Steel Cable PCL.	EY Office Limited	Accounting audit	1,130,000
2			BOI audit	320,000
<b>Total audit fee</b>				<b>1,450,000</b>

### 2. Non-audit fee

No.	Name of paying company	Type of non-audit service	Non-audit service fee	
			Amount paid in the accounting period	Amount to be paid in the future
1.	Legal services consultant	Weerawon, Chinnavat & Partners Ltd.	3,535,607.30	-
2.	BOI services consultant	Deerborn P.C. Co., LTD.	742,268.04	-
3.	BOI services consultant	Bangkok International Audit Co., Ltd.	440,000.00	-
4.	Services consultant	VMS Services	130,000.00	-
5.	Services consultant	Pro Consultants Co., Ltd.	72,164.95	-
6.	Services consultant	Siam Council Customs and International Trade Services Ltd.	506,000.00	-
7.	Services consultant	Mr. Nitipat Sathienpaisarn	1,150,000.00	-
8.	Services consultant and witness	Mr. Pitak Samransuk	747,000.00	-
9.	Services consultant and witness	Mr. Manit Muangpaisal	702,000.00	-
10.	Services consultant and witness	Mr. Kittisak Thongsujaritkul	50,000.00	-
11.	Services consultant and witness	Mr. Somchay Chaochankij	20,000.00	-
12.	Services consultant and witness	Mrs. Promlee Keskosol	6,000.00	-
13.	Services consultant and witness	Mr. Somboonphong Pukkaves	3,605.00	-
<b>Total non-audit fee</b>			<b>8,104,645.29</b>	

### 3. Auditor

EY Office Limited  
193/136 - 137, 33rd Floor, Lake Rajada Office Complex,  
Klongtoey, Bangkok 10110  
Tel. (02) 264 9090  
Fax. (02) 264 0789

Mrs. Poonnard	Paocharoen,	CPA. (Thailand)	No. 5238
Mr. Khitsada	Lerdwana,	CPA. (Thailand)	No. 4958
Ms. Visuta	Jariyathanakom,	CPA. (Thailand)	No. 3853

All mentioned auditors are independent and qualified as the auditor of the Company and has been verified by Securities and Exchange Commission (SEC).

## Director's Background

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
1. Mr. Sunsurin Jurangkool  Date of Appointment April 2, 2005	75	Doctor of Philosophy  <u>Training</u> : IOD  - None -	<u>Direct</u> 83,115,000 Share (31.992%)  <u>Indirect</u> - None -	Father of Mr. Thaveechat Jurangkool and Mr. Kornkrit Jurangkool	<u>Listed Company</u>			None	
					1978 - Present	Chairman, Chief Executive Officer, Authorized Director	Thai Steel Cable Pcl.		Manufacturer of control cable for automobile/motorcycle and car window regulator
					<u>Limited Company</u>				
					1972 - Present	Chairman, Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.		Manufacture of automobile and motorcycle seat
					1982 - Present	Chairman, Authorized Director	Complete Auto Parts Co., Ltd.		Manufacturer of component parts for brake cable, clutch and accelerator cable
					1986 - Present	Chairman, Director, Authorized Director	Summit Auto Body Industry Co., Ltd.		Manufacture of automobile body parts, mold and die
					1987 - Present	Chairman, Authorized Director	Summit Electronic Components Co., Ltd.		Produce electronic parts
					1988 - Present	Vice Chairman Director	Bangkok Eagle Wings Co., Ltd.		Press Part
					1988 - Present	Director Authorized Director	Summit Steering Wheel Co., Ltd.		Manufacture and distribute steering wheel and transmission
					1990 - Present	Chairman, Authorized Director	Summit Advanced Material Co., Ltd.		Import of steel sheet/coil, coil center
					1991 - Present	Chairman, Director, Authorized Director	Summit Laemchabang Auto Body Work Co., Ltd.		Produce body parts and exhaust system equipment
					1991 - Present	Chairman, Director, Authorized Director	Summit Corporation Co., Ltd.		Investment and shareholding in various business
					1991 - Present	Chairman, Authorized Director	Summit Laemchabang Auto Seats Manufacturing Co., Ltd.		Manufacture of automobile seat frame and adjusting devices

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
Mr. SunsumJurangkool (continued)					1991 - Present	Chairman, Authorized Director	Auto Advance Material Manufacturing Co., Ltd.	Manufacture dry mat, sound insulation, plastic sheet, synthetic fiber sheet, for automobile and motorcycle use	
					1993 - Present	Chairman, Director Authorized Director	Summit Showa Manufacturing Co., Ltd.	Manufacturer shock absorbers, engine parts, transmission system, braking system, suspension system consciously or bearings.	
					1994 - Present	Chairman, Authorized Director	SNC Sound Proof Co., Ltd.	Manufacture and export of raw material for making of automobile sound proof part	
					1994 - Present	Chairman, Authorized Director	Thai Seat Belt Co., Ltd.	Manufacture and distribute of seat belts and seat belts cable	
					1995 - Present	Chairman, Authorized Director	STB Textiles Industry Co.,Ltd.	Manufacture of fabric for automobile use	
					1995 - Present	Chairman, Authorized Director	Eastern P.U. Foam Industry Co., Ltd.	Manufacture automobile seat foam	
					1995 - Present	Chairman, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry and other	
					1996 - Present	Chairman, Director Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
					1996 - Present	Chairman, Director Authorized Director	Summit Kurata Manufacturing Co., Ltd.	Produce steering columns, Neck axis drive. Including spare parts and accessories for all kinds of vehicles.	
					1997 - Present	Chairman, Director Authorized Director	Summit Ansei Auto Parts Co., Ltd.	Produce car door lock and hood lock, tailgate, door lock loop.	
					1997 - Present	Chairman, Director, Authorized Director	Summit Engineering Center Co., Ltd.	Design & manufacture of various kinds of die and mold	
					1998 - Present	Chairman, Director, Authorized Director	Modern Products Industry Co., Ltd.	Manufacture of wood printing and coating of auto parts	
					1998 - Present	Director, Authorized Director	Summit Industry (Thailand) Co., Ltd.	Business rental	
					1999 - Present	Director , Authorized Director	Johnson Controls & Summit Interiors Co., Ltd.	Manufacture of automobile seat and interior parts	

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
Mr. SunsumJurangkool (continued)					2002 - Present	Director	HSH Co., Ltd.	Investment and shareholding in various business	
					2002 - Present	Chairman, Authorized Director	Auto Interior Products Co.,Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					2002 - Present	Chairman,	Summit Windmill Golf Club Co., Ltd.	Golf club service	
					2003 - Present	Vice Chairman, Authorized Director	Marubishi Summit Industry Vietnam Co., Ltd.	Manufacture automobile parts	
					2004 - Present	Director	JRK Auto Parts PVT. Ltd.	Produce automotive electronic parts	
					2004 - Present	Chairman, Authorized Director	Summit Otsuka Manufacturing Co., Ltd.	Produce car parking hand-break	
					2005 - Present	Chairman, Authorized Director	Summit Rieter Nittoku Sound ProofCo., Ltd.	Manufacture and export of automobile soundproof parts	
					2007 - Present	Chairman, Authorized Director	Summit Green Valley Chiangmai Golf Club Co., Ltd.	Golf club service	
					2008 - Present	Chairman, Authorized Director	Summit R&D Center Co., Ltd.	Automotive Product quality , capacity testing service , Calibration, Research and technology development, Design tools, Molds for automotive parts.	
					2008 - Present	Vice Chairman Director	Hiruta And Summit Co., Ltd.	Produce automotive parts	
					2008 - Present	Chairman, Authorized Director	Summit Auto Body Skill Development Center Co., Ltd.	Training service	
					2009 - Present	Director	Steel Alliance Service Center Co., Ltd.	Coil steel Slitter Steel	
					2013 - Present	Chairman	Summit Keylex (Thailand) Co., Ltd.	Produce vehicles parts and accessories.	

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense	
					Time	Position	Company			
2. Mr. Sarit Patanatmarueng  <u>Date of Appointment</u> April 2, 2005	42	M.A., Business Administration, New Hampshire College, USA  <u>Training:</u> IOD - Director Certification Program (DCP 42/2004)  <u>Other :</u> - Sustaining the family business 05/2010 - TLCA Executive Development Program (EDP12/2013) (SET)	<u>Direct</u> 10,506,400 Share (4.044%)  <u>Indirect</u> - None -	Younger brother of Ms. Sirina Patanatmarueng	<u>Listed Company</u>			Manufacturer of control cable for automobile/motorcycle and car window regulator	None	
					2004 – Present	Director, Managing Director, Authorized Director, Chairman of Risk Management Committee, Senior General Manager Business Operation Division (Acting)	Thai Steel Cable Pcl.			
					<u>Limited Company</u>					
					1996 – Present	Director, Authorized Director	Summit Chugoku Seira Co., Ltd.			Manufacture welding nuts for automotive industry
					2004 – Present	Director, Authorized Director	Complete Auto Parts Co.,Ltd.			Manufacturer of component parts for brake cable, clutch, and accelerator cable
					2004 – Present	Director,	Complete Auto Rubber Manufacturing Co., Ltd.			Manufacture rubber parts for automotive and electronic industry and other
					2010 – July 2013	Director, Authorized Director	P. Tooling Co.,Ltd.			Manufacturer of mold and related equipment.
					2013 – Present	Director, Authorized Director	Boltun Corporation (Thailand) Co., Ltd.			Production of bolts for the car industry.
					2016 - Present	Director, Authorized Director	Amata Summit Ready Built Co., Ltd.			Factory Lease / Rental Service
					3. Mr. Makoto Teraura  <u>Date of Appointment</u> April 2, 2005	79	Mechanical Engineering, Faculty of Technology, Shizuoka University, Japan  <u>Training :</u> IOD - None -			<u>Direct</u> - None -  <u>Indirect</u> - None -
1981- Present	Director	Thai Steel Cable Pcl.								
<u>Limited Company</u>										
1972 - Present	Director	TSK (Korea) Co., Ltd.	Manufacturer of control cable for automobile/motorcycle							
1973 - Present	Director	Tajima TSK, Inc.	Manufacturer of car component							
1973 - Present	Director	HI-LEX KANTO, Inc.	Manufacturer of control cable for automobile							
1975 - Present	Chairman	HI-LEX Corporation	Manufacturer of control cable for automobile/motorcycle							
1978 - Present	Audit Committee	PT. HI-LEX Indonesia	Manufacturer of control cable for automobile/motorcycle and car window regulator							

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
Mr. Makoto Teraura (continued)					1980 - Present	Director	Dae Dong System Co., Ltd.	Manufacturer of control cable for automobile	
					1981 - Present	Director	HI-LEX Saitama, Inc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					1985 - Present	Director	Izushi Cable, Inc.	Manufacturer of control cable for automobile	
					1989 - Present	Director	HI-LEX Controls Inc.	Manufacturer of car window regulator and rear slider	
					1989 - Present	Director	HI-LEX Shimane, Inc.	Manufacturer of control cable for automobile and car window regulator	
					1989 - Present	Audit Committee	PT. HI-LEX Parts Indonesia	Manufacturer of car component	
					1992 - Present	Director	HI-LEX America Inc.	Manufacturer of control cable for automobile/motorcycle	
					1992 - Present	Chairman	TSK of America Inc.	Holding company	
					1993 - Present	Director	HI-LEX Mexicana, S.A DE.C.V	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					1995 - Present	Director	Chongqing HI-LEX Cable System Group Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					1999 - Present	Director	HI-LEX India Private Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					1999 - Present	Director	HI-LEX Vietnam Co., Ltd.	Manufacturer of control cable for motorcycle	
					2000 - Present	Director	HI-LEX Cable System Co., Ltd.	Manufacturer of control cable for automobile and car window regulator	
					2002 - Present	Director	Guangzhou TSK Control Cable Co., Ltd.	Manufacturer of car component	
					2002 - Present	Director	Yantai TSK Cable System Co., Ltd.	Manufacturer of control cable for automobile and car window regulator	
					2003 - Present	Director	Dae Dong HI-LEX Inc.	Manufacturer of car window regulator and door module	
					2006 - Present	Director	HI-LEX Hungary Cable System Manufacturing LLC.	Manufacturer of control cable for automobile	

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
Mr. Makoto Teraura (continued)					2007 - Present	Director	Guangdong HI-LEX Cable System Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2007 - Present	Director	Changchun HI-LEX Auto Cable Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2008 - Present	Director	Daedong HI-LEX of America Inc. LLC.	Manufacturer of car window regulator and door module	
					2012 - Present	Director	Sun Medical Technology Research Corp.	Manufacturer of medical devices	
					2014 - Present	Audit Committee	PT. HI-LEX Cirebon	Manufacturer of control cable for automobile and car window regulator	
					2014 - Present	Director	Chongqing Evaheart Medical Device Co., Ltd.	Manufacturer of medical devices	
					2016 - present	Director	HI-LEX Miyagi, Inc	Manufacturer of control cable for automobile and car window regulator	
4. Mr. Thaveechat Jurangkool  <u>Date of Appointment</u> April 2, 2005	45	MBA., Finance, Webster University  <u>Training</u> : IOD - Director Accreditation Program (DAP109/2014)	<u>Direct</u> 21,121,900 Shares (8.130%)  <u>Indirect</u> - None -	Son of Mr. Sunsum Jurangkool	<u>Listed Company</u>				None
					2003 - Present	Director, Authorized Director	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					<u>Limited Company</u>				
					1993 - Present	Director, Authorized Director	Summit Auto Body Industry Co., Ltd.	Manufacture of automobile body parts, mold and die	
					1995 - Present	Director, Authorized Director	Eastern P.U. Foam Industry Co., Ltd.	Manufacture automobile seat foam	
					1996 - Present	Director, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
					1996 - Present	Director, Authorized Director	Summit Kurata Manufacturing Co., Ltd.	Produce steering columns, Neck axis drive. Including spare parts and accessories for all kinds of vehicles.	
					1998 - Present	Director, Authorized Director	Modern Products Industry Co., Ltd.	Manufacture of wood printing and coating of auto parts	
					1998 - Present	Director	Summit Industry (Thailand) Co., Ltd.	Business Rental	

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
Mr. Thaveechat Jurangkool (continued)					2002 - Present	Director, Authorized Director	Summit Corporation Co., Ltd.	Investment and shareholding in various business	
					2002 - Present	Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat	
					2002 - Present	Director, Authorized Director	Summit Laemchabang Auto Seats Manufacturing Co., Ltd.	Manufacture of automobile seat frame and adjusting devices	
					2002 - Present	Director, Authorized Director	Summit Laemchabang Auto Body Work Co., Ltd.	Produce body parts and exhaust system equipment	
					2002 - Present	Director, Authorized Director	Summit Advanced Material Co., Ltd.	Import of steel sheet/coil, coil center	
					2002 - Present	Director, Authorized Director	Summit Engineering Center Co., Ltd.	Design & manufacture of various kinds of die and mold	
					2002 - Present	Director, Authorized Director	Auto Interior Products Co., Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					2002 - Present	Director, Authorized Director	Auto Advance Material Manufacturing Co., Ltd.	Manufacture dry mat, sound insulation, plastic sheet, synthetic fiber sheet, for automobile and motorcycle use	
					2002 - Present	Director, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf club service	
					2002 - Present	Director, Authorized Director	STB Textiles Industry Co., Ltd.	Manufacture of fabric for automobile use	
					2002 - Present	Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture and distribute steering wheel and transmission	
					2003 - Present	Director	Marubishi Summit Industry Vietnam Co., Ltd.	Manufacture automobile parts	
2003 - Present	Director, Authorized Director	Complete Auto Parts Co.,Ltd	Manufacturer of component parts for brake cable, clutch and accelerator cable						

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
Mr. Thaveechat Jurangkool (continued)					2004 - Present	Director, Authorized Director	Summit Otsuka Manufacturing Co., Ltd.	Produce car parking hand-break	
					2004 - Present	Director	JRK Auto Parts PVT. Ltd.	Produce automotive electronic parts	
					2005 - Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry and other	
					2006- Present	Director, Authorized Director	Thai Progress Rubber Co.,Ltd.	Manufacture rubber parts for automotive and electronic industry and other	
					2007 - Present	Director, Authorized Director	Summit Green Valley Chiangmai Golf Club Co., Ltd.	Golf club service	
					2007 - Present	Director, Authorized Director	J-Max Monopoly Corporation Co., Ltd.	Purchase sell, and rent real estate property	
					2007 - Present	Director, Authorized Director	J-Max Property Assesst Co., Ltd.	Produce, purchase, and rent of machine supply and spare parts	
					2008 - Present	Director, Authorized Director	Summit Auto Body Skill Development Center Co., Ltd.	Training service	
					2008 - Present	Director, Authorized Director	Summit R&D Center Co., Ltd.	Automotive Product quality, capacity testing service, Calibration, Research and technology development, Design tools, Molds for automotive parts.	
					2013 - Present	Director Authorized Director	Boltun Corporation (Thailand) Co., Ltd.	Production of bolts for the car industry.	

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense	
					Time	Position	Company			
5. Mr. Kornkrit Jurangkool  <u>Date of Appointment</u> November 13, 2008	39	M.A., Technology Management Program, American Inter Continental University, Los Angeles, USA  <u>Training</u> : IOD - Director Accreditation Program (DAP 77/2009) - RE-CU SENIOR (RE-38 / 2011) - TLCA Executive Development Program (9/2012) - TOISC : 2012 - Future Entrepreneurs Forum (FEF 1/2013)	<u>Direct</u> 4,000,000 Shares (1.540%)  <u>Indirect</u> - None -	Son of Mr. SunsumJurangkool	<u>Listed Company</u>			Manufacturer of control cable for automobile/motorcycle and car window regulator	None	
					2009 - Present	Director, Authorized Director	Thai Steel Cable Pcl.			
					<u>Limited Company</u>					
					1996 - Present	President Director, Authorized Director	Summit Auto Tech Industry Co., Ltd.			Manufacture of exhaust muffler system and automotive parts
					2004 - Present	Director, Authorized Director	Summit Otsuka Manufacturing Co., Ltd.			Produce car parking hand-break
					2005 - Present	President Director, Authorized Director	Thai Auto Industry Co., Ltd.			Manufacture and sell pressed parts for automobile and motorcycle
					2005 - Present	Director, Authorized Director	Summit Kurata Manufacturing Co., Ltd.			Produce steering columns, Neck axis drive. Including spare parts and accessories for all kinds of vehicles .
					2006 - Present	Director, Authorized Director	Summit Ansei Auto Parts Co., Ltd.			Produce car door lock and hood lock, tailgate, door lock loop.
					2007 - Present	Director, Authorized Director	Summit Green Valley Chiangmai Golf Club Co., Ltd.			Golf club service
					2016 - Present	President Director, Authorized Director	Central Motor Wheel (Thailand) Co., Ltd.			Steel Wheel & Disc
					2008 - Present	President Director, Authorized Director	Summit Advanced Material Co., Ltd.			Import Coil, slit coil &sheet
					2008 - Present	Director, Authorized Director	Summit Auto Body Skill Development Center Co., Ltd.			Training service
					2008 - Present	Director, Authorized Director	Summit R&D Center Co., Ltd.			Research and technology development Service ,Design tools, Molds for automotive parts &Maintenance
					2009 - Present	Managing Director, Authorized Director	Summit Auto Body Industry Co., Ltd.			Manufacture of automobile body parts,mold and die
2009 - Present	Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat							

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
Mr. Kornkrit Jurangkool (continued)					2009 - Present	Director, Managing Director Authorized Director	Summit Laemchabang Auto Body Work Co., Ltd.	Produce body parts and exhaust system equipment	
					2009 - Present	Director, Authorized Director	Summit Laemchabang Auto Seats Manufacturing Co., Ltd.	Manufacture of automobile seat frame and adjusting devices	
					2009 - Present	Director, Authorized Director	Auto Advance Material Manufacturing Co., Ltd.	Manufacture dry mat, sound insulation, plastic sheet, synthetic fiber sheet, for automobile and motorcycle use	
					2009 - Present	Director, Authorized Director	Eastern P.U. Foam Industry Co., Ltd.	Manufacture automobile seat foam	
					2009 - Present	Director, Authorized Director	Summit Engineering Center Co., Ltd.	Design & manufacture of various kinds of die and mold	
					2009 - Present	Director, Authorized Director	Modern Products Industry Co.,Ltd.	Manufacture of wood printing and coating of auto parts	
					2009 - Present	Director, Authorized Director	Auto Interior Products Co., Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					2009 - Present	Director, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf club service	
					2009 - Present	Director	Bangkok Eagle Wings Co., Ltd.	Press Part	
					2009 - Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry	
					2009 - Present	President Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture and distribute steering wheel and transmission	
					2009 - Present	Director	Hiruta And Summit Co., Ltd.	Produce automotive parts	
					2009 - Present	Director Authorized Director	Steel Alliance service center Co., Ltd.	Coil steel Slitter Steel	
					2010 - Present	Director, Authorized Director	Summit Showa Manufacturing Co.,Ltd.	Manufacturer shock absorbers, engine parts, transmission system, braking system, suspension system consciously or bearings.	
					2010 - Present	Director, Authorized Director	Complete Auto Parts Co.,Ltd	Manufacturer of component parts for brake cable, clutch and accelerator cable	

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
Mr. Kornkrit Jurangkool (continued)					2010 - Present	Director, Authorized Director	Thai Progress Rubber Co.,Ltd.	Manufacturing rubber parts for automotive, electronics and other industries.	
					2013 - Present	Director Authorized Director	Summit Keylex (Thailand) Co.,Ltd.	Produce vehicles parts and accessories.	
					2014 - Present	Director	Sankei Summit (Thailand) Co.,Ltd.	Manufacturing and Sales Auto Parts	
6. Mr. Keizo Tani  <u>Date of Appointment</u> May 31, 2017	60	Faculty of Mechanical Technology Kansai University, Japan  <u>Training</u> : IOD - None-	<u>Direct</u> - None -  <u>Indirect</u> - None -	None	<u>Listed Company</u>				None
					May 2017 - Present	Director	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2016 - Present	Marketing Manager			
					<u>Limited Company</u>				
					2014 - 2016	Logistics General Manager (Head Office)	HI-LEX Corporation	Manufacturer of control cable for automobile/motorcycle	
2012 - 2014	Sales General Manager (Head Office)								
7. Mr. Prinya Waiwatana  <u>Date of Appointment</u> April 2, 2005	70	B.A., Accounting, Chulalongkorn University  <u>Training</u> : IOD - Director Accreditation Program (DAP 35/2005) - Audit Committee Program (ACP 9/2005) - Director Certification Program (DCP 72/2006)	<u>Direct</u> - None -  <u>Indirect</u> - None -	None	<u>Listed Company</u>				None
					May 2016 - Present	Chairman of the Audit Committee, Chairman of the Corporate Governance Committee	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2005 - Present	Independent Director, Nomination and Remuneration Committee			
					2005 - May 2016	member Audit Committee member, Corporate Governance Committee member			

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense	
					Time	Position	Company			
Mr. Prinya Waiwatana (continued)					2010 – Present	Independent Director, Nomination and Remuneration Committee member, Investment Committee member, Chairman of the Risk Management Committee	AIRA Capital Co., Ltd.	Holding Company		
					2010 – Present	Independent Director, Corporate Governance Committee member	Samart Corporation PCL	Technology / Communication		
8. Mr. Apinan Na Ranong  <u>Date of Appointment</u> April 2, 2005	67	B.A., Business Administration, Chiang Mai University  <u>Training</u> : IOD - Director Accreditation Program (DAP 35/2005) - Audit Committee Program (ACP 9/2005) - Monitoring the System of Internal Control and Risk Management (MIR 2/2008)	<u>Direct</u> - None -  <u>Indirect</u> - None -	None	<u>Listed Company</u>			Manufacturer of control cable for automobile/motorcycle and car window regulator	None	
					May 2016 – Present	Chairman of the Nomination and Remuneration Committee	Thai Steel Cable Pcl.			
					2005 – May 2016	Nomination and Remuneration Committee member				
					2005 – Present	Independent Director, Audit Committee member, Corporate Governance Committee member				
					2008 – Present	Independent Director	Apex Development Pcl.			Organizer of real estate development project
					<u>Limited Company</u>					
					1998 – Present	Director, President	Terrene Intertrade Co., Ltd.			Catering Business
May - Present	Chairman of the Board of Directors	Amata Summit Reit Management Co.,Ltd	Managing the trust to invest in real estate. (As approved by the Securities and Exchange Commission of Thailand).							

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
9. Mr. ChatchaiEarsakul  <u>Date of Appointment</u> May 17, 2010	62	M.A., Economics of Planning & Policy, Northeastern University  <u>Training:</u> IOD - Director Accreditation Program (DAP 84/2010)	<u>Direct</u> - None -  <u>Indirect</u> - None -	None	<u>Listed Company</u>			Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2010 - Present	Independent Director, Audit Committee member, Nomination and Remuneration Committee member, Corporate Governance Committee member	Thai Steel Cable Pcl.		
					2015 - Present	Vice Chairman of the Board	Thai Pack Aging & Printing Plc.		
					<u>Limited Company</u>				
					2003 - 2007	Advisor	Pacific Group Co.,Ltd.		
					2011 - Present	Director	Thanyakij Service Co., Ltd.		
							Produce and distribute packaging material and offset printing		
							Property development		
							Warehouse and Dockyard		



Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense	
					Time	Position	Company			
11. Ms. Sirina Patanatmarueng  <u>Date of Appointment</u> May 11, 2016	43	M.A. Arts Chulalongkorn University  <u>Training:</u> IOD - Company Secretary - Financial Statements for Directors (FSD 26/2014) - Director Certification Program (DCP 227/2016) - Ethical Leadership Program (ELP9/2017)  <u>Training:</u> TLCA - Executive Development Program (EDP15/2014)	<u>Direct</u> 10,196,300 Shares (3.925%)  <u>Indirect</u> - None -	Older sister of Mr. Sarit Patanatmarueng	<u>Listed Company</u>			Manufacturer of control cable for automobile/motorcycle and car window regulator	None	
					2016 (May) - Present	Director, Authorized Director	Thai Steel Cable Pcl.			
					2002 - Present	Senior General Manager - Business Administration Division				
					<u>Limited Company</u>					Production of bolts for the car industry
					2012 - Present	Director, Authorized Director	Boltun Corporation (Thailand) Co., Ltd.			
					2013 - Present	General Manager - Office Division	Summit Chugoku Seira Co., Ltd.			
12. Mr. Suthon Prempree	57	B.A., Political Science, Ramkhamhaeng University  M.B.A. Business Administration, Ramkhamhaeng University	<u>Direct</u> - None -  <u>Indirect</u> - None -	None	<u>Listed Company</u>			Manufacturer of control cable for automobile/motorcycle and car window regulator	None	
					1984 - Present	Senior General Manager - Production Division	Thai Steel Cable Pcl.			
					<u>Limited Company</u>					
					2012 - Present	General Manager - Production Division	Summit Chugoku Seira Co., Ltd.			Manufacture welding nuts for automotive industry
13. Mr. Sawat Sukaachin	49	Master Degree of Industrial Engineering, Chulalongkorn University	<u>Direct</u> - None -  <u>Indirect</u> - None -	None	<u>Listed Company</u>			Manufacturer of control cable for automobile/motorcycle and car window regulator	None	
					August 2015 - Present	Senior General Manager - Procurement Division	Thai Steel Cable Pcl.			
					2011 - January 2015	General Manager - Quality Division				Thai Steel Cable Pcl.
					<u>Limited Company</u>					Manufacture of Suspension product for Automotive and Motorcycle
					February - June 2015	Factory Director	Y.S.S (Thailand) Co.,Ltd.			
					1998 - 2011	Plant operation Manager	Thai Yang Kitpaisan Co.,Ltd.			

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense	
					Time	Position	Company			
14. Ms. Kasita Pitaksongkram  <u>Date of Appointment</u> May 14, 2012  <u>Contact Address :</u> 19/5 Moo.3 Tambon Ban Suan, AmphoeMueang, Province Chon Buri 20000  <u>Vested interest in agendas</u> - None -	35	M.A., Business Administration, Human Resource Management, Sripatum University  <u>Training:</u> IOD - Company Secretary Program (CSP46/2012) - Company Reporting Program (CRP3/2012) - Board Reporting Program (BRP13/2014) - Anti-Corruption the Practical Guide (ACPG 21/2015) <u>Training:</u> TLCA - Fundamental Practice for Corporate Secretary (FPCS) <u>Training:</u> SEC, SET - Smart Disclosure Program (SDP) - SPC Straight Through System - Basic IR Training - Stock Valuation for IR - Good Practices for Analyst Presentation	<u>Direct</u> - None -  <u>Indirect</u> - None -	None	<u>Listed Company</u>			Manufacturer of control cable for automobile/motorcycle and car window regulator	None	
					Decemcer 2016 – Present	Asst. Mgr. of Compliance and Investor Relations department	Thai Steel Cable Pcl.			
					May2016 - Present	Secretary of Nomination and Remuneration Committee				
					2014 – Present	Secretary of Corporate Governance Committee				
					2012 - Decemcer 2016	Company Secretary Supervisor of Compliance and Investor Relations department				
					2008 - Present	Assistant to Managing Director				
					<u>Limited Company</u>					
					2007 - 2008	Assistant Manager Administration	Marui Industry (Thailand) Co.,Ltd.			Manufacturer of plastic automotive part
					2005 - 2007	Secretary of Production Manager	Cobra International Co., Ltd.			Manufacturer of OEM watersports Equipment

Name	Age	Education	Shareholding (%) (As of September 30, 2017)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
Ms. Kasita Pitaksongkram (Continued)		<p><u>Training:</u> SEC, SET (Continue)</p> <ul style="list-style-type: none"> <li>- Guidelines on the Corporate Governance Report of Thai Listed Companies (CGR) 2016</li> <li>- CSR for Corporate Sustainability 2015</li> <li>- Responsible Supply Chain Management 2015</li> <li>- CSR Report 2015</li> </ul> <p><u>Training:</u> Others</p> <ul style="list-style-type: none"> <li>- Global Mini MBA batch 78, Faculty of Commerce and Accountancy, Thammasat University</li> <li>- PA (Personal Assistant) training 2015 (Thailand Chapter Young Presidents' Organization Inc.)</li> <li>- The shareholders' meeting by the principles of corporate governance. (2016)</li> <li>- AGM 100 (2016)</li> <li>- The rights and obligations of shareholders on dimensional Yin - Yang: White - Black doing the right thing.</li> <li>- PA (Personal Assistant) training 2016 (Thailand Chapter Young Presidents' Organization Inc.)</li> </ul>							

## A press conference / Newsletter regarding the financial position

In 2017, the Company prepared the newsletter that presents the financial position and published in Thunhoon Newspaper of November 22, 2017.

## Report of Audit Committee

### To: Shareholders of Thai Steel Cable Public Company Limited

The Audit Committee of Thai Steel Cable Public Company Limited has been appointed by the Board of Directors.

The Committee members comprises of 4 individuals whose qualifications fully conform to the Audit Committee Charter and statutory requirements of the Office of the Securities and Exchange Commission. Names of committee members and 2017 attendance are listed below:

No	Name of Directors	Designation	Total meetings	Meeting attendance
1	Mr. Prinya Waiwatana*	Chairman of the Audit Committee	4	4
2	Mr. Apinan Na Ranong	Audit Committee	4	4
3	Mr. Chatchai Earsakul	Audit Committee	4	4
4	Mr. Veerawat Korphaibool	Audit Committee	4	4

\*Mr. Prinya Waiwatana is an audit committee member who is highly knowledgeable and experienced in accounting and financial matters.

The Audit Committee performed its duties under the scope, duties and responsibilities as assigned by the Board of Directors in consistence with the Stock Exchange of Thailand.

In 2017 (period from October 1, 2016 to September 30, 2017), the Audit Committee met 4 times and sometimes had meetings with executives. The performance of the Audit Committee could be summarized as follows:

1. Reviewing the quarterly financial statements and annual financial statements to ensure that the financial statements of the Company have been prepared correctly and reliable. The Audit Committee agreed with the auditor that such financial statement were accurate as it should, in all respects with the accounting standards and accounting principles generally accepted in accounting practices, including having meetings with the external auditors without executive team every quarter.
2. Reviewing the Company's internal control system and internal audits was sufficient and effective by hiring an expert to conduct an internal investigation to determine. Moreover, the Internal Audit Department monitored the internal audit plan for the year that the Audit Committee considered and approved covering the important work and assigned to monitor the correction of defect inspection report. The Committee saw that the Company's internal controls were adequate and

appropriate to the nature of the business and no defects or weaknesses of the significant system of internal controls. Assets are properly maintained, including the disclosure in its entirety.

In addition, the Committee reviewed the internal audit by considering the scope of missions, duties, responsibilities, man power force and independence of internal audit by setting the internal audit to report audit results to the Audit Committee and report on executive matter to the Managing Director that the internal audit of the Company was independent adequate and effective.

3. Reviewing of risk management of the company as a whole (Enterprise Risk Management: ERM), the Company is an indicator of risk, risk assessment from internal and external factors that consist of the strategic risk, the operational risk including the information technology risk, the financial risk and the compliance risk, risk management and track the progress of each agency to ensure that it could be done with the goal set. In the event that may affect the achievement of the organization, it could manage the risks to an acceptable level timely and the Audit Committee suggest to correct some risk management method and was of the opinion that the Company has adequate risk management systems and should be monitored in order to improve the effectiveness of risk management continuously.
4. Reviewing that the Company complied with the Securities and Exchange Commission, requirements of the Exchange Act or other laws relating to the business of the company, the Committee was of the opinion that there was no significant defects in terms of non-compliance with the law and regulations reviewed.
5. Considering the report of Internal Auditor to review the compliance under the Anti - Corruption Policy, the Committee was of the opinion that the Company has sufficient measures to oppose and detect the corruption efficiency.
6. Reviewing and commented on the transaction of business related or items that may have a conflict of interest, compliance with the Code of Conduct and Ethics of the Committee, executives and staff. There was no items posed as conflict of interest. The company disclosed in this matter correctly, as well as to comply with the Code of Ethics set appropriately.
7. Considering the selection of auditor and remuneration to the Board of Directors for approval at the AGM, the Audit Committee considered the performance of the external auditor in the past year, including knowledge specialization and independence and submitted to the Board for approval at the AGM by appointing Mr. KhitsadaLerdwana and / or Ms. VissutaJariyathanakorn and / or Ms. PoonnardPaocharoen of the EY Office Co., Ltd. as auditors for 2017 (the period from October 1, 2016 - September 30, 2017) with the audit fee in total of 1,180,000 Baht (excluding monitoring of compliance with the terms of the Investment Promotion Act for 320,000 baht)

In summary, overall the Audit Committee fulfilled its obligations set out in the Charter of the Audit Committee approved by the Board of Directors and was of the opinion that the Company had correctly and completely financial reports and business operations. There were proper and effective internal control system, internal audit and risk management and in compliance with legal requirements and obligations for compliance with the transaction correctly. In addition, the operation was performed with good governance, transparency, adequately and reliably, including considering the independence of the auditor to be appointed and remuneration of auditors.



Mr. Prinya Waiwatana  
Chairman of Audit Committee

## Report of Nomination and Remuneration Committee

### To: Shareholders of Thai Steel Cable Public Company Limited

The Nomination and Remuneration Committee consists of 4 independent qualified members are knowledgeable and experienced. The Nomination and Remuneration Committee performs duties in accordance with the scope of their responsibilities assigned by the Board of Directors.

In 2017, the Nomination and Remuneration Committee complies with the charter of Nomination and Remuneration Committee as follows:

#### Nomination task

1. To prepare criteria and policy regarding the nomination of Company Director, Sub-Committee, and top management and propose to the Board of Directors and/or further to the Shareholders' Meeting for approval.
2. To recruit and propose an appropriate person to be the Company Director, Sub-Committee and top management of the Company.
3. To encourage that the Company allows the shareholders to suggest person to be nominated as the Company Director.
4. To proceed any task concerned with the nomination as the Board of Directors assigns.

#### Remuneration task

1. To prepare criteria and policy regarding the remuneration to comply with the duties and responsibilities of the Company Director, Sub-Committee, and top management and propose to the Board of Directors and further to the shareholders' Meeting for approval.
2. To give explanation related to remuneration in the shareholders' meeting.
3. To report the remuneration policy in 56-1 form and annual report.
4. To proceed any task concerned with the remuneration as the Board of Directors assigns.

In order that, the Nomination and Remuneration Committee member attended the meetings detailed as follows:

No.	Name of Directors	Designation	Total number of meetings	Meeting attendance
1	Mr. Apinan Na Ranong	Chairman	2	2
2	Mr. Prinya Waiwatana	Director	2	2
3	Mr. Chatchai Earsakul	Director	2	2
4	Mr. Veerawat Korphaibool	Director	2	2

*อ. อธิวัฒน์*

(Mr. Apinan NaRanong)

Chairman of Nomination and Remuneration Committee

## Report of Corporate Governance Committee

### To: Shareholders of Thai Steel Cable Public Company Limited

The Corporate Governance Committee consists of 4 independent qualified members are knowledgeable and experienced. The Corporate Governance Committee performs duties in accordance with the scope of their responsibilities assigned by the Board of Directors which is compatible with the Capital Market Commission Notification and Requirements of the Stock Exchange of Thailand.

In 2017, the Corporate Governance Committee compliance with charter of the Corporate Governance Committee's completely consider and review compliance of CG Code Principles with its business and regularly reported to the Board of Directors as appropriate.

In the meeting, the Corporate Governance Committee made a report, expressed their opinions, and gave recommendations independently. By continuous promoting and monitoring the progress of the development of good corporate governance and social responsibility. The corporate governance handbook is updated in the Corporate Governance meeting No.2/2017 on August 7, 2017 which consists of business ethics (Code of Conducts) including guidelines, especially anti-corruption policy, others suggestion that improve and develop the corporate governance of the company.

In order that, the Corporate Governance Committee member attended the meetings detailed as follows:

No.	Name of Directors	Designation	Total number of meetings	Meeting attendance
1	Mr. Prinya Waiwatana	Chairman	2	2
2	Mr. Apinan Na Ranong	Director	2	2
3	Mr. Chatchai Earsakul	Director	2	2
4	Mr. Veerawat Korphaibool	Director	2	2



Mr. Prinya Waiwatana  
Chairman of Corporate Governance Committee

## Report of Risk Management Committee

### To: Shareholders of Thai Steel Cable Public Company Limited

The Risk Management Committee of Thai Steel Cable Public Company Limited has been appointed by the Board of Directors. The committee members comprises of 4 individuals and names of committee members and 2017 attendance are listed below:

No.	Name of Directors	Designation	Total number of meetings	Meeting attendance
1	Mr. Sarit Patanatmarueng (Managing Director / Acting Senior General Manager - Business Operation Division)	Chairman	4	4
2	Mr. Suthon Prempree (Senior General Manager - Production Division)	Committee	4	4
3	Ms. Sirina Patanatmarueng (Senior General Manager - Business Administration Division)	Committee	4	4
4	Mr. Sawat Sukaachin (Senior General Manager - Procurement Division / Acting General Manager - Quality Division)	Committee	4	4
The directors who resigned during the year				
5	Mr. Kazuhiro Takeshita* (Senior General Manager - Research & Development Division)	Committee	2	2

\*Resigned the position of director on May 31, 2017 and of other on June 30, 2017.

In 2017 (period from October 1, 2016 to September 30, 2017), The performance of the Risk Management Committee could be summarized as follows:

1. Review the RMC Charter to ensure that it is consistent, appropriate and support to the company whilst enables to manage the risk efficiently and effectively.
2. Consider the enterprise risk management that includes the assessment of strategic risk, operational risk, financial risk, and compliance risk as well as the incorporation with relevant laws and proper strategy to limit risk within acceptable level.

In summary, overall the Risk Management Committee fulfilled its obligations set out in the Charter of the Risk Management Committee approved by the Board of Directors and was of the opinion that the Company had developed the enterprise risk management system covering all risk factors. To oversee, follow up and review continuously with the result of risk management was affect the target or the company's objectives significant and managed the key risks of enterprise level with an effective, appropriate manner and was controlled to an acceptable level of risk.



Mr. Sarit Patanatmarueng  
Chairman of Risk Management Committee

# TSC Philosophy

Well-balance of work and life

Maximum value to all stakeholders

People and organization that grow together

Moving forward at all time

Promote good society

## ปรัชญา

สร้างสมดุลระหว่างการทำงานและชีวิต

สร้างมูลค่าสูงสุดให้กับผู้เกี่ยวข้องทั้งหมด

คนและองค์กรที่เติบโตไปพร้อมกัน

ก้าวไปข้างหน้าอย่างไม่หยุดยั้ง

ร่วมสรรค์สร้างสังคมที่ดี

**Value**

**คุณค่า**

**People**

**คน**

**Society**

**สังคม**

**Environment**

**สิ่งแวดล้อม**

**Ethic**

**จริยธรรม**

**Knowledge**

**ความรู้**

**Quality**

**คุณภาพ**





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