

**Form 56-1 One Report**

**2022**

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**ANNUAL REPORT**

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## Message from the Board of Directors

In 2022, it will be another year that the Company operates the business with determination, development and vigilance in the midst of a global economy that is likely to recover continuously but there is still uncertainty. This is due to the risk factors faced by the manufacturing sector in every industry, including the global shortage of semiconductors around the world, cost of raw materials increasing in the world market, inflation, increasing interest rates and factors in the transition to EV. The Board of Directors together with the management is followed by the situation and potential impacts are closely monitored, including setting up measures to support, adapt and develop to keep up with changes that occur in all situations.

For an overview of the automotive industry, this year has a tendency to recover better following the gradual recovery of the economy. However, the growth rate was slightly slower than the forecast at the beginning of the year due to the chip shortage that had a significant impact on the supply chain as a result of the Russia-Ukraine War including the cost of automobile manufacturing in the world market that increased according to the prices of raw materials. But still, the overall automobile production will still be higher than last year driven by the strong automobile export market and the government's open country policy.

The company strives to build strength, competitiveness, promoting continuous research and development to maintain product quality to the highest level, promote and drive production processes that are friendly to society and the environment, optimizing resources which has received good cooperation from all employees as well as pushing and promoting the care of personnel in the organization, which is the strength of the company, with a determination to be a sustainable growth organization 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.

## Message from the Board of Directors (Cont'd)

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 of Directors is committed to good corporate governance and considers the benefits to all stakeholders for sustainable growth in all dimensions including economy, society and environment.



Mr. Sunsum Jurangkool  
Chairman of the Board of Directors





## VISION วิสัยทัศน์

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To be world class  
automotive part manufacturer  
เป็นผู้ผลิตชิ้นส่วนยานยนต์ระดับโลก

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## MISSION ภารกิจ



**MARKET** - Expand to the world market  
ด้านการตลาด - มุ่งสู่ตลาดโลก



**R&D** - To be the world class designer  
ด้านการวิจัยและพัฒนาผลิตภัณฑ์ - มุ่งสู่การเป็นผู้ออกแบบระดับโลก



**ORGANIZATION** - To be the learning organization  
ด้านองค์กร - มุ่งสู่ความเป็นองค์กรแห่งการเรียนรู้

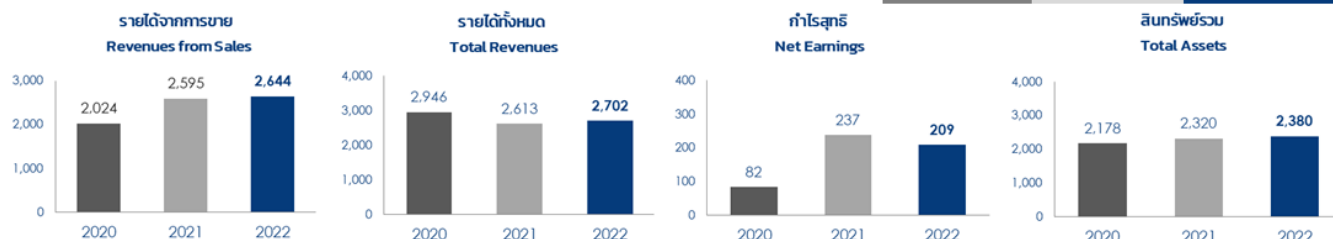


**PRODUCT** - To be product of world standard quality  
ด้านผลิตภัณฑ์ - พัฒนาสินค้าให้มีคุณภาพระดับโลก

## Financial Highlights

(หน่วย: ล้านบาท / Unit : Million Baht)

งบการเงินของบริษัท ณ 30 กันยายน Financial Statement as of September 30	2563 2020	2564 2021	2565 2022
<b>ผลการดำเนินงาน Operating Performance</b>			
รายได้จากการขาย Revenues from Sales	2,024	2,595	2,644
รายได้ทั้งหมด Total Revenues	2,046	2,613	2,702
ค่าใช้จ่ายรวม Total Expenses	1,961	2,376	2,487
กำไรก่อนต้นทุนทางการเงินและภาษีเงินได้ Earnings Before Financial Costs and Income	85	239	216
กำไรสุทธิ Net Earnings	82	237	209
<b>ฐานะทาง Financial Situation</b>			
สินทรัพย์หมุนเวียน Current Assets	1,037	1,178	1,261
สินทรัพย์รวม Total Assets	2,178	2,320	2,380
หนี้สินรวม Total Liabilities	604	729	834
ส่วนของผู้ถือหุ้น Shareholders Equity	1,573	1,591	1,546
<b>ข้อมูลต่อหุ้น (หน่วย : บาท) Per Share Data (Unit:Baht)</b>			
กำไรสุทธิต่อหุ้น Earnings per Share (EPS)	0.32	0.91	0.80
เงินปันผลต่อหุ้นจากผลการดำเนินงาน Dividend per Share of operating performance	0.50	1.00	1.00
มูลค่าตามบัญชีต่อหุ้น Book Value per Share	6.06	6.12	5.95
<b>อัตราส่วนทางการเงิน (หน่วย : %) Financial Ratios (Unit : %)</b>			
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น (เท่า) Debt/Equity Ratio	0.38	0.46	0.54
อัตราส่วนกำไรสุทธิต่อรายได้รวม Net Earnings Margin	4	9	8
อัตราผลตอบแทนต่อส่วนผู้ถือหุ้น Return on Equity (ROE)	5	15	13
อัตราผลตอบแทนจากสินทรัพย์รวม Return on Asset (ROA)	4	10	9



# **Part 1: Policy and overall business operations of the company**

# 1. Structure and Business Operations of Group Companies

## 1.1 Overall business operations

In 2022, the COVID-19 epidemic situation still continued around the world but many countries are returning to near-normal including Thailand. There is also a factor in the impact of the Russia-Ukraine war affecting the automobile manufacturing chain. It is regarded as a major crisis in the world that affects the economy and investment in many industries and regions.

In overview, Thailand automobile industry has a tendency to recover but a slightly slower growth rate from the forecast at the beginning of the year. Automobile production in 2022 will grow by 2%, or 1.72 million units, due to the effects of the Russia-Ukraine war. There was a shortage of semiconductors. Also Shanghai lockdown during April - May 2022, even worsened the shortage of parts since most semiconductor factory locates in Shanghai, including the cost of automobile production in the world market increased according to the prices of raw materials.

However, from this challenge, the company is also able to maintain the financial liquidity and stability of the company to pass well. The key factor is cost control and continual reduction of production costs while still maintaining the same quality. The company continues to gain the trust of customers from the leading automobile and motorcycle manufacturers to study and create new products regularly by considering the creation of an environmentally friendly production process to make the most of resources in every working process and in accordance with ISO14001 standard. The company has transfer and exchange of knowledge both within and between organizations including business partners to develop to achieve mutual and sustainable success.

### Business Goals

Our core company objective is to be the world class 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 terms of product improvement, we keep monitoring our quality to gratify customer requirements. 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 as we can reduce our defect ratio and number of workers as well as other systems e.g. Warehousing system, Transport system etc that have been improving continuously. The additional important factor for automotive manufacturers is design and development. We had designed and developed with both domestic and oversea automakers. Besides, we also develop together with the leading educational institution in Thailand for improving engineering quality and invent new products according to the current automobile business which is the continual of our business vision as to be world class automotive part manufacturer who is social and environmental responsible, in accordance to principle of corporate governance which emphasize on the sustainability of every sectors.



### 1.1.1 Vision and Mission

#### **Vision**

- To be world class automotive part manufacturer

#### **Mission**

- Market – Expand to the world market
- R&D – To be the world class designer
- Organization – To be the learning organization
- Product – To be product of world standard quality

The Board of Directors has reviewed and approved the vision and mission of the Company every fiscal year of the Company.

For the year 2022, the resolution of the Board of Directors Meeting No.1/2022, held on November 23, 2021, agreed to maintain the same vision and mission.

### 1.1.2 Key Development and Improvement

#### **History of business**

The company, formerly known as Thai Steel Cable (TSK) Co., Ltd., was established on June 12, 1978 by two main founders, Mr. Sunsurin Jurangkool and Mr. Choothong Patanatmarueng. The company has an initial registered capital of 4 million baht.

It later made a joint venture with Hilex Corporation, one of the world's largest automobile and motorcycle cable manufacturers.

In 2005, the company was listed as a public company on the Stock Exchange of Thailand and changed the name to Thai Steel Cable Public Company Limited, but the shareholding ratio remains the same.

### **Key changes and developments**

Year	Description
2020	<ul style="list-style-type: none"> <li>- Received the "Good cooperation and always support us awards Year 2019" award from Kawasaki Motors Enterprise (Thailand) Co., Ltd.</li> <li>- Received the "100% delivery performance award" from Ford Motor Company (Thailand) Limited</li> <li>- Received the "STA Award 2019 (Smart Resident Project)" award from Auto Alliance (Thailand) Co., Ltd.</li> <li>- Received the certification "2019 TCC Risk Management Activity" from Toyota Daihatsu Engineering &amp; Manufacturing Co., Ltd.</li> <li>- Received the certification "KUTOBA GREEN PROCUREMENT 2019" from Siam Kubota Corporation Co., Ltd.</li> <li>- Received the certification "2019 TCC Safety Activity as Assistant Task Force" Toyota Daihatsu Engineering &amp; Manufacturing Co., Ltd.</li> <li>- Received the "2019 OUTSTANDING PERFORMANCE SUPPLIER FOR EARLY ACHIEVEMENT OF 2025 TARGET IN ENVIRONMENT (CO2 REDUCTION) Award"</li> </ul>

Year	Description
	<p>from Toyota Daihatsu Engineering &amp; Manufacturing Co., Ltd.</p> <ul style="list-style-type: none"> <li>- Received the award from The Stock Exchange of Thailand in "Thailand Sustainability Investment 2020"</li> </ul>
2021	<ul style="list-style-type: none"> <li>- Received the certification "2020 TCC Safety Activity Target and Achieving Audit (Level A)" from Toyota Daihatsu Engineering &amp; Manufacturing Co., Ltd.</li> <li>- Passed an audit to certify the renewal of the system of IATF16949 from Bureau Veritas Thailand Ltd.</li> <li>- Passed an audit to certify the renewal of the system of ISO 9001 from Bureau Veritas Thailand Ltd.</li> <li>- Received Carbon Footprint for Organization (CFO) certification from Thailand Greenhouse Gas Management Organization (TGO). The CFO is a Carbon Footprint for organizations in the industrial sector to effectively raise the company to the forefront of environmental efficiency continuously.</li> <li>- Received the Sustainable Stock Award "Thailand Sustainability Investment (THSI) Year 2021" from the Stock Exchange of Thailand.</li> </ul>
2022	<ul style="list-style-type: none"> <li>- Received the Sustainable Stock Award "Thailand Sustainability Investment (THSI) Year 2022" from the Stock Exchange of Thailand.</li> <li>- Received the recertification of Thailand's Private Sector Collective Action Coalition Against Corruption: CAC for 2nd time.</li> <li>- Received the certification "2021 TCC Safety Activity as Assistant Task force" from Toyota Daihatsu Engineering and Manufacturing Co., Ltd.</li> <li>- Certified with ISO 14001: 2015 Environmental Management System Standard to show the company's intent with commitment to management and showing responsibility for the environment continuously.</li> </ul>

### 1.1.3 Use of fund from Public Offering of Equity or Bond

N/A

### 1.1.4 Commitments provided in the Registration Statement and/or the approval conditions

N/A

### 1.1.5 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	700/737 Moo 1, Tambol Panthong, Amphur Panthong, Chonburi Province, 20160.
Website	www.tscpcl.com
Telephone	(038) 447 200 – 05

Registered capital	268,500,000 Baht
Paid-up capital	259,800,000 Baht
Shares type	Ordinary share

The company head office and factory for production are located in 700/737 Moo 1, Tambon Panthong, Aumthur Panthong, Chonburi on 50 Rai, 56 Square Wa (approximately 80,224 square meters) as below details:

Manufacturing, Storage and Delivery Area	Area (Square meters)
Control Cables section	
- Automobile Control Cable	7,503
- Motorcycle Control Cable	2,236
Window Regulator	2,052
Pre assembly	8,525
Storage and Delivery Area	11,574
Living Area	8,958
Free Area	8,542
Loading Area	1,010
<b>Total</b>	<b>50,400</b>

## 1.2 Nature of business

### 1.2.1 Revenue structure

The Company supplies products to both domestic and international partners. Summary of the company's revenue by products during 2020 – 2022 as followed:

Product line	2020		2021		2022	
	Revenue Million Baht	Ratio (%)	Revenue Million Baht	Ratio (%)	Revenue Million Baht	Ratio (%)
<b><u>Revenue from domestic sales</u></b>	<b>1,951</b>	<b>95</b>	<b>2,470</b>	<b>94</b>	<b>2,499</b>	<b>92</b>
- Automobile control cables	1,351	66	1,775	68	1,740	66
- Motorcycle control cables	354	17	358	14	390	14
- Automobile window regulators	240	12	330	13	341	11
- Others	6	0	7	0	28	1
<b><u>Revenue from overseas sales</u></b>	<b>73</b>	<b>4</b>	<b>125</b>	<b>5</b>	<b>146</b>	<b>6</b>
- Automobile control cables	20	1	39	1	26	1
- Motorcycle control cables	-	-	-	-	-	-
- Automobile window regulators	-	-	-	-	-	-
- Others	53	3	86	3	120	5
<b><u>Other income</u></b>						
- Others	25	1	21	1	58	2
<b>Total revenues</b>	<b>2,049</b>	<b>100</b>	<b>2,616</b>	<b>100</b>	<b>2,703</b>	<b>100</b>

## **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 are a leading Japanese vehicle control cable manufacturer and a major shareholder of the Company.

### **1.2.2 Product information**

#### **(1) Product description and Business Innovation development**

The company's product divided into 2 type details as below:

1. Control Cable
2. Window Regulator

The company produces Original Equipment Manufacturer (OEM) and Replacement Equipment Manufacturer (REM) automotive parts to distribute to customer assembly factories, spare part manufacturers and centers such as automobile and motorcycle manufacturers both domestic and overseas including Hilex Corporation's subsidiaries. The details of the company's products are as follows:

#### **1. Control Cable**

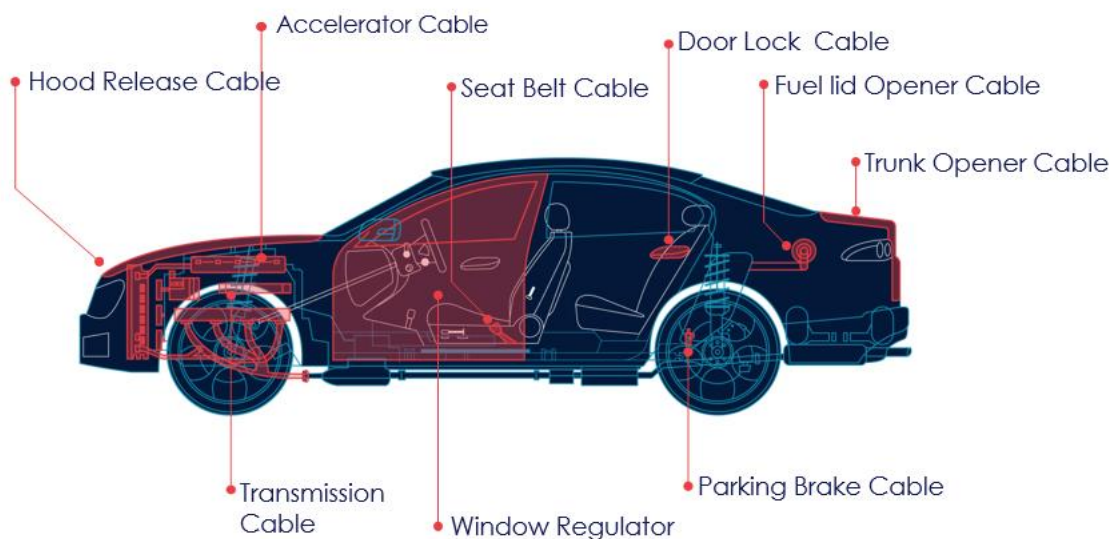
The company produces control cables for automobiles and motorcycles. Control cable is the significant functional part to control multiple systems in automobiles and motorcycles such as brake system, engine start, transmission and clutch system, etc. In 2022, the total control cable sale of the company will be about 80% which includes 98.79% domestic and 1.21% overseas. The details of the Company's control cable products are as follows:

##### Automobile Control Cable

The company produces control cables in multiple functions in personal car, truck (pickup) 1 ton which is about 8-16 types to control each system in automobiles such as engine, transmission, clutch etc, the company is able to produce control cables for all automotive types.



Figure of Automobile Control cable



In addition to the control cables as shown in the figure above, the company also produces automobile control cables for other systems such as choke, seat assistant, door lock, door latch, air condition control, speedometer, seat belt, tailgate etc.

During the past 3 years, the company's sales volumes of automobile control cables are as follows:

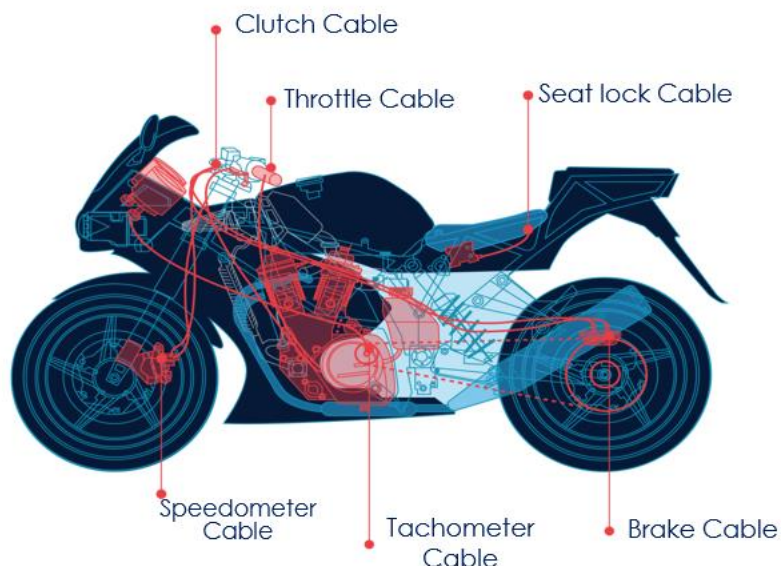
Unit: MB

Automobile Control Cable	2020	2021	2022
Domestic	1,351	1,775	1,740
Oversea	20	39	26
Total	1,371	1,814	1,766
Growth rate (percent)	-36	32	-3

#### Motorcycle Control Cable

The company produces control cables in multiple systems for Japanese motorcycles of all types. There are about 8 control cable types which work in different functions such as engine, transmission, clutch, etc. However the company can produce control cables for all motorcycle types.

Figure of Motorcycles Control cable



During the past 3 years, the company's sales volumes of motorcycle control cables are as follows:

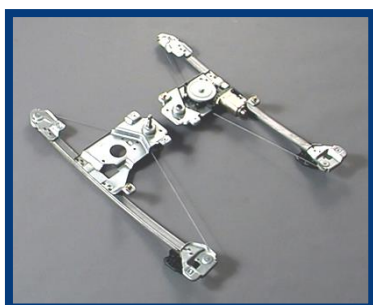
Unit: MB

Motorcycle Control Cable	2020	2021	2022
Domestic	354	358	390
Oversea	0	0	0
Total	354	358	390
Growth rate (percent)	-16	1	9

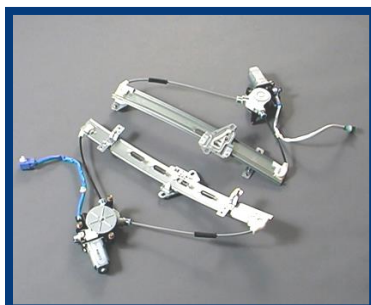
## 2. Window Regulator

Window Regulator is the equipment to control open and close automobile windows that is a product that the company focuses on in marketing, due to which it can apply to all automobiles. In 2022, the window regulator was about 13% from the total sale of the company that is almost all domestic sales.

Figure of Window regulator



Cable and Drum Types



Arm and Sector Types



X-arm Types

During the past 3 years, the company's sales volumes of window regulator are as follows:

Unit: MB

Window regulator	2020	2021	2022
Domestic	240	330	341
Oversea	0	0	0
Total	240	330	341
Growth rate (percent)	-39	38	3

#### Control cables in Automobiles and Motorcycles

Currently, automobile design has transformed and developed to be an electrical system widely, control cables also being aligned with this market trend. In the past, the control cable was a mechanical system but new automobiles have transformed to be an electric system with much more advantages such as control cable assembly process reduction, more accurate control system etc, but there are still disadvantages such as a large number of wires and signal cables must be installed. Although in automobile design and visual perspective looks more fashionable and complicated, the margin and technical problem still being the key factor causing current control cable is the best choice at this moment.

### **Development and innovation**

At present, in the production process, technology is still being developed to make processes in industrial plants more efficient. The company focuses on devising ways to produce more quality, faster, less energy and reduce the use of human resources in risky production. The company also focuses on production goals to be efficient. Therefore, we choose to use Automation innovation, which is a system in which machines can work automatically to help increase production efficiency that will continuously drive competitiveness.

With the introduction of Automation, companies can better control their production costs, produce consistent quality products, produce and deliver products on time that increase efficiency, production capacity and significantly reduces the risk of accidents for employees in the factory. Automation is one of the solutions that the company has chosen to increase efficiency as follows:

1. Hood cable automation machine
2. Hot paint automation machine
3. Transmission cable automation machine
4. Door lock automation machine
5. Door latch automation machine
6. Parking Brake Automation machine
7. Tailgate Automation machine

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

### **a) Marketing policy**

- Increase market share both domestic and overseas.
- Expand to new customers and develop new products both in the automotive control line and other parts in automotive.
- Increase price competitiveness to maintain profits according to the company's goals.
- Reduce production costs and increase sales.
- Maintain customer satisfaction in terms of price, service, quality and delivery.

### **Marketing Strategy**

The company has been manufacturing and distributing automobile control cables for over 44 years and car window regulators for over 26 years. Its work and quality are recognized and trusted continuously by customers. In the past operations, the company has important marketing strategies as follows:

#### **1) Focus on proactive marketing**

The company continues to focus on its main products, window regulators and rear window regulators. The company also tries to increase market share to strengthen its existing market. From product research and development, leading automobile manufacturers start using cable systems for window regulators in newer vehicles. To meet customers' needs and improve the quality, the company has been successfully expanding its market share from several projects in the past year.

However, the trend in automotive technology will change to the electric system and the market will use less cable products which may be exhausted in the long run, such as brake cables, gear cables, and fuel tank cap cables, etc. Some automotive companies are beginning to change their current and new model designs. In response to the change in technology, in 2022, the company has increased the capability of the engineering team to research for new products including in the internal and in collaboration with institutes in various fields to expand the product range that are controlled by electrical systems. This includes system products such as Power Slide Door, Power Lift Gate and Integrated Window Regulator or Door Module.

The company also develops other automotive parts used for car assembly which is not linked to the cable industry and window regulator. Last year, the company had the opportunity to design new products with Ford and bid automotive parts for Ford's new model, which has good prospects for expanding the market and increasing sales in the long term because the company is entrusted to deliver products to assembly plants around the world.

In 2023, the company's marketing strategy is to expand the market share of window regulator for Honda customer. Currently, the company has only 21% market share in the window regulator, so the company plans to offer products to other



manufacturers including passenger cars, pickup trucks and commercial trucks which has a large market in Asia. The company's design engineer team has studied the product and provided a product presentation plan to domestic car makers such as Toyota, Nissan, Isuzu, Hino, and the Chinese car company Great Wall Motor, which expanded its production base to Thailand. In the first half of 2023, the company has plans to approach Toyota for window regulators, cables and new products such as lock lid assembly due to Toyota having plans to develop their new flagship model, the all new Toyota Revo.

## **2) Focus on products' quality**

Despite the company's cost reduction activities (VA/VE or Value Analysis/Value Engineering), the company enhances on maintaining quality to meet the required standards. The company has always been developing the quality of production. The company is able to maintain production standards to ensure consistent quality and produce less waste during production. As a result, the company has lower production costs as well.

## **3) Focus on customer relationship**

The company focuses on creating customer satisfaction by emphasizing on the principle of Customer Relationship Management (CRM) by studying the needs of customers in all aspects such as quality, cost and delivery to meet customers' needs and maintain good relationships with customers. The company set a level of customer satisfaction in the company's goal. The company analyzes customer satisfaction and sets improvement plans together in order to increase customers satisfaction. The company also plans a customer's visit to get to know their problems and bring customer suggestions for continuous improvement. The company has participated in activities related to the automotive industry on a regular basis. In addition, the company has also sent employees to jointly develop products with automobile and motorcycle manufacturers so that employees are able to design products to meet customers' needs. This collaboration also helps to have good relationships with customers and increase an opportunity to propose a company's products.

## **4) Focus on On-Time Delivery (OTD)**

On-Time Delivery is as important as product quality. The company used the Toyota Production System (TPS) invented by Toyota Motor Corporation in the production process to increase production efficiency. The company has a policy to invest in projects that will raise service standards in order to reduce delivery errors and increase On-Time Delivery, for example, adding quality checkpoints before delivery including the adoption of WMS (Warehouse Management System) and Barcode system for delivery.

## **5) Focus on Business Partner**

The company has well-known business partners such as Hi-Lex Corporation with license agreements and technical assistance and parts manufacturers in domestic and overseas. This makes the company able to manufacture quality parts with

internationally accepted. This is the main reason that the company has been recognized in the standard and product quality.

## 6) Focus on Pricing Strategy

Throughout the competition in domestic and overseas, the company has to control production costs by using an efficient and standardized production system.

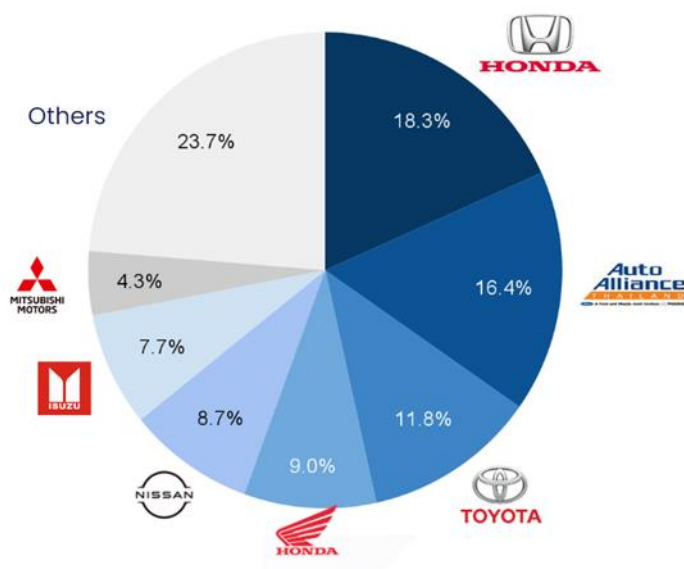
The company reduces the production cost by organizing Kaizen, VA/VE and Monozukuri with all departments every year. The company also works with parts manufacturers to have lower cost with product quality in order to have price competitiveness.

## 7) Focus on developing local parts

The company plans to develop more domestic parts manufacturers in order to reduce the purchase of raw materials from overseas which lead to cost reduction to have price competitiveness and planning for the production of new parts in the long term, as well as reducing foreign exchange risk. Moreover, the company analyzes its competitors and does price comparison to be able to develop and improve competitiveness.

## Target Customers

In 2022, the company had total sales of 2,646 million Baht. It can be divided according to the following pie chart:



**Target customers can be divided as follow:**

**1. Manufacturers**

**Automotive manufacturers**

In 2022, supply chain disruptions and consumer purchasing power are rapidly declining due to the coronavirus (Covid-19) outbreak; there is a decrease in demand for new cars and the shortage of semiconductors, which greatly affects the car production plan.












The Federation of Thai Industries (FTI) has revised the production target in 2022 from 1.80 million units to 1.75 million units and adjusting the production for export target from 1 million units to 0.90 million units. The production volume for export markets has been reduced by the prolonged Ukraine-Russia war that began in late February 2022. This has been affecting the shortage of semiconductors. The market share of the major automotive manufacturers is Toyota (33%), Isuzu (26%), Honda (10%), Mitsubishi (6%), Mazda (5%), Nissan (3%) and others (17%).

Even in the economic situation amid the epidemic of the coronavirus (Covid-19) that continues to spread both in Thailand and around the world, the company still aims to maintain sales and increase market share continuously. It also focuses on expanding automobile and motorcycle control cable and the car window regulator market and expanding business from new products that the company is developing, such as Power Slide Door, Power Lift Gate, automotive parts, tail gate absorbers and motorcycle seat opening kit that will start selling to Nissan Motor and Mitsubishi. The target customers are Honda Automobile (Thailand) Co., Ltd., Nissan Motor Thailand Co., Ltd., Isuzu Motor Thailand Co., Ltd. and Ford Thailand Motor Co., Ltd. They have been a company for a long time and have a policy to use Thailand as a production base for the eco-car group, passenger cars, and commercial vehicles. This year, there are plans to launch new models to increase the variety of products and to meet the needs of all groups of customers. This gives an opportunity to increase sales.

In addition, there is the opportunity to expand the market from European and Chinese car manufacturers because BMW, MG Motor, and Great Wall Motor (GWM) have expanded their production base to Thailand to replace General Motor that has closed. GWM plans to launch a new small passenger automobile next year to get market share in Thailand. All automotive manufactures have set a policy to increase the purchase of parts from Asia and from Thailand which has been recognized for its high potential in manufacturing and exporting automotive parts in this region. Thus, the company has an opportunity to expand the market domestically and overseas.

Regarding the electric vehicle market in Thailand in 2022, it is expected to have sales growth of electric passenger automobiles (Electric Vehicle: xEV) 63,600 units which is the battery electric vehicle (BEV) around 10,000 units or Increasing 539.7% from 2021 which has been benefited from measures to promote the production of electric vehicles in Thailand and the popularity of electric vehicles that meet the consumers demand around the world in terms of price and battery technology. Moreover, the price of crude oil is continuously high. So, this year many electric vehicles were launched from new automobile manufacturers from China such as BYD, Neta and European brands such as Mercedes Benz, BMW and Volvo to increase their sales and market share of electric vehicles in Thailand.

Our customers as a car manufacturer during 5 years (From 2018 - 2022) as follow;

Automobile manufacturers	Automobile model
 <b>TOYOTA</b>	- Vios, Corolla, Altis, Camry, Hilux Revo, Yaris, Fortuner, CH-R, Corolla Cross, Hi ace
	- City, Civic, Accord, CR-V, HR-V
	- Triton, Fuso, Pajero sport, Mirage, Attrage
	- D-Max, MU-X, Truck N*Series (VL01) & F*Series (VD00)
	- Teana, Navara, March, Almera, Kick, Terra
	- BT-50, Mazda 2, Mazda 3, Mazda CX3, Mazda CX30
	- Ford Fiesta, Ranger, Everest
	- Series 3, Series 5, CNG Bus and CNG Truck
	- New Swift, Ciaz, Celerio
	- Subaru Forester
	- MG Extender

#### Motorcycle manufacturers


The motorcycle market in 2022, the Federation of Thai Industries (FTI) aims to produce 2 million units, which is 12.32% higher than last year. Production is divided into exports, approximately 0.35 million units or equal to 17.5% of the total production, and produced for sale in the country about 1.65 million units or equal to 82.5%. The market share of the motorcycle market is Thai Honda (77%), Yamaha (16%), Thai Suzuki (1%), Kawasaki (1%) and others (5%).



The company has income from its major customer, Thai Honda Manufacturing Co., Ltd., accounting for 10% of the total sales of the company. However, in 2022, Thai Honda Manufacturing Co., Ltd. has increased the production volume of motorcycles due to the Coronavirus (Covid-19) outbreak in Thailand and the shortage of electronic parts has been eased, as a result, the production amount increased from the forecasted. In addition, the new motorcycles were launched and introduced to the market. This is expected to support sales growth in this year. However, the company's revenue still comes from Thai Yamaha Motor Co., Ltd. and Kawasaki Motor Enterprise (Thailand) Co., Ltd. which received more orders from overseas customers respectively.

Besides the motorcycle market, there are new manufacturers entering the market such as GPX, which is a representative of the manufacturer and exporter of Lambretta brand and Trillion Motor that are a Thai motorcycle brand who plans to debut at the motor show later this year and I-Motor, the electric motorcycle brand. That means it will have more intense competition between new motorcycle manufacturers and Japanese brands that dominate the market for a long time.

Our customers as a motorcycle manufacturer during 5 years (From 2018 - 2022) as follow:

Motorcycle manufacturer	Motorcycle model
	- Wave, Dream, CB650F, CBR150, CBR300, CBR500 MSX, Scoopy i, Zoomer X, PCX 150, Click, DAX150
	- Shokun, Shooter, Smash, Burgman, 97L00 (Marine)
	- Spark Nano, Fino, Tricity, M-Slax (150CC), Aerox, Grand Filano, MT-15, 6EE (Marine), 6EG (Marine), Golf Car
	- KLX 250, Ninja 650, ER125, ER250, Z800, Z125, Versys, Motocross
	- Gorila RK-125, Cruiser RK-125, Classic RK-110, MonkeyRK-125, Mini Classic, Infinity
	- Lambretta - LSC01
	- S0AA
	- Vapor

### **Automobile and Motorcycle spare parts Center**

Customers of automobile and motorcycle spare parts centers are customers from automobile and motorcycle manufacturers because it is the spare parts service and maintenance of each automobile and motorcycle manufacturer. Therefore, the expansion of this group of customers is in the same direction as those of automobile and motorcycle manufacturers.

The company has a marketing team with direct sales experience and has its own after-sales service. The marketing team will find a list of names and target customers, which are an affiliated company and a new target group, then send a marketing team that has expertise and is well trained in the product to contact the company. The company emphasized on after-sales service, and the marketing team will visit and meet with customers regularly to learn about issues and improve operations to the highest level that customers expect.

### **Distribution and distribution channels**

The company has distribution channels as follow:

- Distribution of control cables and window regulators in the form of OEM (Original Equipment Manufacturer) directly to automobile and motorcycle manufacturers (First Tier) by producing according to the specification set by the manufacturer for each model and contract with the manufacturer for the duration of production of each model. The production period is about 4 - 8 years for automobiles and 2 - 3 years for motorcycles.
- Distribution of control cables and window regulator or components as an OEM to auto parts manufacturers and Motorcycles (Second Tier). It is produced according to the order of the manufacturer of that part.
- Distribution of automotive parts that the company has developed as an OEM Part for the manufacturer which can produce and deliver to automobile assemblers according to the production period of 4 - 8 years for automobiles and 2 - 3 years for motorcycles.
- Distribution of control cables and window regulators to automotive and motorcycle spare parts centers in the form of REM (Replacement Equipment Manufacturer) by using the same channels as OEMs because they are sold to the service centers of the manufacturers. This will be distributed according to the purchase order.

Currently, the company's revenue from domestic sales is 95% of total sales. The company exports to Malaysia, Indonesia, Vietnam, Japan, China, India, Pakistan, Australia, Brazil, Mexico, USA, Italy, Russia, Hungary, and Egypt.

However, to sell products to automobile or motorcycle manufacturers, The Company has to pass the parts manufacturer's selection process. This process starts when the automotive or motorcycle manufacturers announce production plans. It will allow parts manufacturers to participate in bidding to become parts manufacturers by presenting automobile or motorcycle parts' designs and prices.

## **Automobile Production in 2022**

Overview of Thailand automotive industry has a tendency to recover. Rather, it will be a slightly slower growth rate than expected in early 2022 due to the impact of the Russia-Ukraine War that may affect the automobile production chain and the shortage of semiconductors including the cost of producing automobiles in the world market that increased according to the prices of raw materials. The Forecast of the production of automobiles in 2022 will grow by about 4% or at 1.75 million units. Domestic automobiles sales in 2022 are forecasted to grow slightly at 2.8% when compared with the last year, or about 0.78 million units, under the pressure from inflation along with the trend of increasing interest rates. This is expected to result in a limited recovery in consumer purchasing power. And in terms of automobile exports in 2022, it is likely to grow 2.1% when compared with the last year, or about 0.98 million units, with a recovery trend better than the previous year but still a slow recovery following the gradual recovery of the world economy.

In summary, as for the number of automobiles manufactured in January – September 2022, there are a total of 1,364,037 units, an increase of 10.53% when compared with the same time of last year, which is a domestic sales of 657,593 units and the export volume is 706,444 units.

### **b) Competition within the industry**

Nowadays, automotive manufacturers are implementing a Global Sourcing policy, which compares prices for raw material parts from manufacturers around the world. Although this gives them more opportunities to sell, there is a chance that competitors will compete for customers at the same time. In the past few years, many carmakers have implemented price comparison policies as their main activity, especially in ASEAN countries such as Indonesia, China, and India. In addition to the price comparison with new models, it also extends to current models to reduce overall cost. This makes parts manufacturers enter into a competitive price situation that changes rapidly. Parts manufacturers therefore have to find ways to develop production including improving parts quality, price, and production capability of the parts manufacturers who are also the company's business partners.

Product design and development are one of the solutions that increase the competitiveness of automotive parts manufacturers. By co-designing products with car manufacturers in the early stages of product development, parts manufacturers will be able to propose ways to reduce costs while developing new models and to select domestic raw materials with competitive prices. It can also meet automakers' demands to introduce new technologies to stay competitive in the global market.

However, with the intense price competition, the ability to deliver and maintain quality remains a priority for carmakers, for example, using a single production base to supply parts to different countries to control the inventory, adopting Just-in-time delivery, and improving language proficiency which is the communication barrier. The company must take into account that quality improvements cannot be done as quickly as domestic procurement. Therefore, although the prices of many countries are lower than those of Thailand, when considering the above factors together, products made in Thailand are more expensive than India and China but the price and quality are still second to Japan. The fact that Thailand is located in the center of ASEAN is an advantage. Automotive

manufacturers can use Thailand as a distribution center within the region. Therefore, among ASEAN countries, the automotive industry in Thailand still has competitive advantages and market expansion opportunities.

#### Competitors' comparison

Due to the intense price competition in the market, the company will focus on reducing costs to be able to stay competitive in domestic and overseas and studying tax benefits to reduce costs for imported parts to increase sales opportunities and price competitiveness, the company brings its engineering team with an expertise in product design to participate in new car models, which will debut in next 3 - 4 years, development along with its customers. Moreover, the company will use automation technology to improve the production process and reduce the waste. As a result, the cost of goods sold would be reduced. In terms of product research and development, the company recognizes the importance and coupled with rapidly changing consumer demands. In addition, as EV car segmentation steadily plays a significant role in Thai market, causing the company to innovate and develop new products to better respond consumer's needs products are developed, e.g. Power lift gate, Tailgate Absorber, Fuel lid lock system. There are also products that extend from the product such as Guildless window regulator and Manual Parking Release Cable would accelerate market sale value for the company in the future.

#### **Industry trends and competition in the market (domestic and overseas)**

It is predicted that by 2023 the automotive industry will return to normal. Considering the production of internal combustion automobiles in Thailand with growth as targeted, Covid-19 situation around the world is improving and the chip shortage problem will begin to resolve in the second half of 2022. Domestic sales are likely to grow by an average of 4-6% per year in 2023 and 2024, following the gradual economic recovery. As a result, consumers' confidence in spending has improved. The demand for commercial vehicles will expand well from the expansion of the construction sector, online retail business and logistics. In addition, operators have plans to continuously launch new models, both electric cars and combustion engine cars. Automobile exports will grow at an average of 4-6% per year in 2023 and 2024, driven by Japan's use of Thailand as a production base for exports. In addition, the economy of trading partner countries has recovered. As well as establishing a Mutual Recognition Agreement (MRA) in the ASEAN region on the results of the inspection and certification of safety standards for vehicles and parts will help reduce the process of being re-examined.

As for domestic motorcycle sales, there is a tendency to grow at an average of 3-5% per year in 2023 and 2024, supported by the government's gradual easing of epidemic control measures. Such helps enhance the spending ability of the blue collar people which are the targeted customers. The export market is expected to grow by an average of 3-5% per year in 2023 and 2024 following the economic recovery of trading partner countries such as the US, EU, China and Japan.

In automotive parts market, the outlook for 2023-2024 assumes that the production and demand for automotive parts domestically will continue to grow from the demand in the OEM market is expected to expand in line with the automotive production, while the REM

market will grow in line with the cumulative increase in vehicle volume especially vehicles older than 5 years with more than 26 million units, which require repair or replacement of parts according to service life especially the need for high-value important parts such as engine systems, drive system, etc.

In terms of government policy, there is the strategy for the BEV (Battery Electric Vehicles) seriously to enhance the entire Thai automotive industry due to Thailand being one of the world's major automobile and parts manufacturing bases which are furnished with a supply chain covering a wide range of parts production. Therefore, it has the potential and readiness to continue and upgrade to BEV electric vehicle technology in the future where it becomes a new alternative car for consumers.

### Statistics of automobile and motorcycle manufacturing

(Volume: units)

Year	Automobile				Motorcycle			
	Total production output	Domestic sales	Export sales	Volume growth (%)	Total production output	Domestic sales	Export Sales	Volume growth (%)
2018	2,167,694	1,041,739	882,083	8.99	2,063,076	1,788,323	66,314	0.38
2019	2,013,710	976,546	1,037,164	(7.10)	1,948,480	1,598,773	364,050	(5.55)
2020	1,426,970	792,146	591,906	(29.13)	1,615,319	1,516,096	319,038	(17.10)
2021	1,685,705	759,119	959,194	18.13	1,780,654	1,606,481	430,477	10.24
2022*	1,364,037	657,593	706,444		1,474,782	1,188,477	286,305	

\*Cumulative data over a period of eight months (January – September) and the growth rate is compared with the same period last year.

Source: The Federation of Thai Industries as of November 1, 2022

### (3) Procurement of products and services

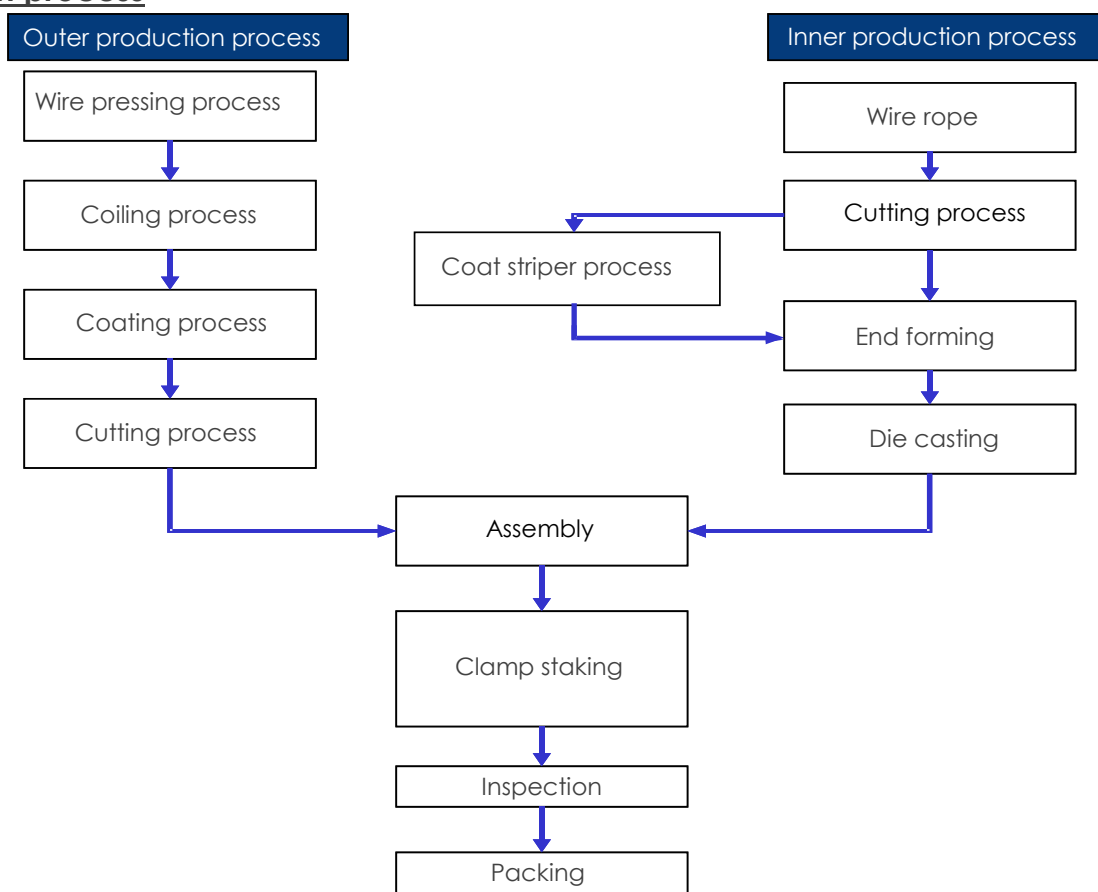
#### a) Procurement of products for sale

Production (number of factory and capacity)

The company has production capacity and capacity utilization rate during 2020 – 2022 details as below:

	2020	2021	2022
<b>Automobile control cable</b>			
Capacity (pcs)	56,160,347	62,665,130	83,530,656
Actual production (pcs)	21,770,022	28,205,268	26,236,181
Capacity utilization rate (%)	39%	45%	31%
<b>Motorcycles control cable</b>			
Capacity (pcs)	19,491,288	20,961,313	23,140,128
Actual production (pcs)	7,940,895	8,509,135	9,150,963
Capacity utilization rate (%)	41%	41%	40%
<b>Window Regulator</b>			
Capacity (set)	2,335,047	2,411,640	4,295,280
Actual production (set)	778,349	1,188,088	1,144,695
Capacity utilization rate (%)	33%	49%	27%
<b>All products</b>			
Capacity (set)	77,986,682	86,038,983	110,966,064
Actual production (set)	30,489,266	37,902,491	36,531,839
Capacity utilization rate (%)	29%	44%	33%

#### Production process



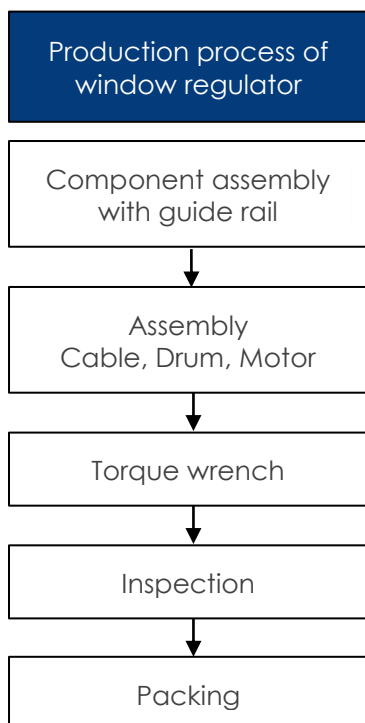


### **Production process for control cables**

Production process for control cables of automobile and motorcycle are the same with 5 main processes as follow:

1. Outer production process      Started from the preparation of raw materials by taking spring wire of quality and size according to customer requirements through rolling process. Then taking processed spring wire through the coiling process, coating with plastic process and following with cutting as per required size.
2. Inner production process      Started from taking wire rope to cut as per required size, Coat striper (in case of plastic coating). And pass to forming at the end of the inner wire then to die casting process. For assemble with outer casting.
3. Parts production process      Melting plastic compound and inject as required specification to be component part and assemble for control cable in the next process.
4. Assembly process              Assemble Outer and Inner wire with clamping and other components following the requirement of control cables.
5. Inspection process            Finished goods will be passed inspection before packing and delivered to our customer.

### **Production process of window regulator**



The production of window regulators is divided into 4 main processes as follows:

1. The process of assembling the slide rail kit, starts by bringing the purchased steel frame to assemble into the desired set.
2. The process of assembling the main parts is the installation of motors, drums and cables (control cables), grease, etc.
3. Assembly process to keep details and insert the nut or fastener.
4. Quality inspection process must be checked before packing into boxes to prepare for delivery to customers.

### **Sourcing Raw Material**

The company is sourcing raw materials and component parts for automobile and motorcycle control cables and windows regulators from customers both domestic and overseas. However, some component parts are unable to find a local manufacturer or it is not cost-effective to produce.

In 2022, the company purchased raw materials and component parts for automobile and motorcycle control cables and windows regulators worth a total 1,662.33 million Baht approximately. The company purchased 79.62% from domestic and 20.38% from overseas. The company purchased the main raw materials and components for the production process such as steel, rubber, wire, polyethylene resin, and motors, etc.

The company has a total 169 vendors; most of them have been working with the company for a long time. The most high volume purchase in 2022, more than 10% of total value of the company is Hilex Corporation, with 10.61%. The raw materials and component parts that purchase from Hilex Corporation are such as rubber, finished goods, steel, and polyethylene resin for assembly of automobiles and motorcycle control cables and window regulators. The reason that the company has to purchase from Hilex Corporation is because those parts cannot be produced in Thailand and the production volume is not worth producing or can not source raw materials within the country. Therefore, to purchase parts from Hilex Corporation that is the major shareholder of the company that has a policy to support raw materials and components with high quality and competitive prices for companies in the Hilex Corporation group. However, the company does not contract requiring the company to purchase raw materials and components from Hilex Corporation solely.

For the proportion of the order, the company has orders from many partners. However, it does not rely heavily on purchasing raw materials and components from any trading partner. Since the company has many partners, there may be problems in sourcing any one of them. Therefore, the company will still be able to procure raw materials and replacement parts of the same quality from other suppliers.

### **Disposal of waste material**

The company has provided a storage area for waste or unused materials from production. This is considered a systematic disposal of industrial waste and has separated storage according to the type of waste. All employees in the company participate in management such as systematically separating wastes by type, etc.

General Affair department control wastes or unused materials for disposal in according with the law, including;

1. Type of waste: scrap of paper, scrap of plastic, scrap of steel, scrap of lumber, plastic, scrap of stainless and scrap of aluminum, scrap of zinc, wooden wheel and iron wheel.
  - Transportation/Management by: Eastern Recovery Co., Ltd.  
 TAYMAX Wire Rope Industry Corp. Co., Ltd.  
 PHERMPULSUP PHATTHANA RECYCLE Co., Ltd.
  - Method of disposal: Sorted for resale.

2. Type of waste: Contaminated container, contaminated rag scrap, used oil, contaminated zinc scrap, light bulb, deteriorated wire rod and chemical absorbent material.
  - Transportation/Management by: Better World Green Public Company Limited  
 Sandsor Company Limited
  - Method of disposal: Make mixed fuel and safely landfill when stabilizing or solidifying

The documents for reporting to Department of Industrial Works and Industrial Estate Authority of Thailand detail as below:

1. Notification of details of waste or unused material for the generator of waste or unused material (SorKor.3)
2. Application form for permission to bring waste or unused materials out of the factory area (SorKor.2) to the Department of Industrial Works.
3. Notifying information on the amount of waste or unused materials out of the factory area via electronic media
4. Hazardous Waste Transport Documentation (Hazardous waste transport invoice)
5. Report form of Industrial Waste and sewage management for Industrial Estate Operators

Until now, the company has been working on documents in accordance with the law and the ministry's announcement. The company also attaches importance to environmental work and continually complies with environmental laws based on the principle of the ISO14001 systems; there are no environmental disputes or complaints.

#### (4) Assets for Business Operations

**Fix asset of the company used in the company's business at the end of the fiscal year**


##### Fix asset

The company has fixed assets used in operations and not used in operations. Details and book value as of September 30, 2022 are as follows:

No.	Type of asset	Location	Type of ownership	Book value (Million Baht)	Obligation
1	<u>The land on which the factory is located</u> - 18 Rai 2 Ngan 44 Square wa	Racha Thewa Subdistrict, Bang Phli District, Samut Prakan Province	Owner	85	-
	- 50 Rai 56 Square wa	Amata Nakorn Industrial Estate Phan Thong Subdistrict, Phan Thong District, Chonburi Province	Owner	142	-
2	<u>Vacant land</u> - 3 Rai 78 Square wa	Racha Thewa Subdistrict, Bang Phli District, Samut Prakan Province	Owner	4	-
3	<u>Buildings and structures</u> - On the land No. 57, Moo 6, King Kaew Rd.	Racha Thewa Subdistrict, Bang Phli District, Samut Prakan Province	Owner	27	-
	- On the land No. 700/737, Moo 1	Amata Nakorn Industrial Estate Phan Thong Subdistrict, Phan Thong District, Chonburi Province	Owner	418	-
4	<u>Machinery and equipment</u> - On the land No. 700/737, Moo 1, Amata Nakorn Industrial Estate	Amata Nakorn Industrial Estate Phan Thong Subdistrict, Phan Thong District, Chonburi Province	Owner	190	-
5	<u>Office equipment</u> - Used in operations	Amata Nakorn Industrial Estate Phan Thong Subdistrict, Phan Thong District, Chonburi Province	Owner	38	-
<b>Total</b>				<b>906</b>	

## Summary of important contracts between the company and other companies


### 1) License and Technical Assistance Agreement

The Company signed contract with Hilex Corporation for the right to manufacture control cables and control cable components for automobiles and motorcycle and the right to use the trademark  and “HI-LEX” for the manufacture and assembly of control cables for automobiles and motorcycles in Thailand.

The contract is valid for 7 years starting from September 15, 1998 and can be renewed for one year at a time if the specified conditions.

In addition, the contract stipulates that during the term of the contract, the Company must pay a fee to Hilex Corporation in the amount of 2% of net revenue from the sale of control cables and control cable components for both automobiles and motorcycles. However it does not include packaging, insurance, transportation, discounted products, sales tax and all raw materials and parts purchased by Hilex Corporation.

### 2) License and Technical Assistance Agreement

The Company signed contract with Hilex Corporation for the right to manufacture the Window Regulator and the Cable Control Wire Harness components and the right to use the trademark  and “HI-LEX” for the manufacture in Thailand.

The contract is valid for 10 years starting from March 4, 1997 and can be renewed for one year at a time if the specified conditions.

In addition, the contract stipulates that during the term of the contract, the Company must pay a fee to Hilex Corporation in the amount of 2% of net revenue from the sale of the Window Regulator and the Cable Control Wire Harness components. However it does not include packaging, insurance, transportation, discounted products, sales tax and all raw materials and parts purchased by Hilex Corporation.

### 3) Part sales contract with Isuzu Motor (Thailand) Co., Ltd., Honda Automobile (Thailand) Co., Ltd., and Toyota Daihatsu Engineering & Manufacturing Co., Ltd. and Thai Honda Manufacturing Co., Ltd.

This contract is valid for 1 year and can be renewed for one year at a time if no parties express their intention to terminate the contract. The contract outlines the representations and warranties of the parts the company sells to the companies above, including duties and responsibilities in the event of any third party injury or property damage caused by a product defect.

The contract is just a basic term and condition. Automobile and motorcycle manufacturers will publish the production plan of each model and specify the specifications of the required parts before starting. The company must design and produce based on their requirement. The order is based on the production plan of automobile and motorcycle manufacturers.

### **Trademark**

The company has trademarks owned by the company used in the manufacture and distribution of control cables for automobiles, motorcycles and window regulator as of September 30, 2022, only one trademark is 

### **Investment Policy in Subsidiaries, Associated Companies**

As of September 30, 2022, the Company has investments in a related company, Hilex Vietnam Company Limited, holding 6.28 percent of the shares, representing an investment value at the total cost of 40.24 million baht or 1.69% of the total assets of the company. In this regard, the Company's policy to invest in subsidiaries, associated companies and additional related companies will focus on businesses that are related to the Company's products and services. It mainly considers the rate of return and other benefits that the company will receive from the investment to support the company's business.

The Company aims to invest in total not more than 15% of the Company's total assets. The investment must be considered by the Board of Directors and/or the shareholders' meeting according to the scope of the approval authority. The Company as a shareholder will appoint an accounting manager as a representative of the Company to attend the meeting as a shareholder and responsible for voting at the general meeting of shareholders as approved by the Board of Directors. This will depend on the nature and shareholding ratio of the company.

#### **(4) Assets for Business Operations**

- None -

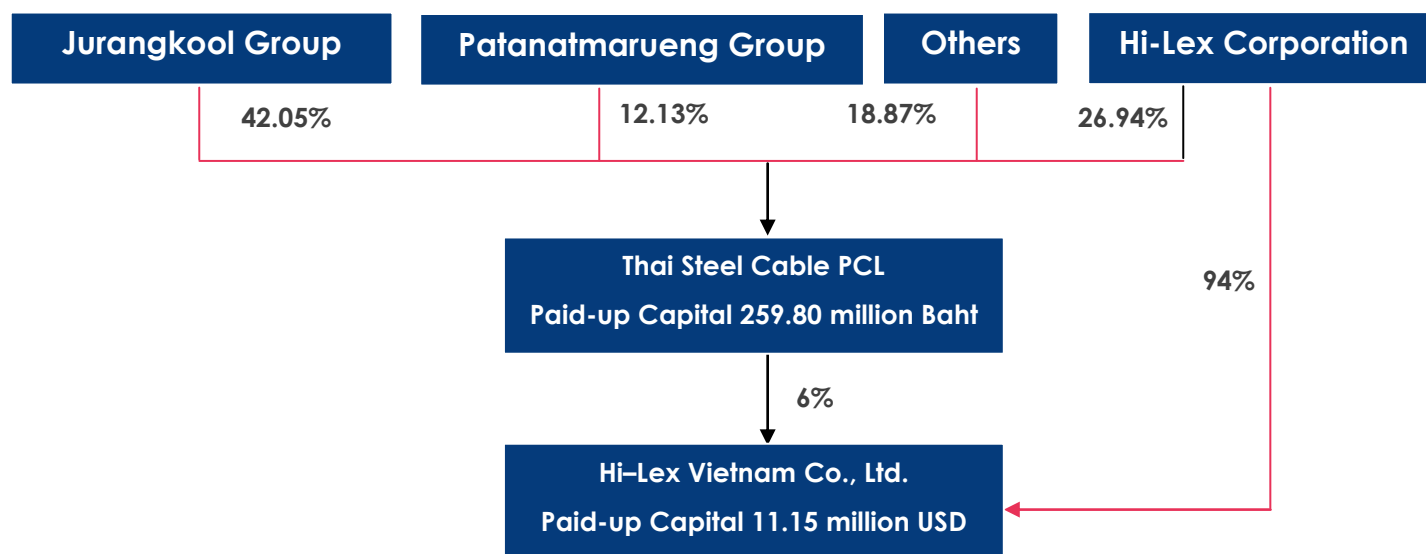
#### **(5) Outstanding work**

- None -



## 1.3 shareholding structure

### Shareholding Structure of the Company as of September 30, 2022



The major shareholders of the Company as of September 30, 2022 are presented as below:

No.	Name	Paid-up capital 259,800,000 Baht	
		Number of shares	% of shareholding
1	Jurangkool Group	109,250,100	42.05
2	Hi-Lex Corporation	70,000,000	26.94
3	Patanatmarueng Group	31,515,700	12.13
4	Thai NVDR Company Limited	12,581,915	4.84
5	Mr. Chaitat Chaipipatsuke	6,500,000	2.50
6	AIRA Securities Public Company Limited	5,378,800	2.07
7	Ms. Piyapa Thanasamut	4,000,000	1.54
8	Ms. Waraporn Songpracha	2,105,500	0.81
9	Mr. Dumrong Kulthanapong	2,000,000	0.77
10	Mr. Thewarug Werawatganon	1,923,700	0.74
11	Mr. Pithak Werawatganon	1,750,000	0.67
12	Ms. Duangporn Werawatganon	1,679,000	0.65
13	Ms. Pornpen Werawatganon	1,516,000	0.58
14	Ms. Sumitra Domrongkitchaiporn	1,500,000	0.58
15	Mr. Rungkan Paisitphaichtrakul	1,225,600	0.47
16	Mr. Kanit Samittiwad	800,000	0.31
17	Others	6,266,185	2.41
<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 21,942,600 shares, or 8.45 % 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, 2022) are:
1. Teraura Investment Co., Ltd holds 25.03 %
  2. Teraura Scholarship Foundation holds 4.07 %
  3. BBH For Fidelity Low-Priced Stock Fund holds 3.67 %
  4. Nippon Life Insurance Company holds 3.30 %
  5. NISHIKAWA RUBBER CO., LTD. holds 2.71 %
  6. J.P. Morgan Bank Luxembourg S.A. holds 2.45 %
  7. The Master Trust Bank of Japan, Ltd. holds 2.38 %
  8. Custody Bank of Japan, Ltd. holds 2.31 %
  9. Honda Motor CO., LTD. holds 2.23 %
  10. ALPHA Corporation holds 2.11 %
- 3) Patanatmarueng Group comprises 3 shareholders of the same family name and related individuals as follows:
- Mr. Santi Patanatmarueng holds 10,602,400 shares, or 4.08% of paid up capital
  - Mr. Sarit Patanatmarueng holds 10,592,000 shares, or 4.08% of paid up capital
  - Ms. Sirina Patanatmarueng holds 10,321,300 shares, or 3.97% of paid up capital

### **Business relationship with major shareholders**

The Company has 3 major shareholders: Jurangkool Group, Hi-Lex Corporation Group and Patanatmarueng Group. (More details in: Securities and Shareholder Information) As of September 30, 2022, all three groups hold 210,765,800 shares in the Company, representing 81.13% of the Company's registered and paid-up capital.

The Company purchases some types of raw materials and components from Hilex Corporation in the event that it cannot be procured from a local distribution source in Thailand or it is not worth producing. In 2022, there are orders at 174.88 million Baht per year, or 7.34% of the total orders.

The Company has transactions with 18 related companies. As mentioned, there is a group of Jurangkool, Patanatmarueng Group and Hi-Lex Corporation Group is a major shareholder. In 2022, the purchase orders among such companies was 231.66 million Baht per year, or 9.73% of the total purchase order.

In the year 2022, the Company had all purchase transactions with related companies at 406.54 million Baht or equivalent to 17.07% of total purchase orders.

However, all transactions are normal transactions. There is evidence that the price comparison is a fair market price. There are commercial terms and regular payment terms, as well as transactions with other manufacturers. There is no entrustment, only the business of major shareholders.

### **Restrictions on foreign shareholding**

Foreign shareholders can hold company shares by an aggregate of not more than 49% of the total issued and paid-up shares. As of September 30, 2022, the Company's shares held by foreigners amounted to 27.10%

## Shareholders' agreement

No agreement between and there is any matter that affects the issuance and offering of securities or the management of the company.

## Shareholding of the Board of directors and Management

No.	Name - Surname	Position	Shareholding (shares)						
			As of September 30, 2021		As of September 30, 2022		Increase /Decrease	% of changed	Spouse and minor children
			Direct	Indirect	Direct	Indirect			
1	Mr. Sunsum Jurangkool	Chairman of the Board of Directors	83,115,000	0	83,115,000	0	-	-	0
2	Mr. Taro Teraura	Director	0	0	0	0	-	-	0
3	Mr. Thaveechat Jurangkool	Director/ Chief Executive Officer	21,942,600	0	21,942,600	0	-	-	0
4	Mr. Nuttapol Jurangkool	Director	0	0	0	0	-	-	0
5	Mr. Sarit Patanatmarueng	Director /Managing Director	10,592,000	0	10,592,000	0	-	-	0
6	Mr. Santi Patanatmarueng	Director	10,602,400	0	10,602,400	0	-	-	0
7	Mr. Hajime Kato	Director / General Manager - Research and Development Division	0	0	0	0	-	-	0
8	Mr. Prinya Waiwatana	Independent Director	0	0	0	0	-	-	0
9	Mr. Apinan Na Ranong	Independent Director	0	0	0	0	-	-	0
10	Mr. Chatchai Earsakul	Independent Director	0	0	0	0	-	-	0
11	Mr. Veerawat Korphaibool	Independent Director	0	0	0	0	-	-	0
12	Ms. Sirina Patanatmarueng	Senior General Manager - Business Administration	10,321,300	0	10,321,300	0	-	-	0
13	Ms. Patra Chaiyosburana	Senior General Manager - Business Operation Division, Research and Development Division	0	0	0	0	-	-	0
14	Mrs. Kasita Pitaksongkram	General Manager - Business Administration Division	0	0	0	0	-	-	0
15	Mr. Somkiat Korten	General Manager - Production Support Division	0	0	0	0	-	-	0
16	Mr. Watcharin Sayamrattanakit	General Manager - Production Division	0	0	0	0	-	-	0

## 1.4 Registered Capital and Paid-up Capital

The company has a registered capital of 268,500,000 Baht, paid-up 259,800,000 Baht, divided into 259,800,000 ordinary shares, with a par value of 1 Baht per share.

The Company does not have other types of shares with different rights or conditions than ordinary shares, such as preferred shares or project out and offering shares or convertible securities to a mutual fund for foreign investors (Thai Trust Fund) or issuing instruments representing returns arising from securities

## 1.5 Other Securities

- None -

## 1.6 Dividend Policy

The company has a policy to pay dividends at a rate of not less than 25 percent of net profit after deducting all types of various reserves as described in the regulations and by law. If there is no other necessity and the dividend payment will not materially affect the normal operation of the Company and presented to the Annual General Meeting of Shareholders for approval. The payment of dividends shall be made within 1 month from the date of the resolution of the Annual General Meeting of Shareholders or the date of the resolution of the Board of Directors, as the case may be. In this regard, it shall be notified in writing to the shareholders and the notice of dividend payment shall be published in the newspaper.

### Dividends payment of the Company in the past 5 years details as follows;

Dividends payment details	2022	2021	2020	2019	2018
1. Dividend payout ratio per share (Baht : Share)	1.00	1.00	0.50	1.00	1.00
2. Total amount of dividends paid (Baht)	259,800,000	259,800,000	129,900,000	259,800,000	259,800,000
3. Dividend payout ratio (%)	125.00	109.89	156.25	117.65	103.09

## 2. Risk Management

### 2.1 Risk Management Policy and Plans

#### **Risk Management**

The company formulated the risk management policy to supervise the risk management through the entire corporation, supports, develops risk management to be efficient and continuously effective, which could help the company achieve its objectives and business goals including creating more values and sustainable long-term growth for the company. The Board of Directors appointed the Risk Management Committee (RMC) which was responsible for supervising, monitoring the risk management process, and reporting the performance to the Audit Committee and Board of Directors. The Risk Management Committee has considered all risk factors that affect the achievement of the organization's goals, and provides recommendations to be vigilant of the significant risks from the ever-changing environment monitor and analyze all aspects of the company's risk management and report the results to the Audit Committee and the Board of Directors.

#### **Risk Management Policy**

Risk management constitutes processes undertaken by the Board of Directors, senior executives and every employee in the organization so as to help formulate implementation relevant strategies and measures. Thus, risk management processes are designed to indicate potential events that may adversely affect the organization and keep risks within an acceptable level so that there is a reasonable degree of confidence that the organization's objectives could be achieved. Moreover, business operation will be sustained by the implementation of risk management policy as follows:

1. The Risk Management Committee is empowered to oversee risk management of the Company.
2. The management and all employees are responsible to define the objectives of the department, arrange a schedule of risk assessment, define risk indicators including reporting as per process of risk management practices, involve the development of risk management that increase the chances of success, and decrease the effect for achieving goals.
3. Systematically identify and control risks that may deter the achievement of objectives so that risks are controlled within an acceptable level under the management's supervision.
4. Acceptable risks and acceptable degree of risks of the Company shall be endorsed by the Risk Management Committee of the Company before they are put into practice.
5. When an employee observes or becomes aware of risks which may adversely affect the Company, he/she must report such risks to concerned persons immediately so as to keep them under control.

Risk management policy shall be implemented stringently on a continuous basis under the supervision of the Risk Management Committee of the Company.

Through analyzing and managing risks in all aspects to cover the issues of social, environmental, and establish a contingency plan for situations that may affect the company's operations.

Company Risk Assessment requires a comprehensive risk assessment by covering environmental, social, and corporate governance issues such as emissions (Sewage and smell) that disturb the surrounding community, abrupt change of weather, the trend of using emerging energy vehicles and automation equipment which has a greater impact on sales, and life in society has changed until there may be a shortage of qualified labor, etc. Thus all these risks factors, The company has prioritized risks, review the risk level, and identified risk response methods to reduce the risk level to an acceptable level, such as communicating the environment to neighboring communities, establishing an annual environmental quality monitoring and measurement plan, preparation of contingency plans for events that may affect the company's business operations by requiring a review, rehearsal and verify the annual emergency plans, find the new markets, research and develop new products, devices or technologies to meet the changing demands. If any risk factors meet the high level of risk assessment must be managed or reduce the risk level to an acceptable level. Including set to measure goals (OKR/KPI) to monitor and control the management of the risk clearly

## **2.2 Risk factors for the Company's business operation**

Risk factors that may have a significant impact on the company's operations

### **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 support 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 can not 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 will definitely renew the contract because it is a major shareholder in the Company and the Company already received an assurance in writing. Therefore, with 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 or customers can import parts under provisions of free trade agreements or tax deduction projects supported by the government. Key attributes which enable proprietors to maintain their competitiveness include maintaining product quality standards, continual delivery and most importantly, creating an improved production cost plan every year to comply with the policy and customer needs 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**

Currently, the Company purchased basic raw materials, including steel, metal wire, plastic pellets and rubber, valued more than 50.59% 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 to 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 a 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 cases, 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 dependence on limitation of supplier**

Some items of parts or raw materials have specific properties which are difficult to find comparative trading partners for reducing the risk from dependence on limitation of supplier. The company has studied to find replacement parts or raw materials by bringing parts or raw materials to analyze and test which must be approved by the customer before use.

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

In 2022, the Company procured imported raw materials and components, accounting for around 20.38% 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 338.85 million Baht. Thus, the Company faced risks from foreign exchange rate fluctuation if exchange rates went up.

#### **6. 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 88% of the Company's revenue in 2022. 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 40 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 relationships 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 sales to other countries in order to reduce risks from reliance on major customers.

**7. 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, HiLex Corporation, and Patanatmarueng (see details in “Securities Information and Shareholders”). As of September 30, 2022, the number of shares held by these three groups totals 210,765,800 shares, or 81.13% 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 is the 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 11 directors, 4 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 adverse 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 counterbalance any matters proposed by the majority shareholders.

To prevent such risks, the Company appoints 4 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.

**8. 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 manufacturers 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 a 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 and inspect every month. Furthermore, the total value of warranty claims is summed up every 6 months, so that the results would be summarized and 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.

## **9. 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, safety shop floor management activities (S-SFM), fire fighting and evacuation drills as well as emergency response plan drills in the event of chemical spill. Not only that, these activities also included safety awareness and off-premise occupational health promotion, such as the "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, safety goals and workplace environment.

As for the activities related to the environment, community and society, the Company regularly conducted inspections to measure the work environment as well as to monitor air quality in its premises 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 systems. In addition, various efforts were made to maximize resource utilization and reduce waste disposal expenditure. For example, the 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 control 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.

The company is also aware of global warming that is occurring today. Therefore there is a use of renewable energy from sunlight by installing a Solar Roof Top on the factory building to demonstrate our commitment to reducing emissions from our operations. At present, the company has installed Solar Roof Top (the 1st phase) with a capacity of 945 kW, started in January 2019 and installed Solar Roof Top (the 2nd phase) with a capacity of 1,200 kW.

Furthermore, the Company conducted activities, such as 5S activities and Big Cleaning Day to instill the sense of awareness among employees to ensure that everyone recognizes the importance of the environment, particularly the work environment.

### **2.2.1 Current Risks for business operations and Emerging Risks**

**Meanwhile, the company is committed to sustainable business practices. So that the company pays attention to the analysis of emerging risks and may affect future business (Emerging Risk) as follows;**

#### **Risks from change to electric automotive technology**

Automotive technology trends in the future will bring electric vehicles (EV) to use. That is a trend people all over the world are turning to using electric vehicles. It is less affected by cable manufacturing and might be out of order in the long run e.g. brake cables, transmission cables, trunk opener cables etc. Some automotive manufacturers started to improve their design in current cars and new cars launching in the future as a response to the trends. In order to keep market share, the company has set up an engineering team to do the research of new product lines, especially designing, prototype making and supporting the use of technology with high efficiency and precision. The team joined with various specialist institutions e.g. National Science and Technology Development Agency (NSTDA), Thailand Research Fund (TRF), King Mongkut's Institute of Technology Ladkrabang (KMUTL) and Hi-Lex Corporation to expand product line, controlling with electric system and system product e.g. Power Slide Door, Power Lift Gate, Tail Gate Absorber and Integrated Window Regulator or Door Module. The company has defined a marketing policy of expanding the customer base in new product lines to expand business with main customer e.g. domestic automotive manufacturing. Apart from that, the company is also dedicated to expanding the market, in parts of both domestic and foreign post markets. Its post market is another market that could bring technology or new innovations to present and could directly access to target customers as lead to create demand for those products. In addition, the company is dedicated to use engineer expertise in product design and the modern production process for presenting and participating, starting with the new car improvement process and presentation of new products in the form of Localize Project as a cost reduction approach for partners. Currently, customers are establishing R&D centers to play a more important role in the country. Also with the good partnership, this gave the company the opportunity to push this policy more effectively.



### **Risks related to Digital Transformation**

The process of bringing Digital Technology, adapting with all parts of business is to let business be able to adapt with the situation quickly. Several industries including the automotive industry started to use automation and robotics in the production line to reduce quality problems and cost and increase production efficiency. The company is defined as a guideline for risk management by supporting our researching and improving teams. Engineering production team were exchanged technical information, knowledge and experience with organizations e.g. King Mongkut's Institute of Technology Ladkrabang, National Science and Technology Development Agency (NSTDA) and other international organizations in order to bring those knowledge to create new products as well as new automatic products and use robotics in the production line.

### **Risk from cyber security**

Nowadays, information technology plays an important role in business operations by helping to reduce costs, reduce operations process and increase the efficiency of services. This makes business processes go faster and smooth. However, risks of information technology, cyber security are increasing rapidly that causing risks to the organization in various aspects, such as the risk of confidentiality, Integrity, data breach and risk of services connected to the internet network or cyber attacks with more diverse and complex forms and may have a wider impact including that may affect investor confidence business interruption.

The Company is aware of the risks of cyber security and attaches great importance to maintaining cyber security in the information of all stakeholders, shareholders, customers, employees and all concerned by defining policies and guidelines for the security of information technology systems to cover and keep up with the changes in technology used as follows:

1. Governance

The Company has supervised the risk management and internal audit so that the Company has a framework and guidelines for oversight and management of risks of the organization that are consistent and with the same standards for the company entirely.

2. Identification of risks

The company has established the scope and identified cyber risks and fault analysis in order to fix and check the system and test the penetration from outside. The information technology asset management includes adding, decreasing, migrating and setting up the security of hardware, software, data and related work systems to enable the company to know and be able to identify assets Information technology that may cause risks, including being able to manage to control and reduce risks appropriately and timely.

3. Hedging

The Company has established a policy to prevent cyber threats in the past year. The Company operates Firewall Protection that helps prevent external attacks through applications, using the Virtual Private Network (VPN) system and inspection of external email which includes the limited access to harmful websites and prevention of virus infection between computers. In addition, the company



has also operated the backup in case of emergency to prevent possible damage caused by identity theft or any incidents that may affect the critical information of the Company.

4. Risk detection

The company operates in cybersecurity, monitoring the abnormal cyber behavior upon the guidelines for searching, testing and managing the Information technology vulnerabilities that can be detected, analyzed, tracked and notified of any abnormal events to the responsible person in order to determine the preliminary solution in a timely manner.

5. Dealing and recovering with damage

The company prepares an emergency plan to deal with cyber security. There is a rehearsal once a year, as well as establishing a certified and standardized data backup center. Dealing with cyber incidents and investigating and analyzing the cause, solving problems and preparing a report to the management so the company will be able to respond and deal with risks in a timely manner.

The company has continuously monitored the risks as well as being prepared to control the situation and restore the system in case of cyber security so that the system and business operations can be returned to normal quickly.

### **Risks from climate change**

Nowadays, the whole world is facing the problem of air pollution due to various activities of people such as many constructions, fuel combustion, etc. There are causes of climate change due to the greenhouse gasses in the atmosphere being increased and it is the causes of the greenhouse effect resulting in higher global surface temperatures, known as global warming.

From studying the above information about global warming, the company is aware of the pollution reduction that will cause greenhouse gasses from various activities by reducing carbon dioxide (CO<sub>2</sub> Reduction) and conducting the results of the activity to make a list of greenhouse gasses and verify the carbon dioxide emissions.

The Company has set a target for the amount of greenhouse gasses to reduce in 2023 at 4.6% or 122 ton-CO<sub>2</sub> from the emissions of 2,663 ton-CO<sub>2</sub> in 2022. By the end of 2050, the Company shall reach the "Zero" amount of emissions which is known as "Carbon Neutral" by conducting projects and activities to reduce the use of electricity which are the main activity of the company. Such includes the extension to other activities that cause greenhouse gasses too, such as the use of car fuel and liquefied petroleum gas, etc.

Global climate change such as sea level rise. For example the temperature rise, extreme weather phenomena such as heat waves and drought due to the lower agricultural productivity, food shortages, more severe storms in the rainy season, big flood, the winter weather that affected animals and plants. Such is not easy to predict yet its effect would be wide but it definitely affects the economy and society. However, the Company prepared to support the impacts of all aspects, in a systematic and sustainable manner. The emergency response plan and business

continuity management plans (BCP) will enable the company to continue the business smoothly.

### **Risks from the Coronavirus (Covid-19)**

The spread of the Coronavirus (Covid-19) outbreaks around the world affects the health and safety of employees for work, many business effects both direct and indirect. The company is aware of the safety of employees' health and inhibits the spread of disease in all aspects. The top management, therefore, sets measures and prepares readiness to cope with such situations by allowing office workers to work from their residences in an emergency. The company has prepared the technology, application tools support with the user-guided manual and closely monitors the performance, use all public relations channels of the company to follow and inform the latest news of the virus spreading and the latest situation, including Line @TSC, Line Group-NongNews, Line HR & Top section, emergencies team and GM Talks.

In the past year, the company increased measures and various activities to prevent the spread of the disease, such as providing vaccinations for all employees, allowing them to go for vaccines without touching the leave quota. This creates health awareness among employees during the epidemic situation and an ATK test kit for the initial screening of high-risk groups. There are measures to support the classification of risk groups at 1-2-3, which can allow employees to work from home, alternating with working at the company effectively. Under clear and timely regulatory measures e.g. setting Bubble@TSC for limited operating areas and including communicating the Business Continuity Plan (Disease) to be used as a guideline in case of recurrent outbreaks. The company set up the closed assessment of the situation to control and manage the impact continuously to reduce the risk of infection of personnel, and continually spreading both internally and externally.

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

To purchase shares 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.

## **3. Sustainability**

### **3.1 Corporate social sustainable responsibility policy**

The company focuses on sustainable development issues management through an assessment and prioritization process based on the Global Reporting Initiative (GRI) with GRI Standards and the UN Global Compact.

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 the business chain.

#### **Anti-corruption efforts**

The Company resists all forms of corruption and ensures stringent compliance with its anti-corruption policy. Additionally, the company has joined the anti-corruption network and collaborated with the network in the project called Collective Action Against Corruption (CAC). The company also has a policy to continually invite business partners to become partners in anti-corruption as part of the drive to create a corruption-free society.

#### **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 violations, and also support, 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 strictly 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 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 strikes 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 on a consistent basis.

#### Mission, Philosophy, Value

**Company Mission: Organization – To be the learning organization<sup>®</sup>** which strives and encourages the company's personnel to continually develop themselves both in their ability to work and in daily life. It follows the Company's philosophy and **recognizes the values of people, society, environment, ethics, knowledge, and quality** to use as concepts and guidelines for social responsibility practices according to sustainable development guidelines.

#### **Philosophy**

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

***Maximum value to all stakeholders***

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

***Moving forward at all time***

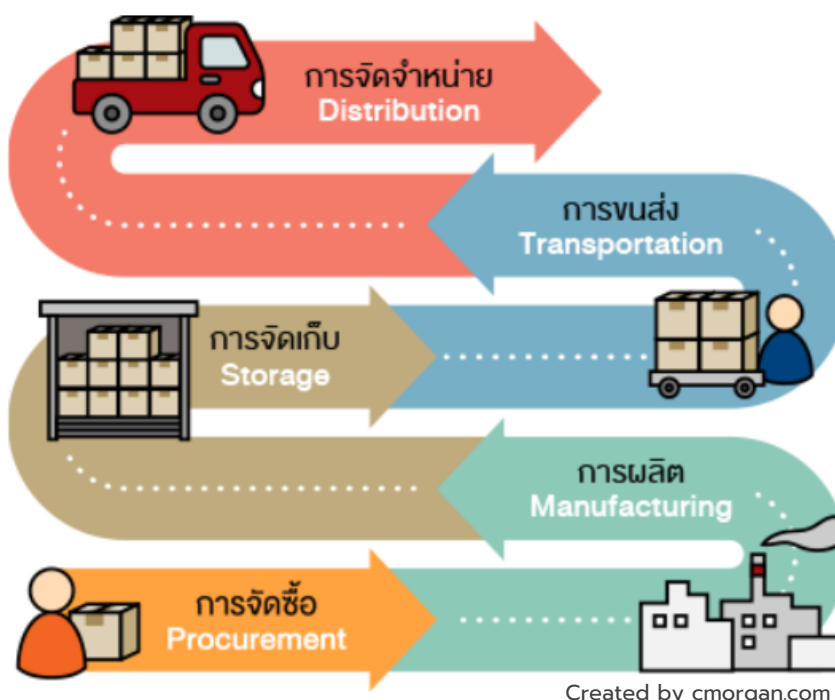
***Promote good society***

## 3.2 Business Value Chain and Stakeholders Impact Management

### 3.2.1 Business Value Chain

The company operates its business with responsibility in accordance with good governance principles in consideration of social and environmental impacts to drive the organization towards sustainable development and to enhance this action to the stakeholders of the company. The objective is to push and promote cooperation in sustainable business operations altogether. The company considered the relationship of key stakeholders in the activities related to business value chain to reflect that the company is committed to creating value for products and services to meet the expectations of all stakeholders.

The picture of the business value chain of the companies consisting of 5 Primary Activities, which are continuously linked in accordance with the overall business context of the company as follows:



### Support Activities

Support activities to drive the company's main activities conduct continuously and efficiently as detail below:

Human Resources Management is the key to driving the human resources company. Therefore, the company has given importance to recruiting employees with knowledge and abilities, encouraging employees to regularly train and develop. The company provided opportunities for career progression as well as taking care to ensure that employees have a good quality of life.

Technology Development The company uses new technology to meet the needs and the changing business world, including always studying, researching and/or looking for partners to develop.

### 3.2.2 Stakeholders Analysis

A stakeholder is a person or group of people who can affect and/or be affected by the business operations or related activities of the organization.

#### Identify stakeholder groups

The company identifies stakeholder groups and how they participate by prioritizing them to create a balance that creates sustainability It covers economic, social and environmental aspects as follows:

Stakeholders	Expectation	Participation			Indicator ***		
		Reporting	Training	Communication	1	2	3
1. Shareholder, Creditor, Financial institution	<ul style="list-style-type: none"> <li>• Return on good and sustainable performance</li> <li>• Good corporate governance</li> <li>• Risk management</li> <li>• Compliance with the terms and conditions of the contract</li> <li>• Receiving equal and fair treatment</li> <li>• Complete and accurate information Timely decision making and transparency</li> </ul>	<ul style="list-style-type: none"> <li>• 56-1 One Report</li> <li>• Sustainability Report</li> <li>• Corporate Governance Handbook (Consists of business ethics)</li> </ul>	-	<ul style="list-style-type: none"> <li>• Annual General Meeting of Shareholder</li> <li>• Opportunity Day</li> <li>• IR Press Release website</li> <li>• Disclosure of information on the SET website</li> <li>• News of newspaper</li> </ul>	✓	✓	
2. Employee	<ul style="list-style-type: none"> <li>• Compensation and benefits</li> <li>• Employment security</li> <li>• Compliance with the terms and conditions of the employment contract</li> <li>• Potential development and career advancement</li> <li>• Incentives through rewards and/or recognition for the achievements of the job.</li> <li>• Good environment and safety at work</li> <li>• Receiving equal and fair treatment</li> </ul>	<ul style="list-style-type: none"> <li>• 56-1 One Report</li> <li>• Sustainability Report</li> <li>• Corporate Governance Handbook (Consists of business ethics)</li> </ul>	<ul style="list-style-type: none"> <li>• Vocational Training Courses</li> </ul>	<ul style="list-style-type: none"> <li>• Welfare Committee meeting</li> <li>• MD Talks activity</li> <li>• GM Talks activity</li> <li>• Announcement, Email, Intranet</li> <li>• Meeting in front of the board</li> <li>• Public relations</li> <li>• Company activity satisfaction survey</li> </ul>	✓		
3. Customer	<ul style="list-style-type: none"> <li>• Standard quality</li> <li>• Responsive cost</li> <li>• On time delivery</li> <li>• Engineering competence</li> <li>• Management system</li> <li>• Compliance with the terms and conditions of the contract</li> </ul>	<ul style="list-style-type: none"> <li>• 56-1 One Report</li> <li>• Sustainability Report</li> <li>• Corporate Governance Handbook (Consists of business ethics)</li> </ul>	<ul style="list-style-type: none"> <li>• Quality System Development, Environment and Safety Courses</li> </ul>	<ul style="list-style-type: none"> <li>• Annual/monthly customer policy acknowledgment meeting</li> <li>• Activity: Seminar with customers</li> <li>• Monthly customer meeting</li> <li>• Website</li> <li>• Annual satisfaction survey</li> </ul>	✓	✓	



Stakeholders	Expectation	Participation			Indicator ***		
		Reporting	Training	Communication	1	2	3
4. Partner	<ul style="list-style-type: none"> <li>Fair and transparent procurement</li> <li>Compliance with the terms and conditions of the contract</li> <li>Complete and on-time payments</li> <li>Long term business relationship</li> </ul>	<ul style="list-style-type: none"> <li>56-1 One Report</li> <li>Sustainability Report</li> <li>Corporate Governance Handbook (Consists of business ethics)</li> </ul>	<ul style="list-style-type: none"> <li>Business Ethics Course in Business Operations and against Corruption</li> </ul>	<ul style="list-style-type: none"> <li>Partner Meeting</li> <li>Activity: Expanding anti corruption network</li> <li>Announcement, email, website of recruiting staff</li> </ul>	✓		
5. Community and society	<ul style="list-style-type: none"> <li>Environmentally friendly and healthy production processes</li> <li>Getting help Support and promote various aspects</li> <li>Participation in community and social development</li> <li>Compliance with relevant terms and conditions</li> </ul>	<ul style="list-style-type: none"> <li>Summary report of the meeting according to the agenda</li> </ul>		<ul style="list-style-type: none"> <li>Activity: Activities to carry on traditions, culture and local religions</li> <li>Environmental quality measurement in the community surrounding the factory</li> <li>Promotion Officer Website</li> </ul>	✓		
6. Government agencies and related organizations	<ul style="list-style-type: none"> <li>Payment of taxes and fees in full as scheduled</li> <li>Compliance with the law Related Regulations and Agreements</li> <li>Cooperation and support in various fields</li> </ul>	<ul style="list-style-type: none"> <li>Legal reports and license conditions</li> </ul>	<ul style="list-style-type: none"> <li>Vocational knowledge training course</li> </ul>	<ul style="list-style-type: none"> <li>Meeting to acknowledge the rules</li> <li>Activity: Become a member of various project networks and attend training and seminars</li> <li>Government relations officer and BOI officer website</li> </ul>	✓	✓	✓
7. Mass media	<ul style="list-style-type: none"> <li>Access to accurate, complete and verifiable information</li> <li>Participating in Business Disclosures</li> </ul>			<ul style="list-style-type: none"> <li>Opportunity day</li> <li>Interview website of investor relations officer</li> </ul>		✓	
8. Competitor	<ul style="list-style-type: none"> <li>Fair competition</li> <li>Non-infringement of intellectual property</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance Handbook (Consists of business ethics)</li> </ul>	<ul style="list-style-type: none"> <li>Sales officer, Product Research and Development Division Officer Website</li> </ul>		✓		

Remarks: \*\*\*Indicators 1. Means to stakeholders who are "affected" by the company.  
 2. Means to stakeholders who "create" an impact on the company.  
 3. Means stakeholders who "Company must be legally responsible"

## **Strategies for managing stakeholder groups**

<b>Stakeholder</b>	<b>Management strategy</b>
<b>1. Shareholders, creditors, financial institutions</b>	<ul style="list-style-type: none"> <li>• Adhere to good governance and business ethics in the administration.</li> <li>• liquidity management and financial risk management</li> <li>• Enhanced database and related reporting systems</li> </ul>
<b>2. Employee</b>	<ul style="list-style-type: none"> <li>• Comparable compensation and benefits with leading companies</li> <li>• Focus on recruiting personnel from within the organization</li> <li>• Continuously develop personnel potential according to the annual plan</li> <li>• Develop and design a variety of courses for covering the needs of each profession</li> <li>• Listen to employees' opinions on improving welfare.</li> <li>• Corruption Complaint Channel</li> <li>• There are measures to protect whistleblowers who commit wrongdoings.</li> </ul>
<b>3. Customer</b>	<ul style="list-style-type: none"> <li>• Enhance product design and development capabilities</li> <li>• Participate in product development together with customers.</li> <li>• Develop own production technology</li> <li>• Comply with customer policies covering quality, environment and safety.</li> </ul>
<b>4. Partner</b>	<ul style="list-style-type: none"> <li>• Uphold the principles of fair and transparent procurement.</li> <li>• Comply with the terms and conditions of the contract</li> <li>• Pay in full and on time</li> <li>• Maintain a long-term business relationship</li> </ul>
<b>5. Community and Society</b>	<ul style="list-style-type: none"> <li>• Aiming for a green organization with environmentally friendly production processes and energy conservation.</li> <li>• Encourage employees to be good people, know the values of people, society, environment, ethics, knowledge and quality.</li> </ul>
<b>6. Government agencies and related organizations</b>	<ul style="list-style-type: none"> <li>• Conduct business with good governance</li> <li>• Become a member of the network of government and related organizations</li> <li>• Develop on the basis of responsibility to the community, society and environment.</li> </ul>
<b>7. Mass media</b>	<ul style="list-style-type: none"> <li>• Able to access accurate, complete, clear and verifiable information</li> <li>• Participate in business disclosure</li> </ul>
<b>8. Competitor</b>	<ul style="list-style-type: none"> <li>• Fair competition</li> <li>• Non-infringement of intellectual property</li> </ul>

### **3.3 Sustainability Management in Environmental Dimensions**

#### **3.3.1 Environmental Policy and Practice**

The company continually improves and develops to raise the level environmental management to be modern and in line with the direction of the current industry by requiring that the environmental policy be updated every 5 years and publicized to employees at all levels to be informed of the policies for the year 2022 are as follows

##### **Environmental Policy**

The company uses natural resources worthily, pollution-free and safety for all life, environmental friendly, and stopping global warming. The company will strictly follow the ISO14001 standard.

1. The committee determined the efficient use of resources. Control and reduce the amount of energy use as well as natural resources.
2. Detaining hazardous substances in raw materials to prevent pollution and reduce global warming which will lead to environmental destruction.
3. Commit, adjust, prevent and control fully pollution caused by the company's activities that affect and comply with legal requirements.
4. Comply with the laws, regulations and requirements related to the environment and improving continually.
5. Communicate and disclose environmental policies to the public openly and training to create awareness of environmental protection for human resource at all levels in the company

The company requires employees working in production lines and high risk of accidents or exposure to chemicals or waste must wear completely protective equipment and regularly check the protective equipment as well as strictly monitor compliance with safety regulations.

However, the noise level from the company activities is within the standard specified by the National Environment Board and the Ministry of Industry. The results of the dust, vapors from the stack and wastewater generated from the activities of the company have values that are within the standards prescribed by law because the company has an effective management, control and treatment system. As a result, the pollution caused by the company's activities is in accordance with the standards set by law.

#### **3.3.2 Environmental performance**

##### **Energy Management**

The company has annually conducted an energy conservation and environmental project ISO14001. For the year 2022, the operating results have been achieved and the project implementation has been upgraded to be a more efficient, effective and comprehensive environment both by land and sea and to comply with the environmental sustainability policy, the Company has set a target to reduce the electricity usage by 4% per year compared to the previous year. Including raising awareness and promoting employee participation in saving electricity as follows:

No.	Project	Target	Performance
1	On-Off Air Compressor	To reduce electricity bills > 77,000 Baht/month and reduce CO2 emissions	Able to reduce electricity bills by 88,061.64 Baht per month or 25,159.40 kWh/month CO2 Reduction by 11.58 tonCo2**/month <b>**Noted:</b> CO2 Emission Factor of electrical energy is referred to Thai National LCI Database, TIISMTEC-NSTDA (with TGO electricity 2016-2018)
2	TSC Save The Earth project	<ol style="list-style-type: none"> <li>1. To reduce the use of plastic 100%</li> <li>2. Cultivate employees to use resources valuable for reducing the problem of solid waste.</li> <li>3. Raise awareness of protecting the environment seriously for reducing environmental degradation problems both by land and sea.</li> <li>4. Reduce pollution caused by the use of vehicles from the company's activities.</li> </ol>	Achieve targets - Cancel to use of plastic bags in the cafeteria 100% - Cancel to use of plastic straws and glasses in the company 100% - Cancel to use of gasoline of the company's central cars and use only E20 oil 100%
3	Environmental campaign	Campaigning in all aspects related to the environment according to the company's environmental management policy such as If you separate garbage, what will you get?, How to reduce global warming by saving water and energy, ECO INDUSTRY, GO GREEN, The cause of greenhouse gas emissions in Thailand etc.	

### **Water resource management**

Water is the source and vital for all life on earth such as animals, plants and humans that need water to sustain life. Besides that, we can also take advantage of water both in agriculture and industry although water is a renewable resource never ending. However, water is still a depleted resource. Conserving water is one of the ways to help preserve the environment that is related to living things.

The company recognized the importance of water and the use of water worthily and has established a water management guideline by initiating a project to use automatic water distribution systems in the office to reduce water consumption. The target for the water bill is not more than 1 million baht per year. From the assessment before and after the operation, it was found that expenses in 2022 reduced from 2017, which was the year

before the project was implemented as shown in the figure below. In 2023, the company set a target to reduce water use by 3% from 2022, or about 790 units.

However, the company manages water according to the guidelines for reducing water use or 3Rs principle by creating a wastewater treatment system from the production process to reduce the amount of wastewater released to the outside by taking into account the organisms in the ecosystem.

### Information of water use in 2017 – 2022

(Unit: Million Baht)

2017	2018	2019	2020	2021	2022 (01-09)
0.98	0.65	0.63	0.43	0.54	0.41

### Management of garbage, waste and pollution

Disposal of waste from company production activities can be divided into 3 main types and has methods for managing as the table of types of waste and treatment/disposal processes are as follows:

#### Types of waste and treatment/disposal processes

Types	Dangerous waste	Recycled waste	General waste
Waste generated from company activities	<ul style="list-style-type: none"> <li>- Old engine oil</li> <li>- Items contaminated with chemicals such as used cloth gloves used and chemical containers</li> <li>- Worn out light bulb</li> </ul>	<ul style="list-style-type: none"> <li>- Used paper</li> <li>- Tin and Zinc</li> <li>- Wooden pallet</li> </ul>	<ul style="list-style-type: none"> <li>- Non-toxic plastic gloves</li> <li>- Food Waste</li> <li>- Cardboard</li> </ul>
Treatment/disposal processes	- Send it to a hazardous waste disposal company registered with the Department of Industrial Works to operate.	- Sell for reuse	- Submit to the municipality for disposal

The company has selected specialists with hazardous waste disposal licenses to operate the transport and treatment/disposal and report to the Department of Industrial Works via electronic system as required. The company's environmental management system is implemented in accordance with the regulations of the Department of Industrial Works and the requirements of the industrial estate in all respects. In addition to waste disposal, considering the environmental impact and

safety, the company also organizes internal activities to continuously reduce the use of resources and energy.

Environmental management results have been defined as an indicator of the success of the organization for a long time and continuously to emphasize the importance of environmental action.

Responsible department closely monitors the results of such management annually with the realization that Global warming and energy use are major problems affecting the ecosystems and livelihoods of people around the world. Therefore, the company has organized a campaign to reduce energy consumption and reduce global warming through environmental policies and various environmental projects that the company has continuously reviewed and conducted annually. The environmental performance has been defined as the Company's KPI (Company Objective) for the organization to be involved and aware of the overall environmental performance.

In addition, the company has studied business processes/procedures that affect the ecosystem in the past year. It was found that there were no business processes/procedures that had an impact on the ecosystem. Therefore, it will not be developed to adjust/restore the environment in the next year.

### **Management to reduce greenhouse gas**

The company announces its commitment and pays attention to global warming. By setting a target for the amount of greenhouse gasses to be reduced in 2023 at 4.6% or about 122 ton-CO<sub>2</sub> from the 2,663 ton-CO<sub>2</sub> greenhouse gas emissions in the past 2022. The carbon footprint organization is a tool that enables industrial organizations to measure the amount of greenhouse gas generated by their activities in the form of carbon dioxide and apply the results to formulate management guidelines and implement activities to reduce energy consumption and reduce greenhouse gas emissions effectively. Therefore, the government agencies have encouraged the implementation of the carbon footprint organization in accordance with the guidelines developed by the TGO. There is supported the preparation for the change in energy consumption patterns in the manufacturing sector sustainability and has a positive impact and also shows that:

1. The company calculates carbon footprint accurately according to world standards. In 2022, the company has verified the carbon footprint from the ECEE Company Limited at a cost of 66,000 Baht (excluding VAT)
2. The Company has campaigns to reduce greenhouse gas emissions which are an important part of effectively reducing global warming.
3. The company complies with international standards and adheres to well-defined environmental policies.

### **TSC CO<sub>2</sub> Reduction**

The company is involved in the management of CO<sub>2</sub> emission reduction which is a key factor in global warming and is a part of supporting and promoting social responsibility and environmental concern according to the company's policy.

1. To as a guideline for CO<sub>2</sub> emission reduction management.



2. To improve the efficiency of natural resource utilization that affects emissions CO<sub>2</sub>.
3. To support and cooperate to submit the information and prepare for the audit from the customer.
4. To implement the company's CO<sub>2</sub> emission reduction policy.
5. To set goals for reducing CO<sub>2</sub> emissions each year.
6. To promote and campaign for employees to participate in helping to reduce CO<sub>2</sub> emissions to achieve the target.
7. To create a good image from the customer's point of view.

	2018	2019	2020	2021	2022
Amount of CO <sub>2</sub> emission reduction continuously (TonCO <sub>2</sub> )	251.11	1,952.68	420.41	585.78	142.53

### **Framework of practice and progress in environmental operations for the year 2022**

No.	Guidelines	Performance in 2022
1	The company will seriously and continuously improve the environmental management system.	<ol style="list-style-type: none"> <li>1. The Solar power project helps to reduce the use of water resources and coal used to generate electricity and CO<sub>2</sub> reduction emissions and also saves the company's costs in the long term by installing a Solar Roof Top (Phase #1) with a generating capacity of 945 kilowatts and installing a Solar Roof Top (Phase #2) with a generating capacity of 1,200 kilowatts.</li> <li>2. Reduce electricity consumption projects in the wind system of the entire production sector by 100% to help reduce unnecessary waste of electricity and wind energy emphasized on employees' participation in the operation. Employees can report air leaks to the maintenance department that can be fixed immediately, greatly reducing the incidence of unnecessary energy loss and being able to operate the project sustainably.</li> <li>3. Project to reduce waste from production process to help reduce the amount of waste that is polyurethane coated rubber gloves used by the production department by switching to cloth gloves instead of polyurethane coated rubber gloves. This helps reduce the plastic waste that affects global warming. It also helps the company to reduce costs in the long term.</li> <li>4. Environmental Awareness Project that make employees aware of the current environmental impact by promoting knowledge, information communication and the current global environmental situation through training and activities such as weekly Safety Talk or campaign activities, etc., including public relations through various media such as public relations boards, electronic mail, Safety News and TSC Line@, etc.</li> </ol>

No.	Guidelines	Performance in 2022
		<p>5. Green Industry Project that the company has participated in the Green Industry Contest Project organized by the Ministry of Industry to demonstrate our commitment to environmental impact awareness. Currently, the company has been awarded as a green industry level 3.</p> <p>6. Establishment of the Environmental Operations and Energy Management Committee to allow all departments in the company to participate in environmental operations, presenting an activity or project and implementing projects to reduce energy consumption or environmental impacts caused by the company's activities that will enable continuous and sustainable environmental operations and energy management.</p> <p>Communication: Annual Management Review Meeting, quarterly ISO14001 Meeting.</p> <p>Practice Audit: Audited at the quarterly ISO14001 meeting.</p> <p>Performance Indicators: The target was achieved.</p>
2	The company will promote the use of recycled materials.	<p>1. The project of Reuse or Recycle to reduce waste to separate waste that can be recycled, such as metal scrap from the production process to be melted for recycle, etc., including campaigning to use reusable items instead of single-use items, such as campaigning to use cloth bags instead of plastic bags, campaign for the use of personal spoons and personal water glasses instead of plastic, etc.</p> <p>2. Waste separation before discarding projects to reduce the amount of waste. The company has prepared each type of waste bin according to the 3R principle so that employees can separate and dispose of the right type of waste and reducing the amount of waste, such as separating bottles or cans of beverages and separating used paper from general waste which can be taken through the production process to be reused or a new product, etc.</p> <p>Communication: Annual Management Review Meeting, Quarterly ISO14001 Meeting</p> <p>Practice Audit: Audited at the quarterly ISO14001 meeting.</p> <p>Performance Indicators: The target was achieved.</p>

No.	Guidelines	Performance in 2022												
3	The Company provides opportunities for communities and stakeholders to participate in any comments or complaints resulting from the company's operations in order to consider revising/improving operations to avoid negative impacts and causing damage to communities and society both directly and indirectly	<p>No comments or complaints from the community and stakeholders</p> <p>Number of complaints: No complaints</p> <p>Communication: Annual Management Review Meeting and quarterly ISO14001 Meeting.</p> <p>Practice Audit: Audited at the quarterly ISO14001 meeting and referred to a certificate from Amata City Chonburi Industrial Estate Office.</p> <p>Performance Indicators: The target was achieved.</p>												
4	The company will develop a business model that can bring benefits to society and the environment along with continuous business growth.	<p>The Company has participated in the Green Industry contest organized by the Ministry of Industry to demonstrate our commitment to environmental impact awareness. Currently, the company has been certified by the Ministry of Industry and was awarded as Green Industry Level 4.</p> <p>Communication: Annual Management Review Meeting and Quarterly ISO14001 Meeting</p> <p>Practice Audit: Audited at the quarterly ISO14001 meeting.</p> <p>Performance Indicators: The target was achieved.</p>												
5	The company provides welfare, safety and occupational health for all employees.	<p>There were no severe accidents leading to disability or death and no severe accidents leading to stop working.</p> <p>Communications: Public relations board, weekly safety news on E-mail, TSC Line Application, monthly meeting of the Safety committee.</p> <p>Practice Audit: Safety department check according to the specified operating procedures.</p> <p>Performance Indicators: KPI of the Safety Department and goal objectives of the company for the year 2022.</p> <table border="1"> <thead> <tr> <th>Safety</th><th>2021</th><th>2022</th></tr> </thead> <tbody> <tr> <td>Severe accidents leading to stop working (person)</td><td>0</td><td>0</td></tr> <tr> <td>Accidents do not stop working (person)</td><td>0</td><td>0</td></tr> <tr> <td>Accident Prevention Project (CCCCF, S-SFM, Machine Safety activities)</td><td>100%</td><td>100%</td></tr> </tbody> </table>	Safety	2021	2022	Severe accidents leading to stop working (person)	0	0	Accidents do not stop working (person)	0	0	Accident Prevention Project (CCCCF, S-SFM, Machine Safety activities)	100%	100%
Safety	2021	2022												
Severe accidents leading to stop working (person)	0	0												
Accidents do not stop working (person)	0	0												
Accident Prevention Project (CCCCF, S-SFM, Machine Safety activities)	100%	100%												
6	The company has an analysis process of risk and impact of environmental, safety and occupational health including supporting the use of	<ol style="list-style-type: none"> <li>1. Analysis results of pollution and the working environment passed the standards set by law.</li> <li>2. Able to discover risks of safety and environment that take actions to correct and prevent the impact on employees and stakeholders through activities that allow all employees to participate.</li> </ol>												

No.	Guidelines	Performance in 2022										
	resources economically and efficiently.	<p>Communication: Annual related activities such as:</p> <ol style="list-style-type: none"><li>1. CCCF activity is a dangerous search activity in the work area for improving and fixing it to be in a safe condition by requiring all employees to participate in the search for dangers in their own area and has reported the results of improvements dangerous to the management at monthly meetings.</li><li>2. Safety driving campaign activities is a campaign for all employees to strictly comply with traffic regulations to reduce accidents during long holidays. As a result, employees travel back to their hometowns and return to work safely during the long holidays.</li><li>3. Safety Talk &amp; Safety Join activities focus on supervisors in all departments to promote and campaign for safety for their subordinates by providing safety manuals for public relations communications. It also provides safety officers attend Safety join meetings to communicate with all employees to know both in terms of safety regulations, safe procedures and occupational health news.</li><li>4. Machine Safety activities are activities that improve machines in accordance with international safety standards and customer requirements to ensure maximum safety for operators so that no accidents occur and reduce the environmental impact in the work area.</li><li>5. Safety-Shop Floor Management activities are activities that focus on management, supervisors and employees are participating in the safety management system to work together to ensure maximum safety for operators so that no accidents occur.</li></ol> <p>Practice review:</p> <ol style="list-style-type: none"><li>1. The analysis results of wastewater quality, pollution and working environment by an outside agency that has been registered.</li><li>2. Action plan of the safety department.</li></ol> <p>Performance indicators:</p> <ol style="list-style-type: none"><li>1. The analysis results of wastewater quality, pollution and working environment for the year 2022 are as follows:</li></ol> <table><tr><th>Analysis</th><th>Number of points that do not pass the standard (points)</th></tr><tr><td>Waste water quality</td><td>0</td></tr><tr><td>Vent</td><td>0</td></tr><tr><td>Working area heat</td><td>0</td></tr><tr><td>Lighting in the office work area</td><td>0</td></tr></table>	Analysis	Number of points that do not pass the standard (points)	Waste water quality	0	Vent	0	Working area heat	0	Lighting in the office work area	0
Analysis	Number of points that do not pass the standard (points)											
Waste water quality	0											
Vent	0											
Working area heat	0											
Lighting in the office work area	0											

No.	Guidelines	Performance in 2022	
		Lighting in the factory work area	0
		Noise level outside the factory building	0
		The average 8-hour noise level in the work area	0
		The average 8-hour noise level experienced by employees	0
		The concentration of chemicals in the work area	0
		2. The performance results for the year 2022 are as follows:	
		<b>Activity</b>	<b>Performance in 2022</b>
		CCF	100%
		Safe driving campaign	100%
		Safety Talk & Safety Join	100%
		Machine Safety	100%
		Safety-Shop Floor Management	60%
			(This is an activity that the customer defines that in process by counting the rounds according to the customer's Kick off activity to the end of the project in April 2023)
7	The company develops innovations that balance business operations with the environment.	<p>1. The project uses clean energy instead of solar power to help reduce the use of water resources or coal generated for electricity and help reduce carbon dioxide emissions (CO<sub>2</sub> Reduction) in the long term.</p> <p>2. Air pump on-off project to reduce the electricity consumption of the compressed air system</p> <p>3. Lamp removal project in non-operating areas to reduce the amount of electricity</p> <p>Communication: Annual Management Review Meeting and Quarterly ISO14001 Meeting.</p> <p>Practice Audit: Audited at the quarterly ISO14001 meeting.</p> <p>Performance Indicators: The target was achieved.</p>	

### 3.4 Social Dimension

#### 3.4.1 Policy and Standard for Social Dimension

In the social development dimension, the company is committed to creating value, conducting business with integrity and social responsibility, improving the quality of life for employees, customers, business partners and creating benefits for stakeholders. The company has introduced various projects that come into practice by focusing on efforts to promote respect for human rights.

#### 3.4.2 Social Performance

##### **Fair labor practice**

The Board of Directors attaches great importance to practice employees fairly, respect the individuality and human dignity according to human rights and good ethics to lead to peace in society pushing the organization to grow sustainably according to the policy of not dealing with human rights violations that have been established.

##### **Employment of disabled people**

The company has a policy to promote employment of persons with disabilities and provide equal opportunities to normal employees without discrimination covering the disabled and other disadvantaged groups, in which in 2022 the Company has employed 12 persons with disabilities which complies with the Promotion and Development of the Quality of Life of Persons with Disabilities Act, B.E. 2550 and its amendments (No. 2) B.E. 2556 and the law on the employment of people with disabilities strictly and completely.

The company does not use forced labor or child labor and also employing without discrimination in the employment, regardless of gender, race, religion, sexual orientation, as well as legal employment practices, related rules and regulations strictly.

##### **Employee participation rights**

- Employees have the right to form a labor union.
- Employees have the right to receive information equally with other stakeholders. There are the following channels as announcement, email, morning talks, public relations board, Line@TSC and Line Open chat N'News.
- The company provides employees with opportunities to express their opinions through various channels such as comment Box and MD Talks and GM talks to communicate between management and employees.
- The company will try to organize activities that strengthen annual relationships, employee-management engagement such as MD Talks and GM talk's activities.

#### **Termination Policy**

The company "hasn't" termination policy. The company places importance on maintaining the rights of its employees. In the case that the company has a necessity for any reason which affects the business of the company to the extent that it is unable to operate the business as usual, which is not a force majeure cause to temporarily suspend all or part of its business. The Company



will set the procedure to be carefully and fairly through a management meeting, discuss with stakeholders and set up a practice guideline which will be announced to the employees without discrimination and taking into account the rights of employees to ensure that the termination of employment will be fair and not against to the law.

### **Employee Development and Promotion**

The Company has guidelines for skill development and training for equal opportunities for employee advancement without discrimination and is organized in a variety of formats such as classroom training (inside and outside the company), on-site teaching and transfer of experience which is organized according to the annual vocational training plan. In 2022, the proportion of course types and training statistics of employees at various levels as follows:

- In 2022, the Company has provided orientation training for new employees on environmental topics as follows:
  - Environmental Policy and compliance with environmental guidelines such as waste separation, 5S, etc.
  - Energy Management and use of energy for maximum benefit.

Level	Target	Total (person)	Average Training hours/person/year
Management	Focus on the development of work and personnel management skills	83	4.77
Supervisor	Focus on the development of professional groups and management skills	145	7.13
Operating	Focus on developing technical and practical skills to enable employees to perform their assigned duties	445	5.83
<b>Total</b>		<b>671</b>	<b>5.88</b>

### **Health and Safety**

The company manages the environment and sets up a work system for employees to be safe in life, property and have good hygiene in work by setting policies on quality, occupational health, safety and environment, analyze and find measures in order to control the safety and occupational health in the operation risks, including establishing a pollution prevention system that may occur during the operation, provide a clean workplace, communicate to employees about safe working practices and ensure that employees understand and follow the rules properly, provide safety equipment and necessary personal protective equipment for employees as well as assessing security risks and occupational health.

### **Employee Benefit**

The Company will pay compensation to employees as appropriate as the same rate of the same industry. As well as provide benefits which are over legal limit, such as; provident fund, annual health check, retirement allowance, cost

of living allowance, funeral allowance, night shift allowance, working level allowance, incentive both monthly and yearly, food allowance, health insurance, and accident insurance. There will be various activities that encourage employees to join and unwind themselves. Such would create the long term royalty.

In other words, the company also supports the idea of promoting labor rights and social welfare of workers, has complied with the law and relates regulations about the recruitment and employment as strictly, has set the minimum wage for entry, and adjusts compensation as performance's evaluation of employees in each year.

Human resource	2020	2021	2022
<b>Total employees<sup>(1)</sup> (person)</b>	<b>1,061</b>	<b>1,211</b>	<b>1,228</b>
• Male	524	593	610
• Female	538	618	618
<b>Total new employees<sup>(2)</sup> (person)</b>	<b>58</b>	<b>218</b>	<b>692</b>
<b>Total resigned employees<sup>(3)</sup> (person)</b>	<b>640</b>	<b>810</b>	<b>656</b>
• Resigned employees as working age < 30 years old	337	598	439
• Resigned employees as working age > 30 years old	303	212	217
• Turnover rate (% of all employees)	60.32%	66.87%	53.42%
<b>Maternity leave <sup>(4)</sup> (person)</b>			
• Employees on maternity leave.	19	12	58
• Employees returning to work after giving birth.	19	11	51
• Rate of returning to work after giving birth (%)	100%	91.67%	87.93%
Remark:	(1) Including temporary contract employees.		
	(2) Not including temporary contract employees.		
	(3) Including temporary contract employees.		
	(4) Not including temporary contract employees.		

The company reviews and improves welfare annually to create employee engagement and satisfaction in work. In 2022, the company offered the free health insurance right after the probation instead of 1 year waiting. The company set forth the program to nurture new employees by assessing their well-being while working on a monthly basis during the probation period. Including surveying the engagement and satisfaction of all employees in the organization by specifying a tour line plan to inquire about the well-being of employees the needs and expectations of employees vary widely including helping to find solutions for employees to make employees more satisfied in their work and commitment to the organization links to important business results.

In 2022, the Company got 89% results from employee engagement and satisfaction surveys. It is expected that the score will be 92% in 2023.

### **Conducting business with fairness**

The company conducts with partners including creditors equally and fairly without monopoly power on the basis of obtaining fair returns for both parties as well as avoiding situations that cause conflicts of interest including complying with the commitment as the guidelines are follows:

<b>Fair and Equal</b>	<b>Not infringing on intellectual property</b>	<b>Anti-Corruption</b>	<b>Comply with laws, regulations, and requirements</b>	<b>Promote social responsibility</b>
Providing business opportunities for all partners and the selection of trading partners is based on equality and fairness.	Use valid copyright/patent/trademark goods and services and do not support products or acts that violate intellectual property laws.	Accepting gifts, things or any other benefits must comply with the Code of Conduct for Giving or Receiving Gifts or property or any other benefits strictly.	Providing opportunities for business partners to conduct business legally. Quality, Environment, Safety and Occupational Health Standards System	The company supports partners who are socially responsible as well as promoting knowledge, understanding and coordinating with partners to develop social responsibility.

### **Human rights**

The company was supported to comply with the "Declaration of Human Rights" and other international human rights standards. The management of the company also examines human rights issues in considering the care of employees and when found to be at risk of meeting the reputation risk criteria will send the notification to the Board of Directors. In addition, the company has provided training and the evaluation of employees regarding the Company's Code of Conduct and human rights violation policies, to be implemented as part of the operation and does not support human rights violations.

The company has a channel for receiving complaints via the company's website for employees to submit complaints of corruption, non compliance with rules, unfair treatment or human rights violations. All this will be sent to the Chairman of the Audit Committee or the Board of Directors.

The process of monitoring compliance with the intention not to violate the human rights of the Company's employees and supplier's employees.

The Company is committed to promoting human rights and strictly abides by international human rights principles. The Code of Conduct for Respecting Laws and Human Rights Principles is incorporated in the Corporate Governance Handbook.

However, if employees, business partners or stakeholder found unequal treatment or acts that violate human rights can report directly to the Chairman of the Audit Committee or the Board of Directors via [www.tscpcl.com](http://www.tscpcl.com) under the heading "Investor Information" The results of the internal audit in 2022, no inconsistent practices were found and did not find any complaints.

### **Consumer responsibility**

The Board of Directors adheres to and operates in accordance with fair marketing policies to meet customer satisfaction which is a direct purchaser of the company's product including consumers who are users of such products. This is to ensure that consumers not only receive quality products with fair price but also the company is aware of the safety that affects society and the environment including acts that infringe or damage the rights of consumers.

The company respects the rights to meet consumers' basic needs, protect the rights of safety of consumers, communicate with no limitation on the information rights of consumers, respects the consumer's right to choose/express opinions, and protects the rights of the compensation/study of consumer information. The company enhances the rights to live in a health-promoting environment and provides annual customer satisfaction surveys to assess the company's performance which are quality, cost, and new model. The result will be compared during the year in order to improve and develop to meet customers' needs.

The company develops products that do not cause harm to consumers and provide accurate, adequate, and not exaggerated product information. The company also maintains customer confidentiality and does not use it for any wrongful purpose.

**The results of the customer satisfaction survey 2022 are as follows:**

**(Full score: 100%)**

<b>Customers' satisfaction</b>	<b>Target</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Quality	90%	84%	84%	84%	86%	89%
Cost	70%	77%	75%	75%	82%	85%
Delivery	90%	88%	88%	86%	89%	90%
New model	90%	85%	93%	99%	100%	97%
<b>Overall satisfaction</b>	<b>85%</b>	<b>83%</b>	<b>83%</b>	<b>86%</b>	<b>86%</b>	<b>88%</b>

The company continues to implement a policy to improve work processes to meet the needs of customers more and to maintain a higher level of satisfaction.

## **Community and social development**

The Board of Directors promotes a happy coexistence with the community and society and promotes various activities of the community both near and far in accordance with the Company's policy and in accordance with the development direction of the government and community way to develop the quality of life and the economy of the community in a sustainable way. The company will try to join with the community through the activities of the company related to education and cultural arts, ethics and social investment by promoting participation in communities to be able to develop and be self-sufficient.

### **Framework of Practice and progress in social operations for the year 2022**

No.	Practice	Performance of 2022
1	The company takes care of employees and develops quality of life.	TSC has provided the "Moderna" vaccine to all employees and personnel working within the company whether it is an outsource labor contractor amounting to 1 dose per person, with free of charge to take care and prevent the spread of the Covid-19 virus within the company.
2	The company supports the implementation of volunteer activities related to development of community and society and public service.	<p>TSC has donated the "Moderna" that is the stimulation needle for people in the neighborhood (Panthong Hospital, Chonburi Province) such as people in the elder group, the disabled and the poor group to make it easier for everyone to get vaccinated. This is also to prevent the spread of the Covid-19 virus in the country as much as possible.</p> <p>Communication:</p> <ol style="list-style-type: none"> <li>1. Employees can receive company news via announcements, email, Morning talk, meeting in the department, public relations board, TSC Line@, Facebook fan page, VTR at the cafeteria and Line Open chat N'News.</li> <li>2. Employees can express their opinions or give suggestions through GM Talks activities, employees will be informed of news in the organization including overall of the industry and is a communication channel between executives and employees.</li> </ol>
3	The company complies "Universal Declaration of Human Rights" and other international human rights standards	<p>The company has established a policy of not being involved in human rights violations and the Code of Conduct for Respecting Laws and International Human Rights Principles in Corporate Governance.</p> <p>In addition, the company has opened a channel for receiving complaints via the website which can complain about being treated unfairly or human rights violations.</p> <p>Communication:</p> <ol style="list-style-type: none"> <li>1. Provide training and measure employees on the Company's code of conduct and human rights violation policies.</li> </ol> <p>The 2022 Internal Audit Plan requires an audit on monitoring</p>

No.	Practice	Performance of 2022
		<p>compliance with corporate governance policies, including the topic of compliance with the policy of not dealing with human rights violations and the Code of Conduct for Respecting Laws and International Human Rights Principles by reporting the audit results to the management and the Audit Committee acknowledged.</p> <p>1. In 2022, the company has complied with the policy of not being involved in human rights violations and the Code of Conduct for Respecting Laws and International Human Rights Principles in the Corporate Governance Principles handbook.</p> <p>2. Monitor compliance policies do not involve violations of human rights and ethics on respect for law and human rights in 2022 found that the operations comply with policies and codes of conduct.</p>
4	The company practice fairly with labor	<p>1. The Welfare Committee was appointed. representing employees representative in making comments and suggestions to the management and related departments</p> <p>2. The company organizes activities that create relations between employees and management every year, such as MD Talks and GM Talks activities.</p> <p>3. Develop skills and train employees according to the vocational training plan for the year 2022.</p> <p>Communication: Employees receive information through announcements, e-mails, front row meeting, public relations board, TSC Line@ and Line Open chat N'News</p> <p>Practice Checking: Provide opportunities for employees to express their opinions through a variety of channels, such as comment boxes, MD talks and GM Talks to communicate between management and employees.</p> <p>Action measure data: Various channels to get employee feedback</p>



No.	Practice	Performance of 2022
5	Corporate social responsibility	<p>The communication channels are as follows</p> <ol style="list-style-type: none"> <li>1. Provide opportunities for partners and customers to participate in the Company's social activities. There is an examination of the relationship and involvement between employees at all levels and vendors. To prevent unfairness and inequality in business operations as well as clarifying for cooperation and checking the fairness of employment and compliance with labor laws of the seller subcontractor Contractors who are business partners of the Company whether they are still fair and comply with the law or not continuously.</li> <li>2. Communicate to business partners for acknowledgment of complaints/suggestions to management.</li> <li>3. Organize activities to build relationships between the company and business partners, such as cost reduction activities from production process development and product development activities and production processes</li> </ol> <p>Compliance Audit: Required for management and related employees report every transaction.  Indicator: Interested Report that complies with the rules, regulations and relevant laws.</p>

#### **Framework of Practice and progress in other important operations for the year 2022**

No.	Practice	Performance of 2022
1	The company complies with laws, regulations and related regulations as well as discloses important information, transparent and verifiable.	<p>The company determines the internal control policy in the Corporate Governance Handbook that requires management of each department to have an internal control system and comply with the relevant laws and be ready to provide checks of operation all the time.</p> <p>Communication:  Communicate at quarterly management meetings and publish on the company website.  Require relevant departments to prepare a work plan for compliance with laws, regulations and related regulations and report on compliance with the law and notify the management every month.</p> <p>Operation check:  The internal audit work plan for the year 2022 requires an audit of legal compliance, regulations and related regulations every month by reporting the audit results to the management every month and reporting the summary of audit results to the Audit Committee every quarter.  Audit results of compliance with the law, rules and related</p>

No.	Practice	Performance of 2022
		<p>regulations monthly in 2022, total 12 times, found that compliance with the law.</p> <p>Action measure data:</p> <p>In 2022, the relevant departments have complied with the plan of law, rules and related regulations in its entirety.</p> <p>Monthly report in 2022 on complying with the law, rules and related regulations. It has been reported accurately, completely and timely.</p> <p>The results of the monthly audit of compliance with laws, rules and related regulations in the year 2022 found that the operation was consistent with all laws.</p>
2	<p>The company promotes free trade competition and conducts fair business competition.</p>	<ol style="list-style-type: none"> <li>1. The company has complied with various conditions as agreed with business partners, customers or creditors strictly and fairly. In the event that any conditions cannot be complied with must promptly notify business partners, customers or creditors in order to jointly consider a solution to the problem, have communicated information, the right advice, adequate, timely, as well as delivering quality products, meet the agreement with the customer at a fair price and do not trade excessive profits.</li> <li>2. The company has continuously visited business partners on a quarterly basis to exchange ideas and listen to suggestions for improving products and services and to be able to respond to the needs of customers in a timely manner as well as giving advice on how to use the company's products for maximum efficiency.</li> </ol> <p>Communication: To have a competitive price with more than one bidder</p> <p>Performance audit: It is recorded as a monthly document for the management to approve.</p> <p>Action measure data: Check out the summary of bidding monthly.</p>
3	<p>The company joined the Thai Private Sector Collective Action Coalition Against Corruption (CAC)</p>	<ul style="list-style-type: none"> <li>- Declaration of intention on May 26, 2015</li> <li>- Certified as a member on July 22, 2016</li> <li>- In 2017-2018, various related policies were reviewed, communicate, training, follow up, report and auditing internal controls to prepare for the renewal of membership certification for the 1st time</li> <li>- Received the 1st membership renewal certification on August 5, 2019 (The validity period is 3 years.)</li> <li>- And Certified as a member for the 2nd time on September 30, 2022 (certification period is 3 years)</li> </ul> <p>Communication: MD talk, the quarterly management meeting published on the company website</p>

No.	Practice	Performance of 2022
		<p>Performance audit: Internal Audit Department examines the implementation of the Checklist and submits it to the Audit Committee for consideration in accordance with the procedures.</p> <p>Action measure data: Implementation of checklist for all topics</p>
4	The company will be careful in the use of intellectual property.	<p>Use correct copyright/patent/trademark products and services and does not support products or actions that violate intellectual property laws.</p> <p>Communication: There is a regulation to control the transmission of information related to the intellectual property which must be sent one-way E-mail and must not be distributed to other channels.</p> <p>Performance audit: It is set as a standard for companies, customers and manufacturers that information must not be disclosed to other people.</p> <p>Action measure data: Check the distribution control document.</p>

## 4. Management Discussion and Analysis (MD&A)

### 4.1 Analysis of performance and financial position and changes over the past year

#### Financial Position

Unit : Million Baht	2020 As of Sep 30, 2020	2021 As of Sep 30, 2021	2022 As of Sep 30, 2022
Current asset	1,037.25	1,177.58	1,260.85
Total Assets	2,177.80	2,320.41	2,380.11
Current Liabilities	516.97	598.33	704.83
Total liabilities	604.38	729.13	834.50
Total equity	1,573.42	1,591.28	1,545.61

Ratio	2020 (Oct 1, 2019 – Sep 30, 2020)	2021 (Oct 1, 2020 – Sep 30, 2021)	2022 (Oct 1, 2021 – Sep 30, 2022)
Gross Profit Ratio	13.77%	18.37%	15.15%
ROE	5.23%	14.90%	13.50%
Current Ratio	2.01	1.97	1.79
Debt/Equity Ratio	0.38	0.46	0.54

Gross Profit Ratio of 2022 had decreased 3.22% from the same period of last year. Such was result from the materials cost was increased from material price increased and cost of transportation increased.

Return on Equity (ROE) decreased 1.40% compare to last year due to the decrease in profit.

Current Ratio decreased 0.18 times from last year. Such are the effects from current liability increased from trade account payables.

Debt/Equity Ratio increased 0.08 times derived from increased in current liabilities and the dividend payment.

## **Performance**

<b>Unit: Million Baht</b>	<b>2020 (Oct 1, 2019 - Sep 30, 2020)</b>	<b>% on sales</b>	<b>2021 (Oct 1, 2020 - Sep 30, 2021)</b>	<b>% on sales</b>	<b>2022 (Oct 1, 2021 - Sep 30, 2022)</b>	<b>% on sales</b>
Revenue from sales	2,023.89	100.00%	2,602.51	100.00%	2,644.34	100.00%
Other Income	22.12	1.09%	10.60	0.41%	58.15	2.20%
Cost of goods sold	-1,745.22	-86.23%	-2,124.35	-81.63%	-2,243.73	-84.85%
Selling & Administrative expenses	-215.98	-10.67%	-251.35	-9.66%	-243.59	-9.21%
Financial income	2.60	0.13%	3.05	0.12%	2.18	0.08%
Finance cost	-0.83	-0.04%	-1.57	-0.06%	-1.28	-0.05%
Income tax	-4.22	-0.21%	-1.77	-0.07%	-7.46	-0.28%
Net Profit	82.36	4.07%	237.11	9.11%	208.61	7.89%
Gain (loss) on change estimate the actuarial	2.69	0.13%	4.97	0.19%	5.52	0.21%
Total comprehensive income	85.05	4.20%	242.08	9.30%	214.13	8.10%

Revenue from sales in 2022 was 2,644.34 million Baht, an increase of 41.83 million Baht or 1.61%. Such was result from the recovery of global economic after the first wave of pandemic outbreaks.

Total comprehensive income of 2022 was 214.13 million Baht, a decrease of 27.95 million Baht or 11.55% from the previous year. It is apparently result from the cost of goods sold increased.

Federation of Thai Industries reported the performance of past 9 months, the export car production had decreased 4.72% (YoY), while increased 15.26% for motorcycle production and domestic sales of motorcycle increased 4.92% (YoY).

It is expected that Thai industry will recover. The Covid was announced as a contagious disease that must be monitored It is expected that tourism will recover as well as private consumption expenditures expected to expand.

The company shall closely monitor and adjust its strategy to cope with changing situations including the initiative to bring new innovations such as using solar cells to generate electricity which is a clean energy that helps reduce the amount of greenhouse gas emissions It also helps reduce costs in the long run. It is a sustainable investment in innovation.

## 5. General and other significant information

### 5.1 General Information

Name	: Thai Steel Cable Public Company Limited ("the Company" or "TSC")
Registration number	: 0107548000145
Business type	: The business of producing control cables for automobiles and motorcycles and window regulators by selling products to automobile manufacturers and motorcycles in the country, spare parts centers, as well as exports to manufacturers of automobile parts and motorcycles abroad.
Address	: 700/737 Moo1 Phan Thong Subdistrict, Phan Thong District Chonburi Province 20160
Website	: <a href="http://www.tscpcl.com">www.tscpcl.com</a>
Tel	: (038) 447 200 - 05
Registered capital	: 268,500,000 Baht
Paid-up capital	: 259,800,000 Baht
Stock type	: Common stock

#### Information that the company holds shares of 10 percent or more

The company does not hold any shares in other companies or other businesses.

#### Information of other references

Registrar	The Stock Exchange of Thailand 93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400 Tel : (02) 009 9000 Fax : (02) 009 9991	
Auditor	EY Company Limited 193/136-137 Rachadapisek Road Khwang Khlong Toei, Khet Khlong Toei, Bangkok 10110 Tel : (02) 264 9090 Fax : (02) 264 0789	
	Ms. Kunlapee Piyawannasuth	Certified Public Registered Accountant No. 6137
	Mr. Khitsada Lerdwana	Certified Public Registered Accountant No. 4958
	Ms. Vissuta Jariyathanakorn	Certified Public Registered Accountant No. 3853

#### legal advisor

- None -



## **5.2 Other significant information**

- None -

## **5.3 Legal Disputes**

- None -

## **5.4 Secondary Market**

- None -

## **5.5 Regular Financial Institutes (in case the Company issued bonds)**

- None -

## **Part 2: Corporate governance**

## 6. Corporate Governance Policy

### 6.1 Overview of the Corporate Governance Policy and Guideline

The Company is committed to becoming a world-class automotive control cable manufacturer, creating organizational trustworthiness for stakeholders, increasing organizational values, and promoting its sustainable growth through business management which adheres to universal governance principles. The aim is to achieve business goals and preserve virtues which constitute fundamental values of leading organizations. Therefore, the Company has formulated and approved the “corporate governance policy” to uphold its corporate governance principles under the regulations of the Stock Exchange of Thailand and good corporate governance principles for listed companies to use as a guideline for business operations, which emphasize transparent, ethical and scrupulous business approach which is built on the foundation of business ethics. The aim is to adopt this as a good practice guideline of every director, executive and employee so that the Company can develop towards a truly sustainable organization.

The guideline for fostering compliance with the corporate governance policy and the code of conduct is as follows:

1. Every director, executive and employee shall observe the corporate governance manual of the Company, manage every level of business operation faithfully, and understand the corporate governance principles, which constitute good organizational culture.
2. Every director, executive and employee shall uphold virtues, treat stakeholders equitably, and perform various tasks to the best of their ability for the interests of the Company in a transparent, honest and auditable manner.
3. Every director, executive and employee can provide suggestions for improvement of the corporate governance policy of the Company in order to make it conform to business operating standards and universal standards as well as changing social needs.
4. The Company develops a training road map for every position so that the corporate governance manual can be studied and reviewed on a regular basis.
5. The Company supplements communication channels of the corporate governance manual and guidelines for all employees to know through the company website, personnel training and public relations through social media channels and information boards.
6. Every executive is regularly briefed on the essence of the corporate governance manual at annual management meetings.
7. The Board regularly monitors policy compliance which is reported in the 56-1 One Report every year (starting from 2015) and performs an annual review of the corporate governance manual to suit the change from business operations, economic environment and changing society.

In addition, the Company has complied with the principles of corporate governance covering 5 categories such as Rights of shareholders, Equal treatment of shareholders, Roles of Stakeholders, Information Disclosure

and Transparency and Accountability of Directors with the following content:

## **Section 1: Rights of Shareholders**

### **1. Shareholders' meeting**

1.1. The Board encourages every group of shareholders, including institutional shareholders, to attend shareholders' meetings. Refer to the Corporate Governance Handbook. "Community Relations Policy Relationship with Local Communities"

1.2. The Board stipulates that the Company must provide information on date, time and venue as well as meeting agenda along with explanations and reasons for each agenda item or requested resolutions as elaborated in an invitation letter to ordinary or extraordinary shareholders' meeting, or as described in support documents attached to the meeting agenda. Moreover, it is required that the Company must refrain from any action which may limit shareholders' opportunities to scrutinize its publicly disclosed information.

Prior to the meeting date, the Company must inform shareholders of the meeting program and agenda of 2022 in advance through the information system of the Stock Exchange of Thailand (SET) as stated in the SET's guideline on November 23, 2021. Moreover, the Company must disseminate an invitation letter to shareholders' meeting and all pertinent information about various matters to be resolved at the meeting through the corporate website ([www.tscpcl.com](http://www.tscpcl.com)) in Thai and English under the heading "Investor Information" on December 24, 2021. The purpose is to provide shareholders with ample opportunities and time to scrutinize meeting information beforehand. Meanwhile, Thailand Securities Depository Co., Ltd., the Company's registrar, is required to send out an invitation letter to shareholders' meeting in printed form, which contains exactly the same information as shown on the website, to shareholders on December 24, 2021 (at least seven days or 14 days in some case before the meeting date) in accordance with the SET's guideline. It is required that the invitation letter must describe facts, reasons and the Board's opinions for each agenda item as well as the meeting rule and attendance method. Also attached are pertinent documents containing complete and adequate information provided for shareholders' consideration. Furthermore, the notice of shareholders' meeting must be published in daily newspapers on January 18 - 20, 2022 as required by the law.

For institutional investors to facilitate registration and attendance, the company will coordinate to prepare the proxy form before the meeting date which was conducted on January 7 - 15, 2022.

1.3 The Board fully facilitates the exercise of shareholders' rights to attend the meeting and casts their votes and refrains from taking any action which may limit shareholders' opportunities to attend the meeting. For example, meeting attendance for vote casting should not be too complicated or costly, and the venue should be easily accessible.

- 1.4 The Board provides shareholders with opportunities to propose an agenda item and nominate a candidate to be elected as a director and submit questions before the meeting date between August 15 - November 15, 2021. In this regard, a single shareholder or several shareholders holding at least three percent of total number of voting shares may propose an agenda item to the Board for consideration and inclusion in shareholders' meeting agenda, whereby shareholders must follow the guideline set out by the Company. Therefore, the Company will inform shareholders of communication channels and time period through the SET's information system and the corporate website ([www.tscpcl.com](http://www.tscpcl.com)) under the heading "Investor Information", on August 10, 2021 and inform shareholders through the Stock Exchange of Thailand's news system.
- 1.5 As an alternative for assignment of a proxy, the Board encourages shareholders to use a proxy form which allows each shareholder to direct his or her proxy how to vote and nominate at least one independent director.
- 1.6 The Company appoints Thailand Securities Depository Co., Ltd. as its share registrar in order to facilitate share registration for the convenience of shareholders.
- 1.7 Under the articles of association, it is stipulated that at each shareholders' meeting one-third (1/3) of directors shall vacate their office and an election shall be held to replace directors who are due to retire by rotation. Moreover, directors retiring by rotation can be reappointed to serve for another term. Shareholders have the right to elect directors by casting their votes under the following rule:
- Each shareholder is entitled one vote for each share.
  - Each shareholder may cast his entire votes to elect one or several candidates as a director. However, he may not split votes unequally for any candidate.
  - Candidates receiving the highest number of votes up to a required number of directors to be filled or elected at that time shall be appointed successively as directors. In case there is a tie vote between candidates receiving the lowest number of votes and the number of elected candidates exceeds the number of required directors, the Chairman shall cast the deciding vote.
  - Shareholders' meeting may resolve to remove any director from office before the end of his term with votes not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and the total number of shares must not be less than half of the number of shares held by shareholders attending the meeting and having the right to vote.
- Besides, shareholders also have the right to remove any director from office before the end of his term with votes not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and the total number of shares must not be less than half of the number of shares held by shareholders attending the meeting and having the right to vote.

Furthermore, the Company also grants shareholders the right to consider and approve remuneration of directors and committee members. For this purpose, the Company also attaches documents which contain sufficient detailed background and remuneration information of each candidate for shareholders' consideration.

- 1.8 The Company stipulates an agenda item for appointment of auditors and their remuneration and proposes such matters for shareholders' consideration and approval at each annual shareholder's meeting. Moreover, the Company also attaches documents which contain sufficient details about auditors to be nominated and appointed and their remuneration for shareholders' consideration.
- 1.9 The Company disseminates newsworthy information through the SET's information system and the corporate website ([www.tscpcl.com](http://www.tscpcl.com) under the heading "Investor Information.")
- 1.10 The Company allocates profits to shareholders in the form of dividend. Under the dividend policy, the dividend payout ratio is at least 25 percent of net profit after deduction of all types of reserve funds as stipulated in the articles of association and the relevant law, provided that there is no other necessity and dividend payment will not have any significant impact on normal business operation. Pending dividend payment will be proposed to shareholders' meeting for consideration and approval, and dividends will be paid within one month after the date of the shareholders' meeting or the Board adopts the resolution, whatever the case may be. A notice of dividend payment must be sent to shareholders, and description of dividend payment must also be announced in newspapers.

## **2. Proceeding on the date of shareholders' meeting**

- 2.1 The Board encourages the Company to apply technology for registration of shareholders, vote counting, and display of voting results at shareholders' meetings so that the meeting can be conducted expeditiously and accurately. Moreover, staffs are deployed to inspect documents more than one hour before the meeting begins.
- 2.2 Directors, executives and accounting auditors attend the meeting so that shareholders can have opportunities to ask questions. Before the meeting, the Chairman presides over the meeting, introduces directors and executives attending the meeting, and informs shareholders about vote casting and counting methods. Then, the meeting will follow the agenda as described in the invitation letter, and no other agenda item will be added
- 2.3 For each agenda item, the Company makes ballot forms available, arranges for vote counting, and announces voting results, which include votes for and against, abstention as well as voided ballot, so that the results can be made transparent and examined when someone raises an objection afterwards
- 2.4 At shareholders' meetings, an arrangement is made so that a resolution can be adopted for each agenda item. In case an agenda item



consists of various items, such as the director's appointment which provides shareholders opportunities to cast votes for each director. In this instance, a candidate's name is proposed and shareholders cast their votes to elect one director at a time.

- 2.5 The Board encourages the Company to appoint independent persons as vote counters and inspectors and to introduce them to the meeting, so the information can be recorded in minutes of meeting.
- 2.6 The meeting chairman allotted a suitable length of time and encouraged shareholders to express their opinions and ask questions about the Company. Key questions and opinions will be recorded in minutes of the meeting.
- 2.7 All types of director's remuneration, such as meeting allowance and gratuity payment, are regularly proposed for shareholders' consideration and approval every year.
- 2.8 The Company shall not add any item in the annual general shareholders' meeting 2022 agenda or shall not change vital information without informing shareholders in advance. Moreover, shareholders are also given opportunities to express opinions and ask questions at the meeting, and points of discussion will be recorded in minutes of meeting in detail.
- 2.9 By choosing an easily accessible meeting venue, the Company facilitates attendance at shareholders' meetings and encourages every shareholder to attend the meeting. In 2022, the company set up electronic meetings (E-AGM) to allow shareholders to attend meetings conveniently and safely and to reduce the risk of the spread of the coronavirus (Covid-19).
- 2.10 In 2022, the Company held a total of 1 shareholders' meeting which was an electronic meetings (E-AGM) on January 25, 2022 in accordance with the rules relating to electronic meetings and there were 10 directors attended the meeting and designates Thailand Securities Depository Co., Ltd., the Company's registrar, to send invitation letters to shareholders' meeting to shareholders 14 days in advance and post this notice on the corporate website in Thai and English 31 days in advance so that shareholders can scrutinize the information beforehand.

### **3. Preparation of meeting minutes and disclosure of resolutions adopted at shareholders' meeting**

- 3.1 The Company announces meeting resolutions through the SET's information system on January 25, 2022 and discloses the number of favorable, dissenting, abstained votes and voided ballot under each agenda item.
- 3.2 The minutes of shareholders' meeting record the explanation given to the meeting about the vote casting procedure and the method for declaration of voting results before the meeting proceeds. At the meeting, shareholders are given opportunities to raise issues and ask questions. Moreover, minutes of meeting also record questions and

answers and voting results for each agenda item, including favorable, dissenting, abstained votes and voided ballot, as well as names of directors attending the meeting and those not present at the meeting. This Thai and English minutes of meeting must be sent to the Stock Exchange of Thailand and concerned entities on February 8, 2022 (within 14 days from the meeting date) and must be published on the corporate website on February 8, 2022 ([www.tscpcl.com](http://www.tscpcl.com)) under the heading "Investor Information" for review by shareholders.

## **Section 2: Equal Treatment of Shareholders**

### **1. Information disclosure before the meeting**

- 1.1 The Board stipulates that the Company must announce meeting schedule and agenda, notify the Stock Exchange of Thailand of the Board's opinions, and publish such information on the corporate website on December 24, 2021.
- 1.2 The Board stipulates that the Company must inform shareholders of the meeting rule, including voting procedure and voting rights for each type of share. The Company has only ordinary shares.
- 1.3 An entire invitation letter to shareholders' meeting is made in English, and the English version is sent along with the invitation letter in Thai.
- 1.4 The Board provides shareholders opportunities to propose a name of director candidate for consideration in advance for appointment between August 15 – November 15, 2021. In this regard, the Company informs shareholders of communication channels and a time period for accepting the nomination through its website ([www.tscpcl.com](http://www.tscpcl.com)) under the heading "Investor Information" on August 10, 2021 and it also informs shareholders of this information through the SET's information system.

### **2. Date of shareholders meeting**

- 2.1 Shareholders are granted equal voting rights based on the number of shares in their possession.

### **3. Protection of the rights of minority shareholders**

- 3.1 Executive shareholders must not add any agenda item which has not been announced in advance unnecessarily, especially an agenda item which shareholders need to scrutinize before making a decision.
- 3.2 The Board grants shareholders opportunities to exercise their rights to appoint an individual director.

### **4. 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 (Disclosed in the Corporate Governance Handbook) 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 guidelines that are 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 reports must be regularly submitted to the Board and published in 56-1 One Report.

## **5. Personal interests of directors**

- 5.1 The Board stipulates that directors must report their personal interests before the relevant agenda item is scrutinized and recorded in minutes of board meetings.
- 5.2 The Board stipulates that any director who has significant interests which may prevent him or her from presenting independent opinions must be barred from participating in discussion and consideration of the related agenda item

## **Section 3: Roles of Stakeholders**

### **1. Stipulation of the stakeholders treatment policy**

- 1.1 The Board clearly stipulates the code of conduct applicable to each group of stakeholder and implements the followings:
  - (1) Systematically define the scope for customer care in terms of health, safety, and compensation for usage of goods or services during the useful life of a product.
  - (2) Define steps and methods for selection of trade partners or contractors.
  - (3) Undertake systematic implementation to ensure that the Company's value chain is environmentally friendly and to foster sustainable development.
  - (4) Build good rapport with the community where the Company's business premise is located.
  - (5) Engage in the Private Sector Collective Action Coalition Against Corruption's activities, and support activities that encourage every employee to comply with relevant laws and bylaws.
  - (6) Stipulate the method and guideline for addressing the rights of creditors in a fair manner
  - (7) Treat employees and workers fairly, and pursue efforts to build employees' knowledge and potential.
- 1.2 The Board arranges to provide the process and channel for receiving and openly addressing stakeholder's complaints on the corporate website ([www.tscpcl.com](http://www.tscpcl.com)) under the heading "Investor Information" or 56-1 One Report.

### **2. Disclosure of policy compliance and sustainability report**

- 2.1 The Company discloses various activities that demonstrate its implementation according to the aforesaid code of conduct.
- 2.2 The Board advises the Company to publish a sustainability report on the subject of corporate social responsibility apart from 56-1 One Report

(starting from 2015). The report shall be an integrated report by combining economic, social and environmental sustainability.

## **Section 4: Information Disclosure and Transparency**

### **1. Information disclosure**

- 1.1 The Board has a mechanism to ensure that information disclosed to investors is not misunderstood by investors and is sufficient for investors to make a decision.
- 1.2 The Board publishes a summary of the corporate governance policy, the code of business conduct, the risk management policy, and the environment and social responsibility policy as well as respective compliance and noncompliance outcomes as well as reasons for compliance and non-compliance via various channels, such as 56-1 One Report and corporate website.
- 1.3 The Board publishes its accountability report along with financial reports and the auditor's report in 56-1 One Report.
- 1.4 The Board advises the Company to publish Management Discussion and Analysis (MD&A) to supplement the disclosure of quarterly financial statements so that investors can be informed and have a better understanding of changes in financial standing and operating performance of the Company in each quarter, instead of providing only figures in the financial statements for consideration.
- 1.5 The Board ensures that the audit fees and other service fees are disclosed.
- 1.6 The Board oversees the disclosure of information on roles and duties of the board of directors and various committees, the number of meetings, and attendance records of each board and committee member in the previous year as well as their opinions and professional training and development in the 56-1 One Report.
- 1.7 The Board discloses the remuneration policy, including forms and characteristics of compensation, for directors and senior executives whose remuneration commensurate with the duties and responsibilities of each individual. Disclosed remuneration also includes compensation received from a position in a committee.
- 1.8 Clearly disclose information about share ownership of directors and executives. Stipulate a policy that requires directors and executives to report connected transactions and personal interests in accordance with the personal interest reporting policy which is applicable to directors, executives and relevant individuals (Disclosed in the Corporate Governance Handbook). The purpose is to prevent conflict of interest of directors and executives as prescribed in the code of conduct guideline concerning conflict of interest. Report these matters to the Chairman and include these in the quarterly meeting agenda for the Board's acknowledgment.
- 1.9 There is no order issued by the Stock Exchange of Thailand and the Office of Securities and Exchange Commission which require rectification of financial statements.

## **2. Minimum disclosure of information on the corporate website**

2.1 Aside from the disclosure of information as required under the stipulated guideline via the Stock Exchange of Thailand's channel, Annual Information Disclosure 56-1 One Report, the Board also supports regular information disclosure and update in Thai and English via other channels, such as the corporate website. At a minimum, the corporate website should have the following information and regularly updated information as well.

- (1) Vision and mission.
- (2) Business description.
- (3) Names of directors and executives
- (4) Financial statements, statement of financial position, and operating performance in current and previous years.
- (5) Downloadable 56-1 One Report.
- (6) Other information or documents shared with analysts, fund managers or other media
- (7) Shareholding structure, including direct and indirect share ownership
- (8) Corporate group structure, including subsidiaries and joint ventures as well as special purpose enterprises/vehicles (SPE/SPV) (if any)
- (9) Major shareholder groups that have direct and indirect ownership at least five percent of all fully paid voting shares
- (10) Direct and indirect shareholdings of directors and senior executives
- (11) Invitation letter to ordinary and extraordinary shareholders' meeting
- (12) Articles of association and shareholder group's agreement (if any)
- (13) Corporate governance policy
- (14) Risk management policy and approaches
- (15) Charters, duties and responsibilities, qualifications and term of office of the Board as well as matters requiring the Board's approval
- (16) Charters, duties and responsibilities, qualifications and term of office of the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Corporate Governance Committee
- (17) Code of conduct for employees and directors as well as code of conduct of the Investor Relation
- (18) Contact information of those concerning the Investor Relation's works, analysts and relevant authorities.

For more information, investors can contact Compliance and Investor Relation Department

Responsible person : Ms. Suppapitch Kosonphiriyatham  
 (company secretary)

Tel : (038) 447 200 - 05 ext. 122

Email : [ir@tscpcl.com](mailto:ir@tscpcl.com)

Website : <http://www.tscpcl.com>

## **Section 5: Accountability of Directors**

### **1. Board structure**

- 1.1 The Board stipulates that a board of directors is composed of members who have diverse backgrounds in terms of specialized skills, experiences and competencies, which are beneficial to the Company. Moreover, it is stipulated that at least one director must have experience in core business or industry in which the Company operates. The Board stipulates that the board composition diversity policy and a period of tenure of each director must be disclosed in the 56-1 One Report and on the corporate website.
- 1.2 A board has a suitable size and consists of at least five members, but not more than 12. Directors must have sufficient experience, knowledge and competency to perform their duties efficiently.
- 1.3 A board consists of independent directors who can freely give their opinions about the management's performance. The number of independent directors conforms to the SEC's announcement.
- 1.4 The Board scrutinizes backgrounds of individuals who are qualified to be "independent director" to ensure that independent directors are truly independent and possess suitable characteristics in line with unique characteristics of the Company. The independence of directors must at least conform to the requirements prescribed by the SET and SEC. In case reappointment of an independent director is required, the Board will consider such necessity reasonably.
- 1.5 The duties and responsibilities of chairman and managing director are different. The Board clearly defines the purview of chairman and managing director. To avoid granting unlimited power to one person, positions of chairman and managing director should be held by different individuals.
- 1.6 The Board stipulates a guideline for dealing with a director holding a position at another company by scrutinizing performance efficiency of any director holding positions in several companies in order to ensure that such director can sufficiently devote his or her time to fulfill required duties in the Company.
- 1.7 The Board formulates a clear policy and guideline concerning managing directors and senior executives holding the position of director in other companies. This guideline clearly stipulates the type of director and the number of companies where directors are permitted to assume positions. However, directorship in other companies must be approved by the Board beforehand.
- 1.8 The Board has a company secretary whose duty is to give advice on legal matters and bylaws where appropriate, to oversee the Board's affairs, and to follow up and coordinate actions to be taken in compliance with board resolutions. Therefore, the Board stipulates suitable qualifications and experience for a candidate who is suitable for the roles and duties of the company secretary. Moreover, qualifications and experience of the company secretary must be publicly disclosed in 56-1 One Report and on corporate websites.



- 1.9 The company secretary regularly receives training and attends knowledge enhancement programs, particularly legal and accounting matters or his or her functional roles.

## **2. Committees**

Besides the Audit Committee which must be appointed in compliance with the SET's requirements, the Board should also consider establishing other committees to ensure good corporate governance as follows:

### **(1) Nomination and Remuneration Committee**

It is incumbent upon the Nomination and Remuneration Committee, which is entirely composed of independent members, to consider a guideline and process for selection of qualified individuals to fill director and senior executive positions as set out by the recruitment process. The committee is also responsible for determining the guideline on forms and payment of compensation of directors and senior executives. In addition, they are also required to present their opinions to the Board. In this regard, it is incumbent upon the committee to approve remuneration of senior executives which will be proposed at shareholders' meeting which will appoint members of the committee. Moreover, remuneration of directors must be proposed to shareholders' meeting for approval.

### **(2) Corporate Governance Committee**

It is incumbent upon the Corporate Governance Committee to support the Board's affairs relating to the oversight of the Company's operation under the corporate governance principles. Accordingly, the Board adopts a policy to promote the application of the corporate governance principles in the administration and the fulfillment of duties of directors, executives and employees in a coherent manner. Therefore, the organization will be managed in a transparent, efficient and auditable manner, and every group of stakeholders will be treated equitably. As a result, the Company can instill confidence among shareholders, investors and stakeholders.

### **(3) Risk Management Committee**

It is incumbent upon the Risk Management Committee to formulate a risk management policy which applies to the entire organization and to oversee the risk management system or process in order to mitigate repercussions on the Company's business.

All committees described above operate under the following principles:

1. If the Board appoints any person as an advisor to the Board, the information about the advisor, including independence status and conflict of interest, must be disclosed in the 56-1 One Report.
2. The Chairman of the Board must not be a chairman or a member of any committee in order to ensure that the committee can function independently.
3. To ensure that these committees can fulfill their duties efficiently and achieve their objectives under their purview as designated by the

Board, meetings will be held twice a year so that they can consider and discuss various matters and take any action within their purview.

### **3. Roles, duties and responsibilities of 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 and Remuneration 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 the management structure of the Company as appropriate.
- 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 be 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 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 affecting 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 accounting, risk management, and internal audit.
  - (12) Employment of executives.
  - (13) Determine and change 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 the Managing Director, management, or one of the Directors 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.

In 2022, the Board of Directors has continuously monitored the implementation of the Company's strategy to meet the objectives and goals of the Company referred to the Board of Directors Meeting No. 1/2022 on November 23, 2021.

#### **4. Board meeting**

- 4.1 The Company schedules and prepares the board meeting agenda in advance and informs each director of such a schedule so that directors can make time to attend the meeting.
- 4.2 As deemed suitable for its duties and responsibilities and business characteristics of the Company, the Board determines that a number of board meetings must be at least once every quarter. If the Company does not hold a meeting every month, it should submit an operational report to the Board for the month that no meeting is held so that the Board can continually perform its oversight of the management's performance in a timely manner.
- 4.3 The Chairman of the Board and the Managing Director jointly consider the selection of agenda items for the Board of Directors' meetings by ensuring that important matters are included, giving each director the freedom to propose matters that are beneficial to the Company on the agenda.
- 4.4 Meeting documents must be sent to directors at least seven days in advance of a board meeting.
- 4.5 Every director should attend at least 75 percent of the total number of meetings required by the Board within a period of one year
- 4.6 The Chairman allotted enough time for the management's presentation so that directors can have prudent discussion about important issues. The Chairman supports the exercise of good judgment, and every director should be attentive to every issue raised at the meeting, including governance and oversight issues.
- 4.7 The Board encourages the Managing Director to invite senior executives to attend board meetings to provide more details, for they are directly involved in various issues, so that directors can have opportunities to meet senior executives and gain information for consideration of the succession plan.
- 4.8 The Board can obtain additional information from the Managing Director, company secretary or other executives who are designated to perform tasks under the stipulated policy. If necessary, the Board may solicit independent opinions from advisors or outside professionals, whose service charge is an incurred expense borne by the Company.
- 4.9 It is the Board's policy to encourage non-executive directors to seek opportunities to hold separate meetings as needed to discuss

management issues, in which they are interested, without the management's presence. Moreover, the Managing Director should be informed of meeting outcomes.

## **5. Self-assessment of the Board**

- 5.1 The Board and committees are required to regularly conduct an annual self-assessment so that they can collectively consider their performance and problems for further improvement. For this purpose, benchmarks should be defined as a basis for a methodological comparison of the performance.
- 5.2 The performance evaluation of the Board applies to the group and individual. The criteria, procedure and evaluation results are disclosed in 56-1 One Report.

## **6. Remuneration**

- 6.1 Remuneration of directors is set at levels which are comparable with those in related industries, experience, duties, and the scope of accountability and responsibility as well as benefits to be gained from each director by considering the remuneration of directors under the approval from the shareholders' meeting.
- 6.2 Remuneration of directors adheres to the principle and policy which are stipulated by the Board within the framework approved by shareholders' meeting in the best interest of the Company. The level of compensation, that is salary, bonus and incentives, should be consistent with the performance of each executive and take into account the benefits that the shareholders receive.

## **7. Development of directors and executives**

- 7.1 The Board supports and facilitates training and knowledge building of concerned individuals in the corporate governance system of the Company, such directors, audit committee members, executives, and company secretary, for the purpose of operational enhancement. Training and knowledge building programs may be conducted internally, or they may be arranged by an outside institution.
- 7.2 Whenever a new director is appointed, the Board designates the company secretary to prepare documents and useful information related to fulfillment of duties of the new director and organizes an orientation program that introduces the new director to business characteristics and operational approach of the Company.
- 7.3 The Board requires that the Managing Director must regularly report information about development and succession plans. Essentially, the Managing Director and senior executives should prepare this succession plan to ensure continuity carried out by potential successors in case they can no longer perform their duties.
- 7.4 The Board arranges for provision of an executive development program and the Managing Director is required to regularly report various activities every year and consider these whenever the succession plan is reviewed.

## 8. Director recruitment

The Board emphasizes the importance of the recruitment of directors and independent directors and stipulates a policy requiring that the Board must consist of qualified individuals with diverse professional backgrounds who can give most suitable and comprehensive advice on business operation. The Nomination of directors has to consider the skills that are lacking first and in line with the strategy of the business as processes that have been disclosed in advance.

## 6.2 Code of Conduct

The Company is managed and operates by adhering to the principles of good corporate governance. It has always been aware of the importance and responsibility towards the shareholders and stakeholders of the Company. With the determination, dedication and full cooperation of all parties from the Board of Directors, executives and all employees by publishing **the Corporate Governance Handbook**. This includes the Business Ethics Policy, Code of Conduct of the Board of Directors, the management and Employee, Code of Business Conduct, Code of Conducts of Investor Relations Officer, Policy for not holding the director at other the companies of managing director as well as important policies and related regulations which requires the Board of Directors, the management and employees to comply with as well as disclosing to stakeholders on the Company's website at Investor information and Publication section.

In addition, the company provides knowledge and understanding about policies and practices through the organization of orientation for both directors and new employees of the company. In this regard, the Company has determined that there will be monitoring of compliance with the corporate governance policy by the responsible department to report to the management, Board of Directors and disclosed in the 56-1 One Report.



### 6.3 The significant changes and developments of the Policies, Guidelines and the Corporate Governance Procedures in 2022

No.	Policy	Performance of 2022
1	Energy Conservation Policy	<p>The company has shown its intent and determination to take action on energy conservation. Because they see that energy conservation is important and it is the duty of everyone to work together to maintain a sustainable energy management system. Therefore, the energy management system has been applied within the company. And formulate an energy policy to use as a guideline for energy operations and to promote the use of energy for maximum efficiency and effectiveness. For the year 2022, the Company has the following energy conservation actions:</p> <ol style="list-style-type: none"> <li>1. Develop an energy management system Proper monitoring and evaluation as well as designated as part of the Company's operations. Comply with laws and other requirements related</li> <li>2. Continuously improve the efficiency of the use of energy resources of the organization. Suitable for installed technology industry and good practice guidelines</li> <li>3. Set energy conservation goals and communicate to employees to understand and perform properly can be summarized as follows:               <ul style="list-style-type: none"> <li>• Energy saving calculated from the SEC value of 2021 decreased by 5%.</li> <li>• Operate energy management, no NC from CB audit in ISO14001 system.</li> <li>• Conduct energy management in 2022 in accordance with the law.</li> </ul> </li> <li>4. Energy conservation is the duty and responsibility of executives and employees at all levels to cooperate in implementing the specified measures. monitor and report to the Energy Conservation Committee</li> <li>5. The company supports the necessary resources. including personnel resources, budget, working time, training, and participation in group activities in presenting ideas to improve energy work.</li> <li>6. Establish an energy management working group and submit an energy management report to the Department of Alternative Energy Development and Efficiency as required by law.</li> <li>7. Implement a concrete energy conservation project and has continued the project In order to be effective, economical and reduce the cost of operation actually can be summarized as follows:               <p><b>On-Off Air Compressor project</b></p> <p>Air Compressor is a machine that converts electrical energy</p> </li> </ol>

No.	Policy	Performance of 2022
		<p>to mechanical energy to produce wind. Support production, so the On-Off Air Compressor during the low production or break time can reduce electricity consumption by 301,912.76 kWh/year</p> <p><b>Operation Status:</b> Started operating on October 26, 2021 until present.</p> <p><b>light bulb project</b></p> <p>A light bulb is a device that uses electrical energy to produce light. Therefore, removing unnecessary bulbs or reducing the amount of light bulbs in places that do not need a lot of light, such as corridors, can reduce electrical energy consumption by 26,804.74 kWh/year.</p> <p><b>Operation Status:</b> Started operation on February 1, 2022 until present.</p>
2	Quality and Environmental Policy	<p>The Company has set quality and environmental policy every year. This will be reviewed on the agenda of the annual management meeting and has an agenda of a major adjustment every 5 years. The company has continuously monitor and follow the implementation of the quality and the environmental policy as follows:</p> <ol style="list-style-type: none"> <li>1. The policy is distributed to the main Company objectives annually.</li> <li>2. There are various policies distributed to measure the performance of the department.</li> <li>3. There is a distribution of the measure of the department's performance into the measure of the employee's identification.</li> <li>4. There is an action plan to support the objectives and measures at various levels yearly. In case that the performance does not meet the goals, there must be a preventive approved by the management level of the company and has continued to monitor the performance.</li> <li>5. The results are reported monthly and there is a monthly performance meeting by the management team.</li> <li>6. There is a summary of the annual results in the minutes of the management meeting which consists of the entire management team of the company.</li> <li>7. The results of operations by third parties and stakeholders are regularly reviewed throughout the year, such as customer companies, parts manufacturers. The Audit Committee assesses and certifies various standards, Government agencies, etc.</li> <li>8. Policies are communicated to individuals and agencies both inside and outside the organization such as customer companies, parts manufacturers, nearby communities,</li> </ol>

No.	Policy	Performance of 2022
		<p>various relevant government agencies to be the promise of the management that it will be implemented strictly according to the policies.</p> <p>9. Emphasis on public relations and training on quality and environmental policy, the importance and participation to all employees in the company as well as related stakeholders such as external contractors, etc.</p> <p>Currently, the company has been certified with international standards for Environmental Management System (ISO14001), Quality Management System (ISO9001) and IATF16949. Due to the Company's continuous supervision and monitoring every year resulting in employee participation as well as realizing the importance and working together in the implementation of the quality and environmental policy that are sustainable and complete in all issues.</p>
3	Internal Control Policy	<p>The Board of Directors set priority to internal control and continuous risk management. For supporting the company's good corporate governance, adequate and suitable internal control for business operations, risk management at an acceptable level, accuracy and reliability in accounting systems and financial reports, including compliance with the law and regulations relating to the company's business operations.</p> <p><b><u>Practice guidelines</u></b></p> <ol style="list-style-type: none"> <li>1. The company has assigned all executives to oversee and verify to ensure that their work procedures are effective and proper according to instituting work procedures by a stringent and transparent internal control system.</li> <li>2. The effectiveness of the internal control system of key processes is regularly reviewed including financial controls, operations, and corporate governance in accordance with relevant laws and regulations. The relevant departments are responsible for improving the internal control system to be more effective and stringent.</li> <li>3. Operating systems have to continuously improve to be more effective and efficient</li> <li>4. The connected transaction / important related transaction or transaction which is not in accordance with the general trading conditions must be approved by the Audit Committee. By clarifying the necessity and appropriateness of the transaction and present to the Board of Directors for consideration and approval for further actions.</li> </ol> <p>In 2022, the following actions were taken:</p> <ol style="list-style-type: none"> <li>1. 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</li> </ol>

No.	Policy	Performance of 2022
		<p>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).</p> <p>2. The company assigns Dharmniti Internal Audit Company Limited and the Internal Audit Department monitor improvement results on a regular basis, and directly report audit results to the Audit Committee every quarter.</p>
4	Policies and regulations in information technology systems	<p>The company gives priority to information and communication systems. Employees will receive information such as policies, regulations, and news, through various channels, including publicizing by email, intranet system, centralized document management system, regular posting of publicity boards in order to receive complete, accurate, and timely information.</p> <p>For outsiders whether it is a shareholder, an investor or a general public can access the company's information at any time through the company website <a href="http://www.tscpcl.com">www.tscpcl.com</a> and the website of the Stock Exchange of Thailand <a href="http://www.set.or.th">www.set.or.th</a></p> <p>The company has established a clear policy for controlling information systems in terms of accessing information and the use of information in an improper way Refer to the Computer Crime Act B.E. 2017 by bringing the contents of the Act as part of the regulations that employees must be followed and communicated continuously to create understanding. As well as provide external agencies to check the standards of various systems annually, In addition to regular audits from the internal audit department. To create the highest confidence in the company's information technology system</p>
5	Policy of support and encourage all groups of shareholders to attend the meeting especially the type of institutions	<p>1. The company has a policy to support and encourage all groups of shareholders to attend the meeting especially the type of institutions which is published in the Corporate Governance Handbook on the Company's website</p> <p>2. For institutional investors to facilitate registration and attendance, the company will coordinate to prepare the proxy form before the meeting date on January 25, 2022.</p>
6	Creating good interactions with the community in which the company is	<p>1. The company has a policy of creating good interactions with the communities in which the company is located which is published in the corporate governance handbook on the company's website.</p> <p>2. Support and cooperate in the implementation of international standards or agreements established to help</p>

No.	Policy	Performance of 2022
	located policy	<p>prevent or impact the environment.</p> <ol style="list-style-type: none"> <li>Support society and communities, especially those around the factory, such as school maintenance, donating essential items to the community.</li> <li>Organize sustainable community development activities on a regular basis, such as improving the school's scenery, promoting research resources to the community by donating books to hospitals and child development centers.</li> <li>Provide assistance to alleviate the suffering of disaster victims and public disasters.</li> <li>Enhance corporate culture of social responsibility for the Board of Directors, management and employees.</li> <li>Cooperate in following the guidelines with the community where the company is located.</li> </ol>
7	Risk Management policy	<p>The company is committed to regulating that there is risk management throughout the organization. Support and develop risk management to be continuously efficient and effective. Promote the company to achieve objectives and business goals including added value and sustainable long-term growth in line with good corporate governance principles.</p> <p>In 2022, the following actions were taken:</p> <ol style="list-style-type: none"> <li>Assign all executives and employees to be responsible for risk management in their departments by following the operational risk management process. Risk management includes environmental, social, and corporate governance issues. And participate in the development of risk management to increase chances of success and reduce potential impacts on operations to achieve goals.</li> <li>Encourage and create awareness for all executives and employees to be aware of the importance of risk management and implement it on a regular basis until it becomes an organizational culture.</li> <li>Risk Management Committee implemented in accordance with the policy framework and process of risk management, supervising and monitoring to ensure that the risk management is effective and the risk is at an acceptable level including reporting the performance of risk management to the Audit Committee and the Board of Directors on an ongoing basis.</li> </ol> <p>In 2022, the following actions were taken:</p> <ol style="list-style-type: none"> <li>The Risk Management Committee implement risk management by categorizing key risk management issues, i.e. Strategic Risk, Operational Risk, including Information Technology Management, Financial Risk and Compliance</li> </ol>

No.	Policy	Performance of 2022
		<p>Risk. Select a risk response strategy (4T's Strategy) to ensure that the risk management is effective, timely response, and the risk managed to an acceptable level</p> <p>2. The Risk Management Committee have to supervised, monitored and reviewed the risk management report along with giving advice to ensure that the risk management is effective and in accordance with the policy</p> <p>3. Review and follow-up to know the results of the operation that is appropriate and able to manage risks effectively every quarter.</p>
8	Corporate Social Sustainable Responsibility Policy	<p>1. The company has a policy which is published in the Corporate Governance Handbook on the Company's website</p> <p>2. The company has complied with the guidelines. (Details appear in the section "Frame of practice and progress in operations for the year 2022 above in part 1)</p>
9	Disability equality policy	<p>Nowadays, people with disabilities are included in the workforce of all major organizations but there are still many people with disabilities who want to work but lack opportunity due to many obstacles while economic growth can increase employment opportunities.</p> <p>To enable people with disabilities to show their potential and use their skills to benefit the community, society and the nation. The company has established a policy of equality for persons with disabilities as a guideline for practice as follows:</p> <ol style="list-style-type: none"> <li>1. The company will comply with the Promotion and Development of the Quality of Life of Persons with Disabilities Act B.E. 2007 and amendments (No. 2) B.E. 2013 employing people with disabilities in the usual process and the law on the employment of people with disabilities is strictly prohibited.</li> <li>2. The company has an agency that provides consultant and advice for people with disabilities.</li> <li>3. The company provides equality in employment regardless of the cause of disability.</li> <li>4. In case that an employee has a disability during employment. The company will maintain the employment condition and give an opportunity to try other work in case of being unable to return to work as before.</li> <li>5. Considering wages and benefits as well as general employees without discrimination.</li> <li>6. Giving people with disabilities the opportunity to use their abilities, have income and be self-reliant, reduce the burden of family and society to be nurtured as well as to encourage people with disabilities to participate in the economic development of the family and the country.</li> </ol>



No.	Policy	Performance of 2022
		In 2022, the company has complied with the policies and guidelines of the disability equality policy in all respects.
10	Ethics Policy	<ol style="list-style-type: none"> <li>1. The company has a business ethics policy and business ethics which is published in the Corporate Governance Handbook on the Company's website.</li> <li>2. The Company encourages and campaigns for the Board of Directors, the management and employees to regularly comply with business ethics policy and business ethics through public relations forums, e-mails and company websites.</li> </ol>
11	Internal Data Protection Policy	<ol style="list-style-type: none"> <li>1. The Company requires that the directors, management and every employee must be committed to protecting secret information concerning business activities. Moreover, every employee shall be prohibited from exploiting such information for his own interests or the interests of others by using vital internal information which has not been publicly disclosed or from taking any action which may lead to any conflict with the interests of the Company.</li> <li>2. Determine measures to prohibit the use of opportunities or information obtained from being a director, management or employee for personal gain or doing business that competes with the company or related business.</li> <li>3. Determined not to use internal data for personal gain in trading the company's shares during 1 month prior to public disclosure of financial statements or provide internal data to others for the benefit of trading in the company's shares.</li> <li>4. Requires directors and management to report their holdings for the first time and report the changes in share ownership in accordance with Section 59 of the Securities and Exchange Act B.E. 2535.</li> <li>5. It is incumbent upon the Company to promptly disclose key operating results to the public by following the method laid down by the Stock Exchange of Thailand and the Company's public disclosure approach in order to ensure that such information can reach all stakeholder groups on an equitable basis          All directors and executives acknowledge their obligation to report their holdings in the Company including spouses and underage children as well as reports on changes in securities holdings.          In 2022, the company reviewed the Corporate Governance handbook which indicates the policy to prevent the use of internal data and maintaining Confidential Information and Use of Inside Information. It is communicated</li> </ol>

No.	Policy	Performance of 2022
		to directors, managements and employees for acknowledgement and strict practice through various channels as public relations boards within the company, electronic mail and the company's website.
12	Compensation and Welfare of Employees policy	<p>In 2022, the Company has complied with the policy and guidelines of compensation and welfare of employees in all respects.</p> <p>There are also many types of welfare. It is special money related to the nature of the job such as night shift wages, work level wages, diligence allowances, incentive wages, etc. There are non-monetary or not related to work benefits such as life insurance, accident insurance, various recreational activities, special uniforms, allocate the Covid-19 vaccine to all employees and adding a group insurance plan for new employees who have passed the probationary period and gifts for pregnant employees, giving male employees the right to leave with wages to take care of newborn children, etc., and other benefits such as annual continuous diligence allowance, food expenses for overtime work, subsidy in the event of the death of an employee's family member.</p> <p>As well as the allocation of long-term benefits that supports the subsistence of employees after retirement from work, consisting of provident fund and retirement fund.</p> <p>When including the above welfare benefits, the average income in monetary terms of employees is higher than the market. However, each person's base wage and welfare are different. As a result of work there are no differences in gender, nationality or place of origin in any consideration.</p>
13	Employee Compensation Policy	In 2022, the company has complied with the policy and guidelines of the employee compensation policy in every item.
14	Human Resource Development Policy	<p>The company attaches importance to human resource development according to the philosophy of "people and organizations that grow together". The company supports human resource development at all levels thoroughly and continuously to increase the capacity and drive the organization to achieve business goals. All human resources will be developed according to their own career path to grow with the organization sustainably.</p> <p>In 2022, the company focuses on development of quality and related innovations in its work to prepare for more business expansion abroad. Each employee receives an average of 5.88 hours of training per person per year.</p>
15	Not related to human rights	In 2022, the company has complied with "Universal Declaration of Human Rights" and other international human

No.	Policy	Performance of 2022
	violations policy	<p>rights standards. In addition, the company's management has examined human rights issues in considering the care of employees which did not find any issues and there are no complaints from employees either through the company's website or in the comment box.</p> <p>The company values and respects human rights principles. Employees are treated fairly, adhere to the law and good business ethics without labor discrimination which is set out in the code of conduct regardless of race, age, gender, religion, nationality, person's background, political opinion or disability as a factor in labor practices, no child labor and does not violate personal liberties, employee personal information is collected by keeping it a secret, including providing a safety environment of workplace.</p>
16	Non-Infringement of Intellectual Property or Copyright Policy	<p>The company has complied with the laws relating to intellectual property or copyright. The use of works or information that is the right of third parties to be obtained or to be used within the company. There are checks to ensure that they do not infringe the intellectual property or copyrights of others. It also does not support any action that is infringing on intellectual property or copyright and proceed according to the following practices:</p> <ol style="list-style-type: none"> <li>1. Computer system procurement as well as installing for use and creating a database of software or various computer programs currently in use by the company. There are actions in accordance with the Act. on computer-related offenses 2007.</li> <li>2. Directors, managements and employees at all levels have acted in accordance with the law, regulations and contractual obligations regarding intellectual property are valid including patents, copyrights, trade secrets and other proprietary information without infringing on the valid and effective intellectual property of others is misused.</li> <li>3. Works or information acquired by third parties or that will be used within the company is checked to ensure that it does not infringe on the intellectual property or copyright of others.</li> <li>4. The works resulting from the performance of duties are the intellectual property of the company. Upon termination of employment, various intellectual property rights will be handed over including various works returned to the company in any form of information stored in it.</li> </ol>
17	Fair treatment and responsibility to competitors	<p>The company has set goals for ethical work and work practices to be fair and responsible for competitors by cooperating with business partners without a monopoly on income, market share, pricing or reducing the quality of</p>

No.	Policy	Performance of 2022
	policy	goods. The company also enhances in communication, not to disclose company confidential information to competitors to become a sustainable organization.
18	Policy on dealing with partners and/or creditors	In 2022, the company will continue to apply criteria for selecting external parts manufacturer/service providers covering 7 areas, such as competence, expertise, experience, financial situation, business reputation, history related to complaints and litigation, service policy and multiple customer service risks.
19	Tax policy	<ol style="list-style-type: none"> <li>1. The company has a tax policy which is published in the Corporate Governance Handbook on the company's website.</li> <li>2. In 2022, the company has followed the tax process by upholding and complying with the laws and regulations on government taxes including the use of tax benefits received from the Board of Investment and has transparently reported tax burdens and comply with all disclosure requirements.</li> </ol>
20	Anti-Corruption and Bribery Policy	<ol style="list-style-type: none"> <li>1. The Company has an Anti-Corruption and Bribery Policy which is published in the Corporate Governance Handbook on the Company's website.</li> <li>2. In 2022, the internal audit department of the company had an audit but there were no issues of non-compliance with anti-corruption and bribery policies.</li> </ol>
21	Anti – Corruption Policy	<ol style="list-style-type: none"> <li>1. The company has an anti-corruption policy which has been approved by the Board of Directors and published in the Corporate Governance Handbook on the Company's website.</li> <li>2. In the year 2022, the Company has been certified for the renewal of membership (CAC) for the 2nd time. Such certification will be valid for 3 years between 30/09/2022 – 30/09/2025.</li> <li>3. In 2022, the internal audit department had an audit and there was no issue of non-compliance with anti-corruption measures.</li> </ol>
22	Whistle-Blowing Notice Policy	<ol style="list-style-type: none"> <li>1. The company has a Whistle-Blowing Notice Policy which is published in the Corporate Governance Handbook on the Company's website.</li> <li>2. In 2022, the Audit Committee did not receive any complaint issues.</li> </ol>
23	Support Activities Related to Community Development Policy	<ol style="list-style-type: none"> <li>1. The Company has a Support Activities Related to Community Development Policy which is published in the Corporate Governance Handbook on the Company's website.</li> <li>2. TSC has provided the "Moderna" vaccine to all employees and personnel working within the company, amounting to 2</li> </ol>

No.	Policy	Performance of 2022
		<p>doses per person, free of charge. To take care and prevent the spread of the Covid-19 virus within the company.</p> <p>3. TSC has donated the "Moderna" vaccine to people in the elderly, the disabled and the poor to make it easier for everyone to get vaccinated. This is also to prevent the spread of the Covid-19 virus in the country as much as possible.</p>
24	Report of Vested Interest of Director, Management, and Related Person Policy	<p>1. The Company has a Report of Vested Interest of Director, Management, and Related Person Policy which is published in the Corporate Governance Handbook on the Company's website.</p> <p>2. In 2022, directors, management and related persons have submitted a Report of vested interest in accordance with the criteria and methods of reporting to everyone and every item.</p>
25	Policy of Minimum Quorum at the Time of the Commission to Vote	<p>1. The Company has a Policy of Minimum Quorum at the Time of the Commission to Vote which is published in the Corporate Governance Handbook on the Company's website.</p> <p>2. In 2022, at the time when the Board of Directors will vote at the meeting, there are not less than two-thirds of the total number of directors at all times.</p>
26	Knowledge Continuous Development the Board of Directors Policy	<p>1. The Company has a Knowledge Continuous Development Board of Directors Policy which is published in the Corporate Governance Handbook on the Company's website.</p> <p>2. The compliance and Investor Relations department will deliver a schedule of training of the Thai Institute of Directors Association (IOD) to all directors on a monthly basis.</p> <p>3. In 2022, 1 director attended the training, namely Mr. Nuttapol Jurangkool.</p>
27	Policy to limit the number of listed companies in which each director will hold a directorship	<p>1. The Company has a Policy to limit the number of listed companies in which each director will hold a directorship which is published in the Corporate Governance Handbook on the Company's website.</p> <p>2. In 2022, all Board of Directors Holding directorship in no more than 5 listed companies.</p>
28	Policy of Directorship in Other Companies of Managing Director	<p>1. The Company has a Policy of Directorship in Other Companies of Managing Directors which is published in the Corporate Governance Handbook on the Company's website.</p> <p>2. In 2022, the Managing Director does not hold a directorship position at other companies.</p>
29	Nomination of	The Board of Directors emphasizes for the nomination of

No.	Policy	Performance of 2022
	Directors and Independent Directors Policy and Characteristics	directors and independent directors by 2022, the policy has been strictly implemented by experts from various fields, in order to be able to advise the business properly and thoroughly. The Nomination of directors has to consider the skills that are lacking first and in line with the strategy of the business, qualifications, structure and diversity of directors with at least one professional skill in each category.
30	Safety Occupational Health and Environment Policy	<p>The Company has supervised and monitored the implementation of the policy as follows:</p> <ol style="list-style-type: none"> <li>1. Safety at work is the responsibility of all employees.</li> <li>2. Support in every way, promote training Increase the skills and knowledge in the work that will cause safe work.</li> <li>3. The company requires the contractor or the contract company to be responsible for the performance of the work. regulatory safety</li> <li>4. There is a safety operation in the workplace, improving working conditions to be safe and continuous monitoring of performance.</li> <li>5. There is an increase in communication channels for safety to employees at all levels.</li> </ol>
31	Corporate Governance Policy	<ol style="list-style-type: none"> <li>1. The Board of Directors, management and employees adhere to the principles of good corporate governance, realizing the importance and responsibilities towards shareholders and stakeholders of the Company.</li> <li>2. The Corporate Governance Committee conducts a policy review and proposes to the Board of Directors for consideration and approval in accordance with the procedures annually.</li> </ol>
32	Policy on rights and equality of shareholders	<ol style="list-style-type: none"> <li>1. The Company's shareholders have basic rights equally.</li> <li>2. Support for providing information, answering questions, attending meetings and the right to vote fully at the shareholders' meeting.</li> <li>3. Propose an important matter and manage to ensure that shareholders receive accurate, complete, adequate and timely information.</li> <li>4. Prepare the minutes of the Annual General Meeting of Shareholders for publication on the Company's website within 14 days from the date of the meeting.</li> </ol>
33	Personal data protection act policy	The company attaches importance to compliance with the Personal Data Protection Act by requesting personal information for employees, partners and customers. The company will only collect, use and disclose personal information in accordance with the legal objective framework.



In 2022, the Board of Directors has complied with the principles of corporate governance in line with the guidelines of the Stock Exchange of Thailand and has been evaluated by institution as follows:

### **Thai Institute of Directors Association (IOD)**

The results of the Corporate Governance Survey for the year 2022 were in the "excellent" level with a score of 94%. The average score of listed companies was 85% with recommendations for the development of corporate governance are as follows:

### **Non-compliance items with good corporate governance principles**

The Company strives to uplift its level of corporate governance to international standard, with a certain degree of adaptation to suit the circumstances of each company. Any objections for non-compliance to the Principles of Good Corporate Governance for Listed Companies 2017 have been clarified. Over the past year, the Corporate Governance and Sustainable Committee performed its duty to monitor operating results, as well as reviewing and suggesting guidelines for continuous improvement of the Company. Nevertheless, there remain some instances that have not been implemented as follows:

### **Section: Rights of Shareholders and treating shareholders equally**

No.	Issue	Reason / necessity
1	The company should give shareholders the opportunity to attend the shareholders' meeting in electronic format.	In 2022, the Company held an electronic shareholders' meeting (E-AGM) and gave the shareholders the opportunity to attend the meeting according to the correct and appropriate rules.
2	The company should provide knowledge to directors, management and employees about the prevention of the use of inside information every year.	The Company discloses knowledge to directors, executives and employees on the prevention of internal information use every year but does not disclose details of the knowledge of directors, executives and employees.
3	The company should disclose plans and results of operations relating to the prevention of conflicts of interest.	The Company has disclosed the prevention of conflicts of interest in the overall year but did not disclose details of follow-up to ensure compliance with the policy and disclosure of statistics in case of wrongdoing.
4	The company should provide knowledge to directors, management and employees about the prevention of conflicts of interest every year.	The Company discloses knowledge to directors, executives and employees on the prevention of conflicts of interest every year but does not disclose details of the knowledge of directors, executives and employees.



Section: Taking into account the role of stakeholders and sustainable business development

No.	Issue	Reason / necessity
1	The company should disclose information about equal opportunity employment without discrimination covering people with disabilities and other disadvantaged groups.	The Company discloses information about equal opportunity employment but does not cover details of people with disabilities and other disadvantaged groups <sup>1</sup>
2	Companies should disclose information about promoting green procurement.	The company has disclosed the procurement process but it does not cover the details of the Green Procurement principle that covers environmental issues completely.
3	The company should disclose the results of the follow-up on whistleblowing and complaint handling processes in the past year.	The company disclosed the complaint handling process in the past year but it does not cover the details of the whistleblowing follow-up results and the statistics of the whistle-blowing cases and complaints in the past year.
4	The company should set and disclose energy management goals.	The company has disclosed a report or document specifying the target but it does not cover the details of the company's quantitative energy consumption goals.
5	The company should set and disclose water resource management goals.	The company has disclosed a report or document specifying the target but it does not cover the details of the quantitative goals of using the company's water resources.
6	The company should set and disclose waste management goals and/or reduce pollution.	The company has disclosed the report and the amount of waste management and/or reducing pollution but does not cover the details of the quantitative goals in waste management, and/or reducing the company's pollution.
7	The company should set and disclose management goals for reducing greenhouse gas emissions from business operations.	The company has disclosed a report or document specifying the target but it does not cover the details of the company's quantitative targets for reducing greenhouse gas emissions.

Section: Disclosure of information and transparency

No.	Issue	Reason / necessity
1	The company should provide a Management Discussion and Analysis (MD&A) that reflects the link between the company's business practices and the concept of sustainable business operations (ESG) for investors to understand and analyze the direction of the company.	The Company provides a Management Discussion and Analysis (MD&A), but does not cover issues related to environment, society, and corporate governance and factors affecting the Company's future operations.
2	Companies should define and disclose their sustainability performance (ESG) indicators.	The Company has disclosed its Sustainable Business Performance (ESG) indicators, but does not cover the quantitative details of the target companies aligned with the Sustainable Business Goals.

Section: Accountability of Directors

No.	Issue	Reason / necessity
1	The Committee shall indicate the tenure of Independent Directors, continue not more than 9 years from the first date of designation as Independent Directors.	According to the Company regulations, every year, one-third of the directors must be retired in which the directors in the most extended term are the retiring director. The Compensation and Nominating Committee will consider and elect the appropriate directors to be proposed to the Board for approval. The Company, therefore, considers setting a policy to limit the number of such years. However, in order to maintain continuity in the position of independent directors who have the experiences necessary to support the performance of the Board of Directors to achieve its goals, there are exceptions for some directors who have important qualifications necessary for the business conduct of the Company, they will be re-appointed to the position for more than 9 years consecutively.
2	The Committee should consider appointing the Corporate Sustainability Committee with at least one director, including disclosing the charter or roles and	The company does not have a corporate sustainability committee.

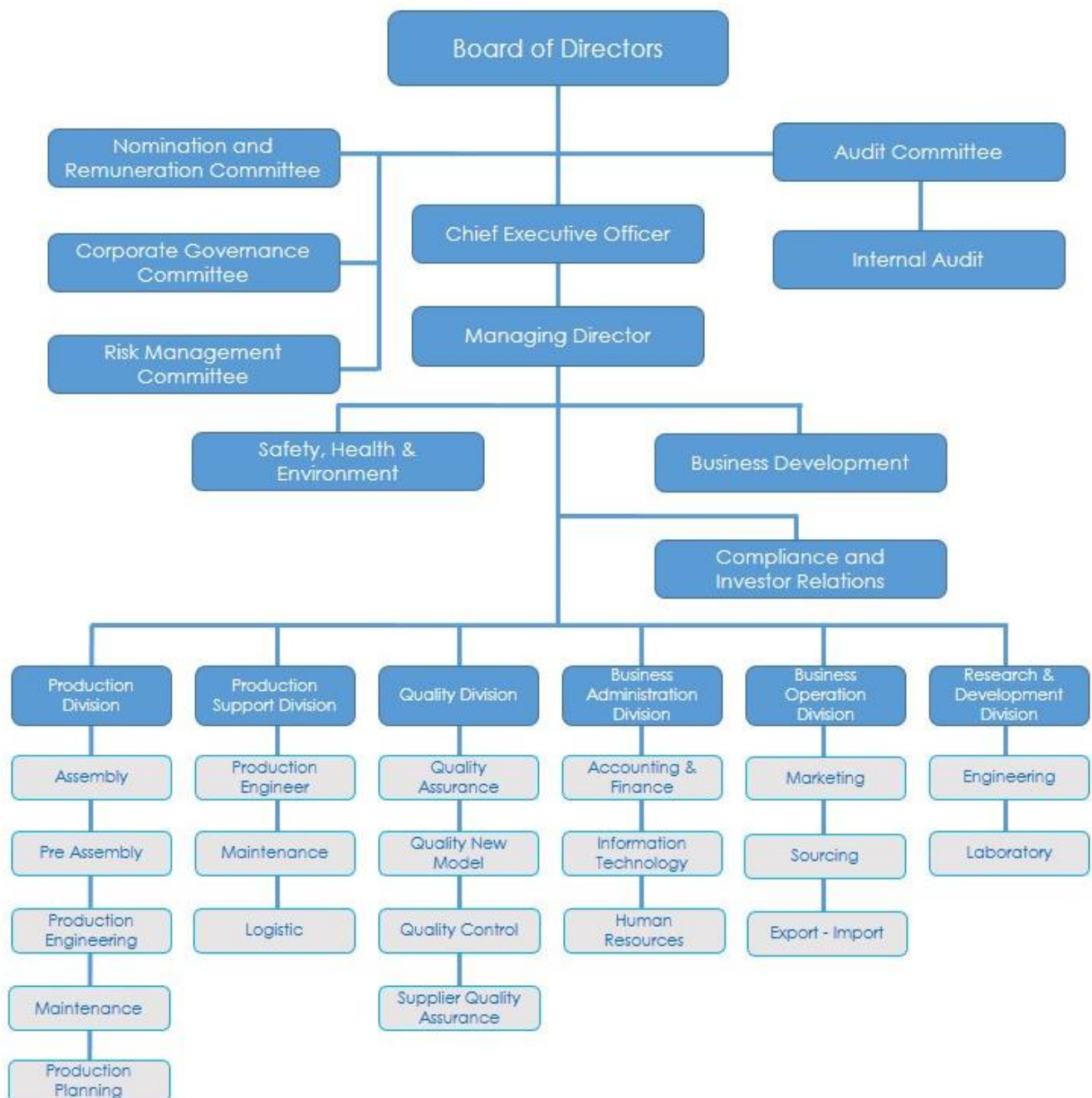
	duties.	
3	The committee should consider establishing a IT security policy for the organization's information systems and disclose the results of the follow-up actions.	The Board of Directors recognizes the importance of security for the organization's information system (IT Security), therefore is in the process of defining the policy to be completed as quickly as possible.
4	The Corporate Governance Committee should prepare a report that fully discloses the results of its performance of duties.	The Company has disclosed the roles and responsibilities of the Corporate Governance Committee but has not fully covered the details of the performance of duties.
5	The sustainability committee should prepare a report that fully discloses the results of its performance of duties.	The company does not have a corporate sustainability committee.
6	The risk management committee should prepare a report that fully discloses the results of its performance of duties.	The Company has disclosed the roles and responsibilities of the Risk Management Committee but has not fully covered the details of the performance of duties.

### **Thai Investors Association**

The quality of the 2022 Annual General Meeting of Shareholders was at “good” level with a score of 100 points out of 100.

## 7. Corporate governance structure and significant information regarding the Board of Directors, Subcommittee, Executive, Employee and other information

### 7.1 Corporate Governance Structure



## 7.2 Board of Directors

According to the Company's Articles of Association, The Board of Directors consists of at least five (5) members but not more than twelve (12) members, of which not less than half of the total number of directors must reside in Thailand. The Company's directors may or may not be shareholders of the Company.

The company has no gender discrimination including in the operation of that business the directors must perform their duties in accordance with the law, objectives and articles of association of the Company as well as the resolutions of the shareholders' meeting with honesty, caution, and protect the interests of the Company and assign the company's management to perform duties in accordance with the approval authority.

The Board of Directors as per the certification of the Ministry of Commerce dated February 22, 2022 shows that there are 11 Directors comprises of :

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

No.	Name of Directors	Designation
1	Mr. Sunsum Jurangkool	Chairman of the Board (Non-Executive Directors)
2	Mr. Sarit Patanatmarueng	Director, Chairman of Risk Management Committee
3	Mr. Taro Teraura	Director (Non-Executive Directors)
4	Mr. Thaveechat Jurangkool	Director
5	Mr. Nuttapol Jurangkool	Director (Non-Executive Directors)
6	Mr. Santi Patanatmarueng	Director (Non-Executive Directors)
7	Mr. Hajime Kato	Director
8	Mr. Prinya Waiwatana	Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee, Chairman of Corporate Governance Committee
9	Mr. Apinan Na Ranong	Independent Director, Audit Committee, Chairman of Nomination and Remuneration Committee, Corporate Governance Committee
10	Mr. Chatchai Earsakul	Independent Director, Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee
11	Mr. Veerawat Korphaibool	Independent Director, Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee
The directors who resigned during the year		
1	Mr. Makoto Teraura	Director (Non-Executive Directors)

*Noted: The Board of Directors Meeting No. 2/2022, held on February 8, 2022, resolved to appoint Mr. Taro Teraura to be a director to replace Mr. Makoto Teraura, who requested his resignation which is effective from February 9, 2022 onwards.*



### **Directors with signatory authority**

Either one of Mr. Sunsum Jurangkool; Mr. Thaveechat Jurangkool; or Mr. Nuttapol Jurangkool signs with either Mr. Sarit Patanatmarueng; Mr. Santi Patanatmarueng; or Mr. Hajime Kato and affix the Company seal. Otherwise, Mr. Sarit Patanatmarueng or Mr. Santi Patanatmarueng signs with Mr. Hajime Kato and affixes the Company seal.

### **Board of Director**



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



**Mr. Taro Teraura**  
 Director



**Mr. Thaveechat Jurangkool**  
 Director



**Mr. Nuttapol Jurangkool**  
 Director



**Mr. Sarit Patanatmarueng**  
 Director



**Mr. Santi Patanatmarueng**  
 Director



**Mr. Hajime Kato**  
 Director



**Mr. Prinya Waiwatana**  
 Independent Director and  
 Chairman of the  
 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



## **Roles and Duties of 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 and Remuneration 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 the management structure of the Company as appropriate.
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 be 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 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 transactions between the Company, subsidiaries, associated companies and the related persons in part of the transactions that do not meet with the requirements of the Stock Exchange and the Securities and Exchange Commission.
  - (9) Any transactions affecting 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 accounting, risk management, and internal audit.
  - (12) Employment of executives.
  - (13) Determine and change 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 the Directors 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 the 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. Monitor and supervise the efficiency of the Board of Directors' duties and achieve the main objectives and goals
- 4. Encourage the corporate governance principle of directors
- 5. Perform duties as defined by law as a function of the Chairman.
- 6. Ensure communications between directors and stakeholders are effective.

**Sub-committee**

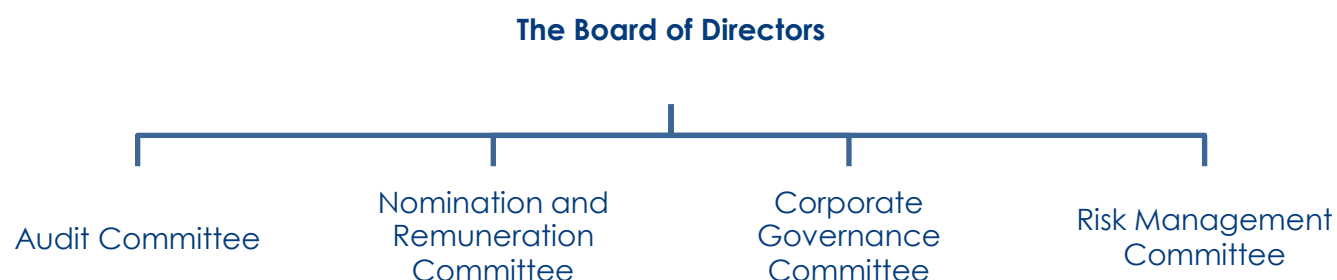
Sub-committees consist of the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Risk Management Committee. Scope and authority of Sub-committees refer to the charters that were approved by the Board of directors meeting.

*(Detail as <https://www.tscpcl.com/charter>)*

## 7.3 Sub-committees

### Sub-committee

The Company's management structure as of September 30, 2022 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:



### Audit Committee

No.	Name of Directors		Designation
1	Mr. Prinya	Waiwatana*	Chairman
2	Mr. Apinan	Na Ranong	Director
3	Mr. Chatchai	Earsakul	Director
4	Mr. Veerawat	Korphaibool	Director

\* Mr. Prinya Waiwatana is an audit committee member who has knowledge and experience in accounting and finance.

### Nomination and Remuneration Committee

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

### Corporate Governance Committee

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

### **Risk Management Committee**

No.	Name of Directors	Designation
1	Mr. Sarit Patanatmarueng (Managing Director)	Chairman
2	Ms. Sirina Patanatmarueng (Senior General Manager - Business Administration Division)	Director
3	Ms. Patra Chaiyosburana (Senior General Manager - Business Operation Division and Research and Development Division)	Director
4	Mr. Hajime Kato (General Manager - Research and Development Division)	Director
5	Mrs. Kasita Pitaksongkram (General Manager - Business Administration Division)	Director
6	Mr. Watcharin Sayamrattanakit (General Manager - Production Division)	Director
7	Mr. Somkiat Korten <sup>1</sup> (General Manager - Production Support Division)	Director
8	Mr. Siwawong Butthgate <sup>2</sup> (General Manager (Acting) - Quality Division)	Director
The directors who resigned during the year		
- None -		

Noted: <sup>1</sup>Nominated of General Manager - Production Support Division on March 1, 2022.

<sup>2</sup>Nominated of Acting to General Manager - Quality Division on March 1, 2022.

## 7.4 Information about the management

### Management

Management refers to the 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 manner with the Company or its subsidiaries. Usually, such a 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 operations 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 reports on actions directed by board resolutions and key performance results of the Company at scheduled board meetings.
11. Manage business operations 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.



## **Management**

### **List and position of management**

<b>No.</b>	<b>Name of Executives</b>		<b>Designation</b>
1	Mr. Thaveechat	Jurangkool	Chief Executive Officer
2	Mr. Sarit	Patanatmarueng	Managing Director
3	Ms. Sirina	Patanatmarueng	Senior General Manager - Business Administration Division
4	Ms. Patra	Chaiyosburana	Senior General Manager - Business Operation Division, Research and Development Division
5	Mr. Hajime	Kato	General Manager - Research and Development Division
6	Mrs. Kasita	Pitaksongkram	General Manager - Business Administration Division
7	Mr. Watcharin	Sayamrattanakit	General Manager - Production Division
8	Mr. Somkiat	Korten	General Manager - Production Support Division
The directors who resigned during the year (Resignation/Vacation from the former position but still hold other positions in the company)			
-None-			

***The above management are management according to the definition of the The Securities and Exchange Commission (SEC), which means Managing Director or the first four executive positions after the Managing Director. Every person is holding a position equivalent to a person holding a fourth management position.***

## Executives



**Mr. Thaveechat Jurangkool**  
 Chief Executive Officer



**Mr. Sarit Patanatmarueng**  
 Managing Director



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



**Ms. Patra Chaiyosburana**  
 Senior General Manager  
 Business Operation Division and  
 Research and Development Division



**Mrs. Kasita Pitaksongkram**  
 General Manager  
 Business Administration Division



**Mr. Watcharin Sayamrattanakit**  
 General Manager  
 Production Division



**Mr. Hajime Kato**  
 General Manager  
 Research and Development Division



**Mr. Somkiat Korten**  
 General Manager  
 Production Support Division

#### **7.4.2 Policy for Remunerations of Directors and Management**

Directors' remuneration is arranged in a manner comparable to the level performed in the industry that is an obligation, experience, scope of roles, accountability and responsibility including expected benefits from each director.

Remuneration of Chief Executive Officer, Managing Director and Executives is in accordance with the principles and policies set by the Board of Directors within the framework approved by the shareholders' meeting and for the best interest of the company. The level of compensation, that is salary, bonus and incentives, should be consistent with the performance of each executive and take into account the benefits that the shareholders receive.

Applying the performance evaluation of the Chief executive officer, top management to be determined the compensation.

Nomination and Remuneration Committee is responsible for imposing criteria and policy of determination of compensation that is proper with the responsibilities of the Chief Executive Officer and senior management for proposing to the Board of Directors to approve by considering the company performance, the company target and the survey of compensation in the same business. The indicators will cover operations to achieve company targets along with social and environmental goals.

#### **7.4.3 Remuneration of Directors and Managements**

##### **Remuneration of Directors and Managements**

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 including considering both short-term and long-term performance and comparable with SET listed companies which are in the same industry and have a similar business size as detailed below:

##### **Remuneration**

(1) Remuneration of Directors (on behalf of Director only)

Remuneration of Director as detailed below:

- Meeting allowance of 2022 (for each meeting attended) is the same as the 2021 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 2021 operating results.  
 The Company did request approval of Director's remuneration from the Shareholders meeting.

Total remuneration of the managements\*\*\*:

Remuneration	2021 Amount (Million Baht)	2022 Amount (Million Baht)
Salaries, bonus and etc.	63.62 (19 executives)	89.46 (18 executives)

(2) Remuneration of Managements \*\*\*

- The remuneration of the Chief Executive Officer in 2022 can be adjusted 5% of the previous year.
- Remuneration of lower-ranking managements\*\*\* depends on the discretion of the Chief Executive Officer.

In 2022, remuneration of 18 executives\*\*\* were salary and bonus in the amount of 89.46 million Baht.

**Other compensation**

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

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 2022, the company's contribution to the provident fund amounted to 1,126,653.85 Baht.

Social security

In 2022, the company's social security contribution for management amounted to 52,050 Baht.

\*\*\*The first four executive positions below the Board of Directors and every individual holding a position equivalent to the fourth executive comprise Chief Executive Officer, Managing Director, Senior General Manager, General Manager and Financial and Accounting Manager.

## 7.5 Information of Employee

### Number of employee

#### Employees (Exclude managements)

As of September 30, 2022, total employees were 756 persons and sub-contract 463 persons, separate by type of product as followed:

Business	September 30, 2020		September 30, 2021		September 30, 2022	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
• Automobile control cable	180	154	207	211	206	218
• Motorcycle control cable	48	56	62	61	65	63
• Window Regulator	13	55	22	34	23	26
• Center	375	170	456	158	462	156
<b>Total</b>	<b>616</b>	<b>435</b>	<b>747</b>	<b>464</b>	<b>756</b>	<b>463</b>

#### Changes in staff numbers significantly

- None -

#### Labor disputes in 3 years previously

As of September 30, 2022, the company has no significant legal disputes affecting the company's business operations.

#### Employee compensation

Expenses related to all employees of the Company in 2022 (excluding the part of the management team) totaled 443.47 million Baht, accounted for 49.24% female employees and 50.76% male employees, consisting of:

- Salary, overtime and annual bonus totaling 394.16 million Baht.
- Other compensation (includes medical expenses, transportation fee, uniform cost, Compensation Fund, Provident Fund, Contributions social security expenses, Seminar fee, Life and health insurance, Welfare expenses and etc.) totaling 20.37 million Baht.
- The wages of temporary employees totaled 73.51 million Baht.
- Proportion of employees participating in the provident fund 63.54%

#### Human Development Policy

The company focuses on human development as per its philosophy "People and organization that grow together" which shows that the company intends to develop human resources and to drive organizations to achieve business goals. Hence, all staff will be developed along the lines of their own careers and able to grow along with the organization's

sustainability. In the past year, the average number of hours of employee training was 5.88 hours per person per year.

Continuously provide training to promote the advancement of employees taking into account the benefits that the company will receive.

The company has developed the ability and skills to work for employees to be used in professionally practice and live happily. There are opportunities to learn and develop in other fields and employees are encouraged to advance in their careers through a variety of training programs including training to educate about good corporate governance and sustainable development. In addition, employees are encouraged to receive training from outside institutions to exchange and bring knowledge to create value for the organization in the future.

#### Human Resource Development Overview

Human Resource Development Overview, the company focuses on continuous human resource development and improvements in human resource development plans to align with current business strategies and innovations by planning the human resource development from the start of the new employees can adapt to the organization culture or on the Job training and human resource development along the training road map and human resource development along the career path.

- Training Road Map

The current business strategy has changed, in order to develop human resources in line with current business operations. The company needs to adjust the plan of training road map continuously to increase the capabilities of human resource and career paths.

- Training Effectiveness Evaluation

In order to develop human resources effectively and to build confidence in applying the knowledge gained from professional development to work. The company focuses on evaluating performance after training including continuous monitoring of work efficiency to analyze the effectiveness of each course.

- Employee Competency Evaluation (Skill Matrix)

So that human resource development is in line with the human resource development path. The company determines the employee competency evaluation of the human resource in order to know the potential and level of the competence of each personnel and to be in line with the training road map, ensuring that the company's human resource have expertise, ready to grow along the career path and develop the organization to the international level.

In this regard, the company's human resource development training policy focuses on the development of training road maps and focuses



on continuous development along career paths to increase the capabilities of human resource ready to help develop the organization to a world-class level.

### **Compensation and welfare employee policy**

The company pays employees reasonable compensation and consistent with in the same industry, provide various welfare more than the prescribed law, such as provident funds, employee health check, retirement allowance, diligence allowance, living allowance, funeral allowance, night shift allowance, work allowance, diligence monthly allowance, food allowance, health insurance and accident insurance. There are ongoing activities to encourage employees to relax from work and spend time doing various activities together to encourage employees to have a commitment to the organization in the long term.

The company supports the idea of promoting workers' rights and social welfare of workers. They are complying strictly with the law, all regulations related to recruit and employ. The company has clearly defined the salary structure for employees at all levels and in every line of work and are adjusted annually according to the performance.

The company has a clear remuneration policy. In the 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 the 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.

### **Performance evaluation and compensation**

The company has set an annual performance evaluation by using the Performance Management System with the assessment standards twice a year with clear evaluation criteria as follows:

Position	KPI/OKR	Competency
Operator	80	20
Officer	50	50
Supervisor	60	40
Manager	70	30

Performance result will be used in determining the compensation for employees and managements of the company as follows:

Score performance	Grade	% compensation rate
90 - 100	A	According to the company's policy each year
75 - 89	B	
60 - 74	C	
50 - 59	D	
0 - 49	F	

In addition to using the Performance Management System for compensation, performance evaluation are also valuable to the job development process that can be used as a guideline for making human resource development plans to have knowledge and competence in line with the company's growth properly according to the following:

1. Consider the evaluation results of competency and performance indicators (KPIs/OKRs) for development.
2. Select a Competency to develop 2 Competency based on the level of importance to employees/managements and the level of importance to the work
3. Select development approaches and development methods in the example of activities and development methods by selecting no more than 3 development methods for each competency; prepare an individual development plan by filling in the details in the evaluation form.

## 7.6 Other significant information

### 7.6.1 Name of Person supervising accounting, Company Secretary, Head of Internal Audit and Head of Compliance

#### Company Secretary

The Board of Directors appointed Ms. Suppapitch Kosonphiriyatham to be the company secretary whose purview is stipulated in the Securities and Exchange Act B.E. 2535, 4th 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, the 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 56-1 One 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. Other issues that are assigned by the Board of Directors.

**Persons assigned to be directly responsible for supervising accounting.**

The Board of Directors has appointed Mr. Taweesak Ngampattapunt as directly responsible for supervising accounting with reference qualifications according to the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

**Head of Internal Audit and Head of Corporate Governance**

**Head of Internal Audit**

The Audit Committee has appointed Ms. Supisra Kiatkanarat as performing as the Internal Audit Manager and the secretary of the Audit Committee with appropriate qualifications, experienced in the internal auditing and accounting/financial reporting, knowledgeable in Securities and Exchange Act and understands the company's activities and operations. Therefore, she has suitable qualifications appropriate and adequate to perform in this duty with roles, duties and responsibilities are as follows:

- 1. Managers of "Internal Audit" have responsibility as assigned by the Audit Committee.
- 2. Secretary of "Audit Committee" organizes Audit Committee's meetings and preparation of support documents, agenda and minutes of meeting.

The appointment, removal and transfer of the head of internal audit have to be approved by the Audit Committee.

The company has established an Internal Audit Department according to the organization structure on page 109.

And a brief history of the Head of Internal Audit appears on page 285.

For 2022, the Audit Committee has an opinion on the supervision of the head of internal audit of the Company as follows:

The head of the internal audit department has an appropriate educational background, experienced working in internal audit and got training related to internal audit courses and understanding the activities and the operations of the company. Therefore, there are suitable qualifications appropriate and adequate to perform in this role.

### **Head of Compliance and Investors Relation**

The company has appointed Ms. Suppapitch Kosonphiriyatham as company secretary, head of compliance and investor relations department since May 11, 2021 with roles, duties and responsibility as follows:

1. Support the policies and objectives of the organization and executive to ensure that there is adequate supervision.
2. To be a center for communication and knowledge promotion so that the executives are aware and follow the rules properly.
3. Study and collect information on compliance issues including new rules that have changed and added to the present.
4. Supervise and follow up on the supervision of operations on a regular basis.

In addition, the Company has set up compliance and investor relation department according to the organizational structure, page 109

Investors can contact via the following channels:



Thai Steel Cable Public Company Limited  
 700/737 Moo 1, Tambol Panthong, Amphur Panthong,  
 Chonburi Province, 20160.  
 Submit to the company secretary



[ir@tscpcl.com](mailto:ir@tscpcl.com)



+66 38 447 200 –05 ext. 122

## 7.6.2 Audit fee

### 1. Audit Fee

No.	Auditor's name	Type of audit	Audit fee
1.	EY Office Limited	Accounting audit	960,000.00
2.		BOI audit	365,000.00
Total audit fee			1,325,000.00

### 2. Non-Audit Fee

No.	Type of non-audit service	Name of paying company	Non-audit service fee	
			Amount paid in the accounting period	Amount to be paid in the future
1.	Advisory Fees And Witnesses To Outer Case	Ms. Nattapat Khamboonma	550,000.00	-
2.	Advisory Fees And Witnesses To Outer Case	Ms. Duangrat Sathianpaisan	550,000.00	-
3.	Advisory Fees And Witnesses To Outer Case	Mr. Decha Niyomtrong	300,000.00	-
4.	Advisory Fees And Witnesses To Outer Case	Mr. Kritchawat Boonmangmee	550,000.00	-
5.	Advisory Fees And Witnesses To Outer Case	Mr. Teerapon Chantikawanich	550,000.00	-
6.	Notice Of Preparation Fee (In English)	Khamnuan Chalopatham Law Office Co.,Ltd.	30,000.00	-
7.	Boi Consulting Fee	The Dharmniti Law Office Co., Ltd.	70,000.00	-
8.	Consulting Fee For Project Automation Of Okaya Co., Ltd.	Khamnuan Chalopatham Law Office Co.,Ltd.	50,000.00	-
9.	Consulting Fees And Taxes	N.R.Group Advisory Company Limited.	1,080,000.00	-
10.	Legal Advisory Fee : Okaya Case	MSC Auction Company Limited	28,920.00	-
11.	Legal Consulting Fee/Hrm	Balance Law Consultant Co., Ltd.	130,000.00	10,000.00
12.	Financial Advisory Fee	Asset Pro Management Co., Ltd.	(29,695.00)	-
13.	Accounting Consulting Fee	MRT Synergy Company Limited	44,000.00	-



No.	Type of non-audit service	Name of paying company	Non-audit service fee	
			Amount paid in the accounting period	Amount to be paid in the future
14.	Consult For Erp Service Fee	Mrs. Anothai Choeidit	87,000.00	-
15.	Cost Analysis Service	N.R.Group Advisory Company Limited.	150,000.00	-
16.	Financial Statement Analysis Fee	N.R.Group Advisory Company Limited.	120,000.00	-
17.	Professional Fee For Attending The Meeting Of Lawyer : Okaya Case	Khamnuan Chalopatham Law Office Co.,Ltd.	14,000.00	-
18.	Professional Fee For Drafting The Tenant Contract King Kaew Factory	Thep Company Limited	40,000.00	-
<b>Total non-audit fee</b>			<b>4,314,225.00</b>	<b>10,000.00</b>

### 3. Auditor

EY Company Limited  
 193/136 - 137, 33rd Floor, Lake Rajada Office Complex, Ratchadaphisek Rd,  
 Klongtoey, Bangkok 10110  
 Tel : (02) 264 9090  
 Fax : (02) 264 0789  
 Ms. Kunlapee Piyawannasuth CPA. (Thailand) No. 6137  
 Mr. Khitsada Lerdwana CPA. (Thailand) No. 4958  
 Ms.Vissuta Jariyathanakorn CPA. (Thailand) No. 3853

All 3 auditors above are independent auditors and have qualifications that are accepted as the Company's auditors and are approved by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand (SEC).

## **8. Significant Operating Results in respect of Corporate Governance**

### **8.1.1 Nomination, development and evaluation the performance of the Board of Directors**

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

##### **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 that will be considered according to the Board Skill Matrix in order to determine the necessary qualifications, knowledge, skills and experience of the nominated directors for the Board of Directors to operate effectively in line with business strategy and support the composition of the entire Board of Directors to be complete in terms of knowledge, capability, experience and diversity that contributes to the most efficient work including not having any prohibited characteristics under the law and good corporate governance principles. In addition, the Director Pool is used for consideration in the nomination of new directors.

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.

The Board of Directors emphasizes the nomination of directors and independent directors by specifying the policy which the Board of Directors has to consist of experts from various fields, in order to be able to advise the business properly and thoroughly.

The Nomination of directors has to consider the skills that are lacking first and in line with the strategy of the business as a process that has been disclosed in advance.

In addition, the Company has given shareholders the right to nominate a person who is qualified to be elected as the Company's director which was announced on the Company's website. However, no shareholder who nominates a person to be elected as a director of the Company.

### Characteristics

Those who are appointed to serve as a director of the Company shall have the following basic characteristics.

1. Knowledge and expertise in running business.
2. Experience as a corporate executive managers level at least five years.
3. One of good governance has behaved properly, prohibitions stipulated in the law of listed companies and no criminal prosecution.
4. Able to devote time to their duties as directors and attend the shareholder meeting and other meetings every time.

### Structure and diversity of the Board of Directors

The Board of Directors consists of directors who are executives and Independent directors that are not less than three members and not less than one third of all directors.

The Board of Directors specifies the policy which the Board of Directors has to consist of experts from various fields for them to be able to advise the business properly and thoroughly. Hence, there must be a director who specializes in the business of the company and directors who have skills in the accounting profession and at least one person as follows.

Expertise and Skill	Director	Independent director
Automotive industry	1. Mr. Sunsum Jurangkool 2. Mr. Taro Teraura 3. Mr. Sarit Patanatmarueng 4. Mr. Hajime Kato 5. Mr. Santi Patanatmarueng	1. Mr. Veerawat Korphibool
Accounting/ Finance	1. Mr. Thaveechat Jurangkool	1. Mr. Prinya Waiwatana
Others business	1. Mr. Nuttapol Jurangkool	1. Mr. Apinan Na Ranong 2. Mr. Chatchai Earsakul
<b>Total</b>	<b>7 persons</b>	<b>4 persons</b>

### 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 can not 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 - November	Inform the secretary of the Nomination and Remuneration Committee of the name of a suitable candidate.
November	The Nomination and Remuneration Committee scrutinizes the candidate. The Nomination and Remuneration Committee proposes the candidate to the board meeting. The Board of Directors endorses the candidate and proposes him or her at annual general shareholders' meetings.
January in the following year	The annual general shareholders' meeting considers and endorses the candidate.

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

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

Shareholders' meetings are 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 a 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.

3. 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 a 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.

#### Recruiting the Executives

Execute the succession plan of the Chief Executive Officer and Managing Director to ensure that the company has knowledgeable executives capable enough to perform duties as follows:

1. The Board of Directors has established a plan to develop executive potential to prepare a succession plan consisting of Chief Executive Officer and Managing Director.
2. The Nomination and Remuneration Committee considers the determination of knowledge, competency and experience of each position to select executives with the required qualifications and able to inherit the work of each position.
3. Chief Executive Officer assesses performance, knowledge, executive competence with corresponding properties compared to the required Competency level in order to create an individual development plan to reduce the Competency Gap.
4. The Chief Executive Officer provides the rotation of duties and responsibilities of the executives who are qualified accordingly and assign the Managing Director to attend the management meeting in order to have understanding, experience and readiness in managing the organization in the future.
5. The Nomination and Remuneration Committee reviews and summarizes the results of the succession plan of the Chief Executive Officer and Managing Director regularly and reports to the Board of Directors twice a year.

The appointment of executives is considered by their ability to contribute to the Company's operations through their knowledge, abilities, and experience. Their knowledge of business and the automotive industry's

business cycle are critical to the Company's growth and achievement of its objectives.

**Directors from each group of major shareholders**

Group	No.	Name of Director
<b>1. Jurangkool</b>	1	Mr. Sunsum Jurangkool
	2	Mr. Thaveechat Jurangkool
	3	Mr. Nuttapol Jurangkool
<b>2. Hi-Lex Corporation</b>	4	Mr. Taro Teraura
	5	Mr. Hajime Kato
<b>3. Patanatmarueng</b>	6	Mr. Sarit Patanatmarueng
	7	Mr. Santi Patanatmarueng

**Independent Director**

Criteria for selecting independent directors both in terms of qualifications and recruiting process by the company conducts the selection process according to the process of nomination of directors above by referring to the qualifications of independent directors from the charter of the Board of Directors.

**Qualifications of Independent Director**

1. Holds shares not exceeding 0.50% of the total shares with voting right of the applicant, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the applicant, provided that the shares held by the related parties of such independent Director shall be included.
2. Is not or has never been an executive Director, employee, staff, advisor who receives salary, nor controlling parties of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the Securities and Exchange Commission (SEC), provided that such prohibition shall not include the case that such independent Director has ever been official or advisor of the government sector that is the major shareholder or controlling party of the applicant.
3. Is not the person who has a relationship by means of descent or legal registration under the status of father, mother, spouse, siblings, and children. The prohibitive persons also include spouses of daughters and sons of management, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the applicant or its subsidiary.

4. Have no or never had business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC. The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or least the immovable property, transaction related to assets or services, or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which causes liability or obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3% of the net tangible assets of the applicant or equal or above 20 million baht, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction mutatis mutandis. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.
5. Is not or has never been the auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of applicant, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
7. Is not the Director who is nominated to be the representative of Directors of the applicant, major shareholders, or any other shareholder related to the major shareholders.
8. Do not operate the same and competitive business with the business of the applicant, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive Director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the applicant, or its subsidiaries.



9. Is not otherwise which is unable to have the independent opinion regarding the business operation of the applicant.

After being appointed as the independent Director in accordance with the conditions under the article (1) - (9), such independent Director may be assigned by the board of Directors to make decision in respect of collective decision on business operation of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of applicant.

Where the person appointed by the applicant to be the independent Director is the person who has or ever had the business relationship with or ever rendered professional service with higher service fees specified under the article (4) and (6), the applicant shall be relaxed from such prohibition related to the conditions of having the business relationship with or ever rendered professional service with higher specified service fees if only the applicant has provided the opinion of the Board of Directors of the company showing that the Board has considered the issue in accordance with the Section 89/7 and found that there is no interference in the independent opinion, and the following information shall be disclosed in the notice of shareholders meeting under the agenda considering the appointment of independent Director.

- (a) The business relationship or the professional service providing which causes such a person to be unqualified.
- (b) Reasons and necessity to insist on the appointment of such a person as the independent Director.
- (c) The opinion of the Board of Directors of the applicant to propose such a person to be the independent Director.

For the benefit of the article (5) and (6), wording "partner" shall mean the person who is assigned by the auditing firm, or the professional service provider to be the signatory in the audit report or the report of rendering the professional services (as the case may be) on behalf of the firm.

Business relationship or professional service of independent directors in the past accounting period

-None-

The Board of director meeting

The Board of Directors shall meet at least once every quarter, and an extraordinary meeting may be arranged as deemed appropriate, whereby Directors must be notified of the meeting agenda in advance at least 7 days prior to the meeting and sufficient information must be provided.

At Board meetings, at least one-half of the total number of Directors shall constitute a quorum, and the chairman of the Board shall assume the duties of meeting chair.

In case the chairman of the Board is not present at the meeting or unable to perform such duties, if a vice chairman is present, he shall assume the duties of

meeting chair. However, if there is no vice chairman or there is a vice chairman but he is not present at the meeting, attending Directors shall choose one member as meeting chair.

During voting proceedings, the total number of a quorum must be at least two-thirds of the total number of Directors.

Decisions of the Board meeting shall be taken by a majority of votes. One Director shall be entitled to one vote. Except in the case where a conflict of interest arises, a Director who has interest on such matters shall not be eligible to vote. In case of a tie, the meeting chair shall be eligible to cast additional vote as a deciding vote.

#### Term and vacation of office

A Director's term of office conforms to the Public Limited Companies Act B.E. 2535 (1992) and the articles of association of the Company. Accordingly, at annual shareholders' meetings, one-third of the total number of Directors shall retire by rotation, whereby the longest-serving Director shall vacate the office first. If the number of retiring Directors is not divisible by three, the number of retiring Directors must be the number rounded to the nearest one-third. Moreover, a retiring Director may be re-elected. The Nomination and Remuneration Committee shall select and nominate a suitable candidate for Directorship to the Board and propose the nomination to a shareholders' meeting for approval.

The Board of Directors stipulates that the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Governance shall serve a three-year term, and a committee member may be re-appointed to continue serving as deemed appropriate by the Board.

A Director shall vacate the office under the following circumstances:

1. Death.
2. Resignation.
3. Disqualification or having prohibited characteristics set out in the public limited companies law and the securities and exchange law.
4. Removal by shareholder meeting's resolution according to Article 21 of the articles of association.
5. Removal by court order.

#### Meeting with analysts

-None-

### **Development of directors and executives**

#### Directors

The Board recognizes the importance of director orientation and training programs. This policy is summarized as follows:

1. Every new director is required to receive orientation. The Board designates the company secretary to present documents and useful information for fulfillment of duties of new directors, including director of

listed company manual, corporate governance manual (including the Company's code of conduct), articles of association, capital structure, shareholder structure, operating performance, legal provisions, good practice guideline, relevant bylaws, and director training programs as well as other information relating to the Company's business operation. The purpose is to enhance knowledge and understanding of every director who assumes office for the first time about the Company's business and operational aspects.

2. Designate the Company to arrange new directors' visits to company facilities in order to enhance their understanding about the Company's business.
3. Support directors to regularly receive training on topics or in programs that will enhance their understanding about pertinent roles, duties and functions under the good governance work plan. Directors can attend training programs at the Thai Institute of Directors (IOD) or relevant entities. The Company will bear all expenses arising from these programs in order to achieve continuous performance improvement.

To enable all directors to have the potential to drive the company in accordance with the vision and mission of the company that has been set. The Board of Directors has a policy to encourage directors to develop knowledge and skills continuously both in terms of corporate governance, industry, business, technology, new innovations etc., to support the effective performance of the directors. In this regard, the company's directors must attend training courses of at least one person per year.

### Management

The company focuses on human resource development according to the philosophy that "People and the organization grow together", which shows that the company intends to develop its human resources to grow and drive the organization to achieve its business goals. Therefore, all personnel will be developed according to their own career path to be able to grow with the organization sustainably.

The management will receive training development according to the Training Road map continuously every year.

### Attendance of Director

No.	Name of Directors	Designation	Training course	Course Number	Institution	Year of training
1	Mr. Sunsum Jurangkool	Chairman of the Board	-	-	-	-
2	Mr. Taro Teraura	Director	-	-	-	-
3	Mr. Thaveechat Jurangkool	Director/ Chief Executive Officer	1. Director Accreditation Program (DAP)	109/2014	IOD	2014
4	Mr. Nuttapol Jurangkool	Director	1. Director Accreditation Program (DAP)	179/2021	IOD	2021
			2. Director Certification Program (DCP)	314/2021	IOD	2022
5	Mr. Sarit Patanatmarueng	Director/ Managing Director/ Chairman of Risk Management Committee	1. Director Certification Program (DCP)	42/2004	IOD	2004
			2. Director Accreditation Program (DAP)	172/2020	IOD	2020
6	Mr. Santi Patanatmarueng	Director	1. Director Certification Program (DCP)	253/2018	IOD	2018
			2. Director Accreditation Program (DAP)	156/2019	IOD	2019
			3. Risk Management Program for Corporate Leaders (RCL)	23/2021	IOD	2021
7	Mr. Hajime Kato	Director	1. Director Accreditation Program (DAP)	146/2018	IOD	2018
8	Mr. Prinya Waiwatana	Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee, Chairman of Corporate	1. Audit Committee Program (ACP)	9/2005	IOD	2005
			2. Director Accreditation Program (DAP)	35/2005	IOD	2005
			3. Director Certification Program (DCP)	72/2006	IOD	2006

		Governance Committee	4. Monitoring the System of Internal Control & Risk Management (MIR)	2/2008	IOD	2008
			5. Role of the Compensation Committee (RCC)	10/2010	IOD	2010
			6. AC vs Changes in financial reports for 2011	-	SET	2011
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	2005
			2. Director Accreditation Program (DAP)	35/2005	IOD	2005
			3. Monitoring the System of Internal Control & Risk Management (MIR)	2/2008	IOD	2008
10	Mr. Chatchai Earsakul	Independent Director, Audit Committee, Nomination and Remuneration Committee, Corporate Governance	1. Director Accreditation Program (DAP)	84/2010	IOD	2010
11	Mr. Veerawat Korphaibool	Independent Director, Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee	1. Director Accreditation Program (DAP)	13/2014	IOD	2014
			2. Directors Certification Program (DCP)	151/2011	IOD	2011
			3. Financial Statements for Directors (FSD)	14/2011	IOD	2011

## 8.1.2 Meeting attendance and remuneration of individual committees

### Board meeting attendance

The Board of Directors' meeting is held at least once a quarter and the company will notify the Board of Directors of the schedule every year in advance, so that directors can manage their time and attend meetings. In the Board of Directors' meeting, the agenda is clearly set. The Company will send the invitation letter and meeting documents to the directors at least 7 days in advance so that the directors have enough time to study the information before attending the meeting.

In 2022, the Company has held 4 Board of Directors' meetings, both physical meeting and electronic meeting (According to the Emergency Decree on Electronic Meetings B.E. 2563) with details of each director's attendance as follows:

Name	Designation	Meeting attendance of the Board of Directors			Attendance of the Annual General Meeting of Shareholders for the year 2022
		Physical	Online	Total	
Mr. Sunsum Jurangkool	Chairman of the Board	-/4	4/4	4/4	1/1
Mr. Sarit Patanatmarueng	Director/ Chairman of Risk Management Committee	-/4	4/4	4/4	1/1
Mr. Makoto Teraura	Director	-/2	-/2	-/2	-/1
Mr. Taro Teraura	Director	-/2	-/2	-/2	-/1
Mr. Thaveechat Jurangkool	Director	-/4	4/4	4/4	1/1
Mr. Nuttapol Jurangkool	Director	-/4	4/4	4/4	1/1
Mr. Santi Patanatmarueng	Director	-/4	4/4	4/4	1/1
Mr. Hajime Kato	Director	-/4	4/4	4/4	1/1
Mr. Prinya Waiwatana	Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee, Chairman of Corporate Governance Committee	-/4	4/4	4/4	1/1
Mr. Apinan Na Ranong	Independent Director, Audit Committee, Chairman of	-/4	4/4	4/4	1/1

Name	Designation	Meeting attendance of the Board of Directors			Attendance of the Annual General Meeting of Shareholders for the year 2022
		Physical	Online	Total	
	Nomination and Remuneration Committee, Corporate Governance Committee				
Mr. Chatchai Earsakul	Independent Director, Audit Committee, Nomination and Remuneration Committee, Corporate Governance	-/4	4/4	4/4	1/1
Mr. Veerawat Korphaibool	Independent Director, Audit Committee, Nomination and Remuneration Committee, Corporate Governance	-/4	4/4	4/4	1/1
Noted : Mr. Taro Teraura took the position of director to replace Mr. Makoto Teraura (who resigned from the director) effective on February 9, 2022 according to the resolution of the Board of Directors No. 2/2022, held on February 8, 2022.					



**Details of remuneration of each director in 2022 are as followed:**

Name - Surname	Designation	Remuneration Committee (Baht)						
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Bonus	Reimbursement in case of resignation / out of position	Total
Mr. Sunsum Jurangkool	Chairman of the Board	140,000				354,272.73		<b>494,272.73</b>
Mr. Sarit Patanatmarueng	Director	100,000				354,272.73		<b>454,272.73</b>
Mr. Makoto Teraura	Director	-				354,272.73	236,181.81	<b>590,454.54</b>
Mr. Taro Teraura	Director	-				-		-
Mr. Thaveechat Jurangkool	Director	100,000				354,272.73		<b>454,272.73</b>
Mr. Wutthiphum Jurangkool	Director					88,568.15		<b>88,568.15</b>
Mr. Nuttapol Jurangkool	Director	100,000				265,704.55		<b>365,704.55</b>
Mr. Hajime Kato	Director	100,000				354,272.73		<b>454,272.73</b>
Mr. Santi Patanatmarueng	Director	100,000				354,272.73		<b>454,272.73</b>
Mr. Apinan Na Ranong	Independent Director	100,000	100,000	75,000	50,000	354,272.73		<b>679,272.73</b>
Mr. Prinya Waiwatana	Independent Director	100,000	100,000	75,000	50,000	354,272.73		<b>679,272.73</b>
Mr. Chatchai Earsakul	Independent Director	100,000	100,000	75,000	50,000	354,272.73		<b>679,272.73</b>
Mr. Veerawat Korphaibool	Independent Director	100,000	100,000	75,000	50,000	354,272.73		<b>679,272.73</b>
<b>Total</b>		<b>1,040,000</b>	<b>400,000</b>	<b>300,000</b>	<b>200,000</b>	<b>3,897,000</b>	<b>236,181.81</b>	<b>6,073,181.81</b>

**Other compensation**

Other compensation of directors  
- None -

**8.1.3 Monitoring of the Operation of the Company's Subsidiaries and Affiliates**

- None -

**8.1.4 Corporate Governance Policies Compliance Review**

**(1) Prevention of conflicts of interest**

The Company has set the policy for directors and managements to report their interests and related persons which is a stake related to the management of the Company within 15 days from the date of the change in information of interests for the benefit of monitoring and managing potential conflicts of interest among the Company, the management, the Board of Directors, and shareholders. Inappropriate trading transactions and improper use of property, information, and opportunities are strictly prohibited and implementing the regulations on connected transactions report which may cause conflicts of interest.

In addition, the Board of Directors determines the policy for reporting the interests of directors, managements and related persons with reference to Article 89/14 of Stock and Stock Exchange Act (vol. 4) B.E.2551 indicated that the director and management shall report the vested interest regarding the management of company that belongs to themselves or to

their related person. This regulation affects from July 1, 2009 onward with the purpose to provide necessary information that may create conflict of interest and lead to benefit transfer. Additionally, as the director and management, even performing prudently and with integrity, are required to make decisions without vested interest either directly or indirectly. The information of this report could assist in monitoring the performance to comply with such regulations. The Company established guidelines for directors, executives and employees to practice in preventing such conflicts of interest. Conflict of interest policy and practice are as follows:

1. The Board of Director, Management, and Related Person submit a Report of Vested Interest as Criteria of Report Submission as followed:
  - 1.1 The first report shall be submitted within 15 days from the date that the Board of Directors approved this form of report.
  - 1.2 Inform every change within 15 days from the date of change.
  - 1.3 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.
2. Connected transactions shall comply with the connected transactions policy. Such transactions shall be reviewed and supervised without any stakeholder involved in the interest to take part in decision-making on connected transactions. In the event that a transaction requires approval from the Board of Directors, the Audit Committee shall have the Audit Committee to consider and give opinions, as well as undertake to ensure complete and accurate disclosure to the public.
3. To avoid any action that may cause contradict or conflict of interest with the Company, including using one's position or allowing others to use it in pursuit of personal interests or related parties, whether directly or indirectly.

Get a Report of Vested Interest form from Compliance & Investor Relation Department, contact number (038) 447 200 –05 Ext. 122 or E-mail: [ir@tscpcl.com](mailto:ir@tscpcl.com)

In 2022, the Company has published the Code of Business Conduct in the topic of reporting Conflicts of Interest through the Corporate Governance handbook on the Company's website for all directors, executives and employees have knowledge and understanding of the importance of complying with good corporate governance principles and business ethics and can be implemented in the operation effectively and has been followed up for all directors, executives and employees to be aware of the complete disclosure of conflicts of interest. In 2022, the company did not find any action that violates the conflict of interest policy.

And in 2022, the Company did not have a case that may cause a conflict of interest.

**(2) Usage of Inside Information for taking advantage**

The company sets policies and codes of conduct to eliminate director, management and employee And employees who know inside information use the information for their own benefit and others by communicating the use of information within the Corporate Governance Handbook to those involved for acknowledgment continuously which the Board of Directors, the management team and employees of the Company have a duty to strictly follow. In the event that a violation of the said policy is found, report it to your supervisor or the Human Resources Department or the Audit Committee or the Board of Directors as the case may be, can be summarized as follows:

- Conflicts of Interest state that directors and employees are prohibited from using inside information for their own and outsider's personal gains. Inside information encompasses information not publicly disclosed in accordance with the Stock Exchange of Thailand's regulations and other relevant laws.
- Maintaining Confidential Information and Use of Inside Information states that to eliminate every director, executive and employee or any individual who learns of material inside information, which affects security prices in the securities market but has not yet publicly disclosed in accordance with the provisions of the Securities and Exchange Act B.E. 2535 (1992) and other guidelines in securities trading before its public disclosure.

The Board of Directors recognizes the importance of overseeing internal data use which is instrumental for fostering good governance practices. Therefore, the Company formulates an internal data protection policy to safeguard the use of its vital internal data, which have not been publicly disclosed, to serve one's own interests as well as the interests of others. The essence of this policy is as follows:

1. Internal data refers to vital information which tempts an informed person to buy or sell company shares, undisclosed information which has not been released to the public, and information kept by the Company whereby public disclosure is temporarily withheld.
2. The approach and measure for overseeing internal data use are as follows:
  - 2.1 Directors, executives and employees involved in the preparation of financial statements as well as company secretary, secretaries, committees, or other outsiders who are informed of vital internal data shall be prohibited from divulging vital information which has not been disclosed to other parties. Moreover, **they shall also be prohibited from selling company shares one month prior to public disclosure of financial statements.** Moreover, they are not permitted to buy, sell, transfer, or receive company shares in a way that enables them to gain an advantage over others due to the use of vital undisclosed internal data, regardless of whether such actions serve one's own interests or the interests of others.

In 2022, the Compliance and Investor Relations Department will notify by email to all concerned about the blackout period in advance and no directors, executives or related employees are found trading securities during the period specified by the company to refrain from trading.

- 2.2 Directors and executives as well as their spouses and underage children are required to prepare and submit the share ownership report within 30 days after the date of appointment. In addition, they are also required to prepare and submit the changes in share ownership report due to sale, purchase or transfer of company shares within three working days in accordance with Section 59 of the Securities and Exchange Act B.E. 2535. Moreover, the share ownership report pertaining to shares issued by the Company must be regularly submitted to the Board on a quarterly basis.
- 2.3 Directors and executives are required to notify the Board of sale, purchase, transfer or receipt of company shares at least one day before each transaction is executed.
- 2.4 The Company requires that every employee must be committed to protecting secret information concerning business activities.

Moreover, every employee shall be prohibited from exploiting such information for his own interests or the interests of others by using vital internal information which has not been publicly disclosed or from taking any action which may lead to any conflict with the interests of the Company.

This includes important related-party transactions that must be considered and approved by the Board of Directors.

In 2022, there were no directors and executives trading the Company's securities.

### **(3) Anti-Corruption**

The Company has taken steps to prevent the Company's business operations from being involved in corruption. The Board of Directors has approved the anti-corruption policy in the Board of Directors Meeting No. 4/2015 dated May 12, 2015 not to be involved or involved in corruption, whether by calling, receiving and paying bribes, which has specified the scope of action and published in the Corporate Governance Handbook on the Company's website ([www.tscpcl.com/th/Corporate Governance Handbook](http://www.tscpcl.com/th/Corporate%20Governance%20Handbook))

The Board of Directors is responsible for ensuring the company complies with the law include the prohibition of bribery or corruption law and the above duties as well as assigning the Audit Committee to supervise the implementation of anti-corruption measures and report to the Board of Directors every quarter and Board of Directors will conduct a review of the anti-corruption policy once a year.

The company has established an anti-corruption policy and a code of business conduct that covers giving or receiving gifts or property or any other benefits, conflicts of interest include preventing the use of inside information.

Employees at all levels all employees in the company will be trained in the Corporate Governance Handbook which includes code of business conduct on the orientation day according to the annual vocational training plan to instill the code of conduct of the organization as well as encouraging employees to be aware of the importance and disadvantages of anti-corruption and corruption. There is also a process to deal with complaints and a whistleblower protection policy. (Details according to the Corporate Governance Handbook) in 2022, there were no complaints.

### **Action**

- On May 26, 2015, the company announced its intention to join the Collective Action Coalition Against Corruption to cooperate with the government civil, society, mass media and international organizations to create a business standard that will operate in accordance with the framework and procedures in accordance with international principles.
- On July 22, 2016, the Collective Action Coalition Against Corruption committee resolved to recognize "Thai Steel Cable Public Company Limited" as a member of the Collective Action Coalition Against Corruption.
- During the years 2017 - 2018, the Company has reviewed various relevant policies such as communication, track reporting and internal control audit.
- On August 5, 2019, the company received the approval of the renewal of membership for the 1st time on August 5, 2019.
- In 2020 - 2021, the company has reviewed various related policies such as communication, track reporting and audit. In addition, the solicitation of trading partners to join as an associate.
- In 2021 - 2022, the company is in the process of reviewing the policy, preparing a self-assessment to develop an anti-corruption system version 4.0 to prepare for the 2nd certification submission by March 2022.
- On September 30, 2022, the company received the approval of the renewal of membership for the 2nd time on September 30, 2022.

### **Implementation of the Anti-Corruption Policy for the year 2022**

The company has established anti corruption and bribery policy and anti-corruption policy, in order to perform duties with honesty, transparency, fairness and free and fair business competition which are specified in the corporate governance handbook and communicate to directors, managements and employees for acknowledgment and adherence to strictly through various channels by communicating through public relations boards within the company, Electronic mail (Email), TSC Line@ as

well as published via the company's website. There are also public relations to persuade partners to join the anti-corruption network as well. The Risk Management Committee is responsible for the Fraud Risk Assessment including corruption along with the Enterprise Risk Assessment regularly (at least once a year) by monitoring measures related to anti-corruption and corruption that it has been effectively implemented, reviewed and improved the measure regularly and fraud risk management reports and corruption to the Audit Committee and the Board of Directors acknowledged in a timely manner. There is an internal audit department is responsible to audit the internal control system, risk management, corporate governance and provide continuous feedback by auditing according to the annual audit plan approved by the Audit Committee and report on significant audit results, appropriate corrective and preventive measures to ensure that the internal control system is effective as well as complying with the anti-corruption policy and corruption and report to senior management and the Audit Committee acknowledged.

Apart from this, the company has provided an orientation for employees to provide knowledge about the Company's anti-corruption policies and practices. The company provides channels that all groups of stakeholders can contact and complain about issues that may have problems directly with the Chairman of the Audit Committee or the Board of Directors as well as provide a process to deal with complaints that employees may have committed wrongdoing. Policies or guidelines to protect employees or whistleblowers from wrongdoing, channels for notification or complaints for stakeholders in case of rights violations with clear contact information, clear and open corporate social responsibility, policy of Environmental and fair practices, such as the implementation of ISO 14001 standards or internal corporate practice measures that demonstrate environmental responsibility. Encouraging the efficient use of resources and disclose the promotion, educate and train employees on environmental issues including how to practice as well as the Code of Conduct for Conflicts of Interest in which all the items mentioned above, the company has prepared and presented to the Board of Directors to consider, approve and disclose according to the company's procedures. It is published in the Corporate Governance Handbook and 56-1 One Report on the Company's website. ([www.tscpcl.com](http://www.tscpcl.com) under the heading "Investor Information"/publication)



#### (4) **Whistleblowing**

The company has provided channels for receiving whistleblowing or complaints or opinions or suggestions showing that stakeholders are affected or are at risk of being affected which will cause damage to the all stakeholders from the company's business operations or from the conduct of the company's employees regarding offense or the Code of Conduct, including behavior that may imply corruption, unequal treatment or actions that lack caution and lack of due diligence at the website of the Company as follows: [www.tscpcl.com/th/contactus](http://www.tscpcl.com/th/contactus)

In 2022, the Audit Committee has not been notified of any misconduct.

#### Whistle-blowing Notice Policy

The Board of Directors had policy to encourage coordination between the Company and Shareholders or stakeholders can contact or submit concerns on any matters which may cause damage to the company, about illegal conduct or a breach of the code of conduct, improper financial reporting or deficient internal control system, to the Chairman of the audit committee via the E-mail below :



Or send via mail to "The Chairman of the audit committee/Board of Directors"  
 at Thai Steel Cable PCL  
 700/737 Moo.1 Tambon Panthong Amphur Panthong Chonburi 20160

Name \*

E-mail \*

Phone \*

Message \*

Write something



## 8.2 Report on the Audit Committee's performance in the past year

### Audit Committee

No.	Name of Directors	Designation	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. Veerawat 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.

Ms. Supisra Kiatkanarat is the secretary of the Audit Committee.

Board of directors Meeting No. 4/2022 on August 4, 2022 has reviewed the Audit Committee Charter to be current which is consistent and in line with the same guidelines as the office of the Securities and Exchange Commission and the Stock Exchange of Thailand which effective from August 5, 2022 and disclosure to the Board of Directors, managements, employees and stakeholders to notified on the company's website ([www.tscpcl.com](http://www.tscpcl.com) under the heading "Investor Information"/publication/Charter)

### Duties and responsibilities of the Audit Committee

The Audit Committee shall perform the duties designated by the Board of Directors as follows:

#### 1. Financial reporting and accounting audit

- 1.1 Conduct review to ensure that the Company maintains accurate and adequate financial reporting.
- 1.2 Review the selection of significant accounting policies that apply properly and practice consistently while using careful judgment and reasonable estimation including the adequate disclosures.
- 1.3 Provide a channel for reporting information or tips-off concerning inappropriate reporting in financial statements or other issues by executives and employees, whereby an independent investigative process and follow-ups shall be undertaken where appropriate.
- 1.4 Review, select and propose appointment of an independent person who will perform the duties as an auditor of the Company, and propose remuneration of such person, who is required to attend auditors'

meeting without the presence of management executives at least once a year.

- 1.5 Review with the Management regarding the preparation of the Management's Discussion and Analysis (MD&A) to be disclosed in 56-1 One Report.

## 2. Internal control and audit

- 2.1 Conduct review to ensure that the Company has suitable and efficient internal control, internal audit and enterprise risk management systems.
- 2.2 Scrutinize the independence of the internal audit unit and endorse appointment, transfer or termination of employment, and remuneration of the head of the internal audit unit or other units which are responsible for internal audit. Such included the arrangement so that the person has adequate and suitable educational background, experiences and training to fill the role.
- 2.3 Review and approve the Internal Audit Charter.
- 2.4 Review and approve annual internal audit plans, and review audit findings of internal auditors.
- 2.5 Review the whistle blowing process so that the whistleblower can be confident that the investigation is done independently. The whistleblower can report directly to the Chairman of the Audit Committee to assure of the proper proceeding.

## 3. Legal and bylaw compliance

- 3.1 Conduct review to ensure that the Company complies with the securities and exchange law, the Stock Exchange of Thailand's provisions, and applicable laws to the Company's businesses.
- 3.2 Review connected transactions or transactions which may pose conflict of interest to ensure compliance with statutory requirements and the provisions of the Stock Exchange of Thailand, thus ensuring that such transactions are reasonable and undertaken in the best interest of the Company
- 3.3 Manage the prevention of fraud and corruption via the whistle blowing by allowing the notice to go directly to the chairman of the Audit Committee to take action.

4. Compliance with code of ethics and code of conducts of executives and employees

- 4.1 Conduct review to ensure that the code of business ethics and code of conducts of executives and employees as well as conflict of interest policy are made in writing, and that every executive and employee is informed.
- 4.2 Encourage compliance with the code of ethics, code of conducts and conflict of interest policy.

5. Reporting

5.1 The Audit Committee must report the performance result to the Board of Directors and prepare an audit committee report disclosed in the Company's 56-1 One Report. Such report must be signed by the chairman of the Audit Committee and at least contain the following information:

- Opinions on accuracy, completeness and credibility of the Company's financial statements;
- Opinions on adequacy of the Company's internal control system;
- Opinions on compliance with the securities and exchange law, the Stock Exchange of Thailand's provisions or applicable laws to the Company's businesses;
- Opinions on appropriateness of auditors;
- Opinions on transactions which may pose conflict of interest;
- A number of meetings and an attendance of each audit committee member
- Overall opinions or observations received by Audit Committee regarding the Audit Committee's compliance with the Charter;
- Other items which the Audit Committee deems that shareholders and investors should be informed within the scope of duties and responsibilities designated by the Board of Directors.

5.2 While performing duties, if the Audit Committee finds or suspects that there are the following transactions or actions which may significantly affect financial standing and operating performance of the Company, the Audit Committee shall submit a report to the Board of Directors so as to take corrective actions within a time period which the Audit Committee deems appropriate.

- Transaction that poses conflict of interest.
- Fraud, irregularities or significant shortcoming in the internal control system.
- Violation of the securities and exchange law, the provisions of the Stock Exchange of Thailand or applicable laws to the Company's businesses.

If the Board of Directors or the management does not take corrective actions within a time period stated in the first paragraph, any audit committee member may report to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand that there were such transactions or actions described in the first paragraph.

6. Other duties

- 6.1 Provide an evaluation of the Audit Committee's performance by self-assessment annually according to the method specified by the Audit Committee and report the results of the assessment to the Board of Directors.
- 6.2 Review and update the Audit Committee Charter at least once a year or when necessary for timely information and appropriate with the company's environment and propose for an approval from the Board of Directors.
- 6.3 Other tasks assigned by the Board of Directors under the consent of the Audit Committee.

Authority of the Audit Committee

The Audit Committee shall have powers to pursue various matters within the scope of responsibilities set out under the heading "duties and responsibilities" as follows:

1. Have power to invite a management executive or an employee to attend a meeting so as to give explanation or opinions or submit requested documents as deemed necessary.
2. Review and endorse appointment, removal, transfer or termination of employment, and conduct review of senior executives' merits by the internal control department.
3. Recruit outside consultants or experts in different fields to give advice, consultation or opinions as deemed appropriate by the Audit Committee.
4. Attend meetings with auditors to discuss pertinent issues, in which the management may not be present.

## 8.3 Report on the Subcommittee's performance

### Nomination and Remuneration Committee

No.	Name of Directors	Designation	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
The directors who resigned during the year			
-None-			

Ms. Suppapitch Kosonphiriyatham, Company Secretary, serves as Secretary to the Nomination and Remuneration Committee.

Board of directors Meeting No. 4/2022 on August 4, 2022 has reviewed the Nomination and Remuneration Committee Charter to be current which is consistent and in line with the same guidelines as the office of the Securities and Exchange Commission and the Stock Exchange of Thailand which effective from August 5, 2022 and disclosure to the Board of Directors, managements, employees and stakeholders to notified on the company's website ([www.tscpcl.com](http://www.tscpcl.com) under the heading "Investor Information"/publication/Charter)

### Scope of authority and duties

NRC shall perform according to appointment from the Board of Directors as followed:

#### Nomination task

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

2. To prepare criteria and policy regarding the remuneration to comply with the duties and responsibilities of top management and propose to the Board of Directors.
3. To give an explanation related to remuneration in the shareholders' meeting.
4. To report the remuneration policy in 56-1 One Report.
5. To proceed any task concerned with the remuneration as the Board of Directors assigns.

### **Performance of the Nomination and Remuneration Committee**

In 2022, the Nomination and Remuneration Committee has fulfilled its duties as stipulated in the Nomination and Remuneration Committee Charter.

### **Corporate Governance Committee**

No.	Name of Directors	Designation	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
The directors who resigned during the year			
-None-			

Ms. Suppapitch Kosonphiriyatham, Company Secretary, serves as Secretary to the Corporate Governance Committee.

Board of directors Meeting No. 4/2022 on August 4, 2022 has reviewed the Corporate Governance Committee Charter to be current which is consistent and in line with the same guidelines as the office of the Securities and Exchange Commission and the Stock Exchange of Thailand which effective from August 5, 2022 and disclosure to the Board of Directors, managements, employees and stakeholders to notified on the company's website ([www.tscpcl.com](http://www.tscpcl.com) under the heading "Investor Information"/publication/Charter)

### **Scope of authority and duties**

1. Control the operations of the Company, performance of the Board of Directors, Sub-Committee, including the management and employees in compliance with the good corporate governance principles, to conform to the policy, the Company's regulation, and applicable laws.
2. Consider the guidelines, offer recommended policy / guidelines of ethics and business ethics according to the good corporate governance principles regularly to the Board of Directors, management, and employees.

3. Control, suggest, evaluate, review policy, and follow up in compliance with good corporate governance principles and business ethics as consistently and appropriately in order to enhance the corporate governance of the Company to meet international standards.
4. Other tasks as assigned by the Board of Directors.
5. Report to the Board of Directors about the corporate governance of the Company with practical methods for improvement as per the Company's procedures.

### **Performance of the Corporate Governance Committee**

In 2022, the Corporate Governance Committee complies with the Corporate Governance Committee charter of the Company in its entirety. Considered and reviewed the implementation of the CG Code in accordance with the business context of the company and reported the performance results to the Board of Directors as appropriate. The summary of the key performance of the Good Corporate Governance Committee in the year 2022 is as follows:

1. Establishing the Policy for Equitable Treatment of Stakeholders
  - The Committee instituted an annual review of the essence of the Corporate Governance Handbook, Ethical Standards, and the Code of Business Ethics. The Committee also continuously enhanced the corporate governance practices to ensure their currency and compliance with the laws, the company's regulations, the corporate governance principles of the Stock Exchange of Thailand and the Securities and Exchange Commission.
  - The Committee provided suggestions and offered consultation to the Board of Directors to ensure their adherence to corporate governance practices, integrity, and ethical business conduct.
  - The Committee provided support and suggestions with regard to the announcement of intent to join the Thai Private Sector Collective Action Against Corruption (CAC).
2. Reviewing and Endorsing Corporate Governance Activities to Ensure Consistency with the company's Business Directions
  - The Committee reviewed and endorsed the annual action plans for corporate governance activities, anti corruption efforts, compliance with the law and the company's regulations, activities for society, communities, and the environment, and sustainable development.
  - The Committee reviewed and endorsed the corporate governance performance report as well as the CG Code compliance report for 2022, to be disclosed in the company's 2022 56-1 One Report.
3. Review of the Charter of the Board of director and all Sub-Committee
  - The Committee reviews the Charter of the Board of directors and all Sub-Committee on a yearly basis to ensure its currency and consistency with the company's practices and standards for listed companies.



### **Risk Management Committee**

No.	Name of Directors	Designation	Meeting attendance
1	Mr. Sarit Patanatmarueng (Managing Director)	Chairman	4/4
2	Ms. Sirina Patanatmarueng (Senior General Manager - Business Administration Division)	Director	4/4
3	Ms. Patra Chaiyosburana (Senior General Manager - Business Operation Division and Research and Development Division)	Director	4/4
4	Mr. Hajime Kato (General Manager - Research and Development Division)	Director	4/4
5	Mrs. Kasita Pitaksongkram (General Manager - Business Administration Division)	Director	4/4
6	Mr. Watcharin Sayamrattanakit (General Manager - Production Division)	Director	4/4
7	Mr. Somkiat Korten <sup>1</sup> (General Manager - Production Support Division)	Director	4/4
8	Mr. Siwawong Buthgate <sup>2</sup> (General Manager (Acting) - Quality Division)	Director	2/2
The directors who resigned during the year			
-None-			

Noted: <sup>1</sup> Nominated of General Manager - Production Support Division on March 1, 2022.

<sup>2</sup> Nominated of General Manager (Acting) - Quality Division on March 1, 2022.

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

Ms. Supisra Kiatkanarat, Internal Audit Manager serves as Secretary to the Risk Management Committee.

Board of directors Meeting No. 4/2022 on August 4, 2022 has reviewed the Risk Management Committee Charter to be current which is consistent and in line with the same guidelines as the office of the Securities and Exchange Commission and the Stock Exchange of Thailand which effective from August 5, 2022 and disclosure to the Board of Directors, managements, employees and stakeholders to notified on the company's website ([www.tscpcl.com](http://www.tscpcl.com) under the heading "Investor Information"/publication/Charter)

### Duties and responsibilities

The Committee shall perform the duties designated by the Board of Directors as follows:

1. To define and review the Company's enterprise risk management framework that is suitable for efficient business operation and meets international standards, and to provide recommendations on risk management guidelines that are in line with the operation strategy and business plan.
2. To define and review the enterprise risk management policy including the RMC Charter to ensure that they are in compliance with the company's risk management framework and are effective and adequate for the changing conditions.
3. To oversee, monitor, and review important risk management reports and provide necessary recommendations to ensure the efficient and appropriate risk management for the Company's business operation, and that an acceptable level of risk is maintained in compliance with the enterprise risk management policy.
4. To report and coordinate the implementation of risk management to the Audit Committee for acknowledgement, ask for the opinions and provide additional appropriate advice for reporting to the Board of Directors.
5. To report significant risk management results to the Board of Directors. In the case where there are factors or events that might have significant impact on the Company, the Board of Directors shall be notified immediately.
6. To continuously and efficiently support and improve on risk management at all levels of the organization, including its various tools, and to promote a risk management culture.
7. Engage in any other duty as assigned by the Board of Directors.

### Authority

The RMC shall have powers to pursue various matters within the scope of responsibilities set out under the heading "duties and responsibilities" as follows:

1. Able to invite a management executive or an employee to attend a meeting so as to give explanation or opinions or submit requested documents as deemed necessary.
2. Recruit outside consultants or experts in different fields to give advice, consultation or opinions as deemed appropriate by RMC.
3. Attend meetings with auditors, internal auditors including other services by outsourced for risk issues.

### **Performance of the Risk Management Committee**

Overall summary, the Risk Management Committee has fulfilled its duties as stipulated in the Risk Management Committee Charter approved by the Board of Directors and is of the opinion that the company carry out risk management that covers various risk factors including emerging risks such as the spread of coronavirus (Covid-19), there is a continuous supervising, monitoring and reporting of risk management results that affect the goals of the organization

and effective corporate risk management. The summary of the key performance of the Risk Management Committee in the year 2022 is as follows:

1. The Committee reviewed the internal enterprise risk management system to ensure alignment with the company's strategies, which places emphasis on people, planet, and performance. This included the review of the company's risk policy, risk appetite statement, and the charter of the Enterprise Risk Management Committee to ensure compliance with the investment rules and regulations of the year 2022.
2. The Committee provided opinion and approved the establishment of the annual corporate risk profile, ensuring its consistency with strategic directions, business plans, and key indicators so as to track quarterly enterprise risk management performance.
3. The Committee provided recommendations on the management of key risks, which can be summarized as follows:

#### 3.1 Strategic risks

- Reviewing and providing opinions on new or large-scale investment projects that presented significant enterprise risk, such as any investments, as well as recommending that the company seek opportunities to make additional investments in projects and recommendations that the company seek opportunities for additional investments in projects that enhance the company's adaptability to external changes, such as technological disruption, climate change, and a shift in consumer behavior due to COVID-19, to ensure the company's sustainable growth.
- Providing suggestions on preparing for future scenarios and recommending that OR conduct scenario analysis, prescribe early warning indicators, and formulate mitigation plans.

#### 3.2 Operational and business risks

- Closely monitoring accidents and catastrophic incidents
- Monitoring price and cost risk management on a quarterly basis

#### 3.3 IT risks and compliance risks

- Providing recommendations on preparing for compliance with the Personal Data Protection Act B.E. 2562 (PDPA) as well as on data governance and cybersecurity

#### 3.4 Financial risks

- Monitoring foreign exchange risks on a quarterly basis.

In summary, the aforementioned activities and performance show that the Enterprise Risk Management Committee has attached significance to the discharge of its duties, which plays a vital role in fostering confidence in the Company's ability to carry out its strategies and achieve its goals to ultimately create added value for the organization and shareholders in a sustainable manner.

## 8.4 Performance evaluation of director and sub-committees

The Board of Directors requires that the Performance evaluation of director and sub-committees at least once a year in August, the process is as follows:

1. The Corporate Governance Committee reviewed the evaluation form to be accurate, complete and in accordance with the principles of good corporate governance.
2. Directors and sub-committees carry out the preparation of the evaluation form and send it to the secretary of each committee.
3. Company secretary reports to the Board of Directors.
4. The Board of Directors considers taking action to improve operations to be more efficient.

Criteria and evaluation results for the year 2022 are as follows:

### Board of Directors

Directors evaluate performance (Group and Individual) at least once a year in order for the director to consider the results and make improvements to be more efficient.

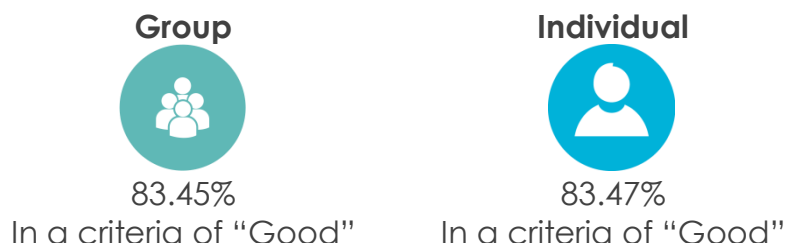
Section	Evaluation Topic	Group		Individual	
		Topic amount	Score (%)	Topic amount	Score (%)
1	Directors structure and qualifications	11	75	2	75
2	Roles, duties and responsibilities of the Directors	12	75	5	75
3	Directors meeting	9	75	4	75
4	Directors's duties	7	75	-	-
5	Relationship with management	5	75	-	-
6	Directors's self-development and management development	6	75	-	-
<b>Total</b>		<b>50</b>	<b>75</b>	<b>11</b>	<b>75</b>

Score range :

Score range (%)	Meaning
100	The performance of duties of the Directors is at the level of "Excellent".
$75 \geq X < 100$	The performance of duties of the Directors is at the level of "Good".
$50 \geq X < 75$	The performance of duties of the Directors is at the level of "Reasonable".
$25 \geq X < 50$	The performance of duties of the Directors is at the level of "negligible".
$< 25$	The performance of duties of the Directors is at the level of "No action".

Remarks: The evaluation form was prepared with reference to the evaluation form of the Department of Good Governance for Capital Market Development the Stock Exchange of Thailand as of February 2015

The results of the performance evaluation of the Board of Directors for the year 2022 can be summarized as follows:



### **Audit Committee**

The committee evaluates performance (Group and Individual) at least once a year in order for the committee to consider the results and improve further.

Section	Evaluation Topic	Objective	Topic amount
1	The overall performance of the Audit Committee	1. To be a guideline for considering the suitability of the structure and composition of the Audit Committee whether it supports the work efficiency or not. 2. To consider the general environment that is conducive to functioning or not	21
2	Performance of specific duties of the Audit Committee	1. As a guideline for considering the performance of duties of the Audit Committee in the past year, has performed duties within the scope of responsibilities in its entirety or not.	73
<b>Total</b>			<b>94</b>

The results of the performance evaluation of the Audit Committee for the year 2022 can be summarized as follows:

Section	Evaluation Topic	Topic amount (Evaluation result) Section 1				Topic amount (Evaluation result) Section 2				Remark
		Yes	No	Adequate	Inadequate	Done	unsure	did not do	During the year there were no such cases.	
1	The overall performance of the Audit Committee	10	1*	10	-					* No. 9: There is no set period of time for the Audit Committee to hold the position continuously.
2	Performance of specific duties of the Audit Committee					65	-	1**	7	**No. 2.10: Provide an evaluation of the quality of the audit work by an independent external evaluator every 5 years
<b>Total</b>		<b>10</b>	<b>1</b>	<b>10</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>1</b>	<b>7</b>	

### **Nomination and Remuneration Committee**

The committee evaluates performance (Group and Individual) at least once a year in order for the committee to consider the results and improve further.

Section	Evaluation Topic	Group		Individual	
		Topic amount	Score (%)	Topic amount	Score (%)
1	Committee structure and qualifications	4	75	3	75
2	Roles, duties and responsibilities of the Board of Committee	2	75	2	75
	➤ Recruiting	3	75	3	75
	➤ Remuneration				
3	Committee meeting	5	75	5	75
4	Duties of the Committee	4	75	4	75
5	Relationship with management	3	75	3	75
6	The Committee self-improvement	5	75	5	75
<b>Total</b>		<b>26</b>	<b>75</b>	<b>25</b>	<b>75</b>

Score range:

Score range (%)	Meaning
100	The performance of duties of the Committee is at the level of "Excellent".
75 - 99	The performance of duties of the Committee is at the level of "Good".
50 - 74	The performance of duties of the Committee is at the level of "Reasonable".
25 - 49	The performance of duties of the Committee is at the level of "negligible".
Less than 25	The performance of duties of the Committee is at the level of "No action".

Remarks: The evaluation form was prepared with reference to the evaluation form of the Department of Good Governance for Capital Market Development the Stock Exchange of Thailand as of February 2015

The results of the performance evaluation of the Nomination and Remuneration Committee for the year 2022 can be summarized as follows:



**The Corporate Governance Committee**

The committee evaluates performance (Group and Individual) at least once a year in order for the committee to consider the results and improve further.

Section	Evaluation Topic	Group		Individual	
		Topic amount	Score (%)	Topic amount	Score (%)
1	The committee structure and qualifications	5	75	2	75
2	Roles, duties and responsibilities of the Board of the committee	4	75	5	75
3	The committee meeting	6	75	4	75
<b>Total</b>		<b>15</b>	<b>75</b>	<b>11</b>	<b>75</b>



Score range:

Score range (%)	Meaning
100	The performance of duties of the Committee is at the level of "Excellent".
$75 \geq X < 100$	The performance of duties of the Committee is at the level of "Good".
$50 \geq X < 75$	The performance of duties of the Committee is at the level of "Reasonable".
$25 \geq X < 50$	The performance of duties of the Committee is at the level of "negligible".
$< 25$	The performance of duties of the Committee is at the level of "No action".

Remarks: The evaluation form was prepared with reference to the evaluation form of the Department of Good Governance for Capital Market Development the Stock Exchange of Thailand as of February 2015

The results of the performance evaluation of the Corporate Governance Committee for the year 2022 can be summarized as follows:



### Risk Management Committee

The committee evaluates performance (Group and Individual) at least once a year in order for the committee to consider the results and improve further.

Section	Evaluation Topic	Group		Individual	
		Topic amount	Score (%)	Topic amount	Score (%)
1	The committee structure and qualifications	2	75	1	75
2	Roles, duties and responsibilities of the Board of the committee	5	75	4	75
3	The committee meeting	5	75	4	75
<b>Total</b>		<b>12</b>	<b>75</b>	<b>9</b>	<b>75</b>

Score range:

Score range (%)	Meaning
100	The performance of duties of the Committee is at the level of "Excellent".
$75 \geq X < 100$	The performance of duties of the Committee is at the level of "Good".
$50 \geq X < 75$	The performance of duties of the Committee is at the level of "Reasonable".
$25 \geq X < 50$	The performance of duties of the Committee is at the level of "negligible".
$< 25$	The performance of duties of the Committee is at the level of "No action".

Remarks: The evaluation form was prepared with reference to the evaluation form of the Department of Good Governance for Capital Market Development the Stock Exchange of Thailand as of February 2015

The results of the performance evaluation of the Risk Management Committee for the year 2022 can be summarized as follows:

**Group**



91.93%

In a criteria of "Good"

**Individual**



92.71%

In a criteria of "Good"

**Evaluation of the Chief Executive Officer's performance**

The director conducts an evaluation of the Chief Executive Officer (CEO) at least once a year in order to continually improve the efficiency of the performance.

Section	Evaluation Topic	Full score (%)	2022 Result (%)
1	Leadership	10	9.55
2	Strategy	10	9.47
3	Strategy implementation	10	9.32
4	Financial Planning and Performance	10	8.79
5	Relationship with the directors	10	8.79
6	Relationship with outside	10	8.33
7	Management and personnel relations	10	7.73
8	Succession	10	6.82
9	Product and service knowledge	10	7.88
10	Personal feature	10	7.58
<b>Total</b>		<b>100</b>	<b>84.24</b>

Score range:

Score range (%)	Meaning
90 - 100	The performance of duties of the Chief Executive Officer is at the level of "Excellent".
$80 \geq X < 90$	The performance of duties of the Chief Executive Officer is at the level of "Very good".
$70 \geq X < 80$	The performance of duties of the Chief Executive Officer is at the level of "Good".
$60 \geq X < 70$	The performance of duties of the Chief Executive Officer is at the level of "Reasonable".
$50 \geq X < 60$	The performance of duties of the Chief Executive Officer is at the level of "Pass".
$< 50$	The performance of duties of the Chief Executive Officer is at the level of "Needs improvement".

## 9. Internal control and connected transactions

### 9.1 Internal control

#### Opinion of the Board of Directors and the Audit Committee

In 2022, the Audit Committee jointly assessed the adequacy of the internal control system. In Meeting No.1/2023 held on November 22, 2022, 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 re-certificated is a member of the Thai Private Sector Collective Action Coalition against Corruption (Collective Anti-Corruption: CAC) 2nd on September 30, 2022. The certification will be valid for 3 years from the date of guarantee. The company requires assessment of corruption risks in the Company and compliance review of the anticorruption policy by formulating an audit plan for the implementation of the AntiCorruption and Corruption Policy in 2022 by the Internal Audit Department. 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 be aware and commit to have an effective risk management process because organizational risk management is one of the most important processes and tools to support and promote the company achieve objectives and business goals including added value and sustainable long-term growth by all 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. From the Coronavirus (Covid-19) outbreak that has a pandemic throughout the world including Thailand which had a significant impact on business operations. The Audit Committee has considered the management to assess risks, impacts, expenses incurred from the spread of the Coronavirus (Covid-19) 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's the management's duty to stipulate operating regulations in writing so as to develop operational control system, IT-based control mechanics and compliance with the laws relating to business operations 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 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 individuals, the Company requires that directors and executives must strictly comply with relevant laws. In this regard, it must determine whether such transactions are reasonable or normal for the business and provide maximum benefits to the Company and shareholders.

For transparency, these stakeholders do not have voting rights, and information disclosure conforms to the legal provision without causing conflicts of interest.

### 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 of 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 a process of external communication and extra or undisclosed channel for whistleblowing from outside an organization securely.

According to the "Personal Data Protection Act 2019" on June 1, 2022, the company is very aware of the importance of complying with the law. Therefore provide training by external speakers (Legal advisor) to executives to be informed about the Personal Data Act on June 17, 2022 with the objective of providing knowledge about the content and important regulations of the Personal Data Protection Act and communicate such information as well as announcing the company's personal data protection policy notify employees in the organization via email. There is also a review and measurement of understanding of the Personal Data Protection Act by organizing activities for employees to answer questions with prizes to make all parties aware of the importance of protecting personal information of employees, customers and stakeholders that have collected, used, disclosed and transferred information.

## 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 2022, the Board of Directors convened 4 times. This year the Audit Committee required regular compliance audits of the internal control system by emphasizing the audit to cover the operational process that has significant risks and internal auditors were required to report audit results directly to the Audit Committee to ensure that internal auditors could work independently.

### Compliance Unit

In 2021, communication sessions on laws and regulations as well as compliance behaviors and practices were organized e.g. internal emails. The company personnel has also been promoted to adhere to laws and regulations, corporate governance, and business ethics through the company's website, which is to communicate key messages from top management as food for thought or direction via email to promote compliance culture from top management. In addition, non-compliance management has been implemented by showcasing non-compliance incidents (if any) to find prevention and reduce repeating cases in the

future. Whistleblowing has also been continuously communicated by announcing via public relations board requesting and supporting employees not to bear with fraud or non-compliance. Whistleblowing channels have been promoted. These compliance efforts are intended to nurture compliance values and culture and to enhance understanding of legal and compliance issues concerning individual job responsibilities and the awareness of consequences of non-compliance. Thanks to correct work practices and strict adherence to legal and regulatory compliance of all, the company can rest assured that all operations and businesses are uninterrupted by legal risks while striving to become a sustainable zero non-compliance organization.

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 the year 2022, no significant shortcomings were found. Therefore, it is deemed that the internal control system is stringent enough, and the Company has 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.



## 9.2 Connected Transactions

### Type of Connected Transactions

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
1. Summit Auto Body Industry Co., Ltd. (SAB)	1) Revenue from sales of products and services - Sales of finished products, types of front brake cables.	1.28	1.32	- It is a transaction of the sale of products normally occurring at a price that gives gross profit at a rate similar to the gross profit margin that the company received from selling the same product to another person who is not related to the company.	1) Common shareholder is Jurangkool Group holded 89%.  2) Common directors are Mr. Sunsum Jurangkool, Mr. Thaveechat Jurangkool and Mr. Nuttapol Jurangkool.
	2) Account receivable - Outstanding balance from sales of products and services	0.35	0.34	- Determine the normal trade credit term given to general account receivables.	
2. Summit Auto Seats Industry Co., Ltd. (SAS)	1) Revenue from sales of products and services - Sales of finished products such as accelerator cables, brake cables, hood opening cables, oil tank cover and seat adjustment straps for automobiles.	0.03	0.04	- It is a transaction of the sale of products normally occurring at a price that gives gross profit at a rate similar to the gross profit margin that the company received from selling the same product to another person who is not related to the company.	1) Common shareholder is Jurangkool Group holded 100%.  2) Common directors are Mr. Sunsum Jurangkool and Mr. Thaveechat Jurangkool.

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
	2) Account receivable - Outstanding balance from sales of products and services	-	-	- Determine the normal trade credit term given to general account receivables.	
3. Summit Otsuka Manufacturing Co., Ltd. (SOM)	1) Revenue from sales of products and services - Sales steel parts to be used in the assembly of control cables for automobiles and motorcycles.	15.48	9.82	- It is a transaction of the sale of products normally occurring at a price that gives gross profit at a rate similar to the gross profit margin that the company received from selling the same product to another person who is not related to the company.	1) Common directors are Mr. Sunsurin Jurangkool and Mr. Thaveechat Jurangkool.
	2) Account receivable - Outstanding balance from sales of products and services	2.83	0.55	- Determine the normal trade credit term given to general account receivables.	
	3) Cost of purchasing products and services - Purchase parts and raw materials to be used in the assembly of automobile and motorcycle control cables.	0.03	0.02	- It is a regular purchase of a product as any purchase from another partner by calculating the price according to the market price and comparing prices with other sellers of products and services that	

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
	4) Accounts payable - Outstanding balance from purchases of products and services	-	0.003	exist in Thailand and consider choosing the lowest bidder.  - The term of commercial credit is in accordance with the norms received from general accounts payable.	
4. Complete Auto Parts Co.,Ltd. (CAPCO)	1) Cost of purchasing products and services - Purchase of plastic, iron, zinc parts to be used in the assembly of control cables for automobiles and motorcycles.  2) Accounts Payable - Outstanding balance from purchases of products and services.	37.58  7.66	47.60  17.29	- It is a regular purchase of a product, just like any purchase from another partner by calculating the price according to the market price and comparing prices with other sellers of products and services that exist in Thailand and consider choosing the lowest bidder.  - The term of trade credit is in accordance with the standard received from general accounts payable.	1) Common shareholder is Jurangkool Group holded 43%.  2) Common directors are Mr. Sunsum Jurangkool, Mr. Thaveechat Jurangkool and Mr. Sarit Patanatmarueng.

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
	3) Asset payable - Outstanding balance from the purchase of molds	0.37	0.14	- The term of trade credit is in accordance with the standard received from general accounts payable.	
	4) Asset purchase - Purchase molds to produce parts	0.55	4.32	- It is an order to make mold for parts production which happens with other partners.	
5. Complete Auto Rubber Manufacturing Co., Ltd. (CAR)	1) Cost of purchasing products and services - Purchase rubber parts to be used in the assembly of control cables for automobiles and motorcycles.	52.50	63.92	- It is a regular purchase of a product, just like any purchase from another partner by calculating the price according to the market price and comparing prices with other sellers of products and services that exist in Thailand and consider choosing lowest bidder.	1) Common shareholder is Jurangkool Group holded 45.45%.
	2) Accounts Payable - Outstanding balance from purchases of products and services	9.87	13.28	- The term of trade credit is in accordance with the standard received from general accounts payable.	2) Common directors are Mr. Sunsum Jurangkool, Mr. Thaveechat Jurangkool, Mr. Sarit Patanatmarueng and Mr. Santi Patanatmarueng.

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
	3) Asset payable - Outstanding balance from the purchase of molds	0.26	0.30	- The term of trade credit is in accordance with the standard received from general accounts payable.	
	4) Asset purchase - Purchase molds to produce parts	2.59	2.34	- It is an order to make mold for parts production which happens with other partners.	
6. Adient & Summit Corporation Ltd. (JSI-METAL)	1) Revenue from sales of products and services - Sales of finished products of the type of seat adjustment cables for automobiles.	30.05	35.73	- It is a transaction of the sale of products normally occurring at a price that gives gross profit at a rate similar to the gross profit margin that the company received from selling the same product to another person who is not related to the company.	1) Common director is Mr. Sunsum Jurangkool.
	2) Account receivable - Outstanding balance from sales of products and services	7.69	11.79	- Determine the period of commercial credit in accordance with the general trade standard.	
7. Summit Ansei Auto Parts Co., Ltd. (SAA)	1) Revenue from sales of products and services - Sales steel parts to be used in the assembly of	33.02	32.28	- It is a transaction of the sale of products normally occurring at a price that gives gross profit at a rate	1) Common director is Mr. Sunsum Jurangkool.

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
	control cables for automobiles and motorcycles.			similar to the gross profit margin that the company received from selling the same product to another person who is not related to the company.	
	2) Account receivable - Outstanding balance from sales of products and services	5.46	5.27	- Determine the normal trade credit term given to general account receivables.	
8. Summit Chugoku Seira Co., Ltd. (SCS)	1) Cost of purchasing products and services - Purchase parts and raw materials to be used in the assembly of automobile and motorcycle control cables.	38.14	37.31	- It is a purchase of a component that cannot be manufactured in Thailand or the production volume is not worth self producing or unable to procure raw materials from within Thailand, if there are other sellers in Thailand as well the company has compared the prices and considered the lowest bidder.	1) Common directors are Mr. Sunsurin Jurangkool, Mr. Thaveechat Jurangkool, Mr. Sarit Patanatmarueng and Mr. Santi Patanatmarueng

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
	2) Accounts Payable - Outstanding balance from purchases of products and services	9.58	10.01	- The term of trade credit is in accordance with the standard received from general accounts payable.	
9. HI-LEX Corporation	1) Revenue from sales of products and services - Sale of finished products such as seat adjustment cables, brake cables and accelerator cables for automobiles.	6.99	7.82	- It is a transaction of the sale of products normally occurring at a price that gives gross profit at a rate similar to the gross profit margin that the company received from selling the same product to another person who is not related to the company.	1) Common shareholder is HI-LEX held 26.94% of company's paid-up capital.  2) Mr. Taro Teraura who is the Chairman and also holds a position as a director of the company.
	2) Account receivable - Outstanding balance from sales of products and services	1.28	2.06	- Determine the normal trade credit term given to general account receivables.	



Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
	3) Cost of purchasing products and services - Purchase parts and raw materials to be used in the assembly of automobiles and motorcycle control cable	182.07	174.88	- It is a purchase of a component that cannot be manufactured in Thailand or the production volume is not worth self producing or unable to procure raw materials from within Thailand, if there are other sellers in Thailand as well the company has compared the prices and considered the lowest bidder.	
	4) Other expenses - Fees for receiving technical assistance for the manufacture of automobile and motorcycle control cables and window regulator.	17.31	12.89	- In accordance with the rates and conditions as stipulated in the contract which are similar to the rates and conditions in the same type of contracts with other persons who are not related to the company.	
	5) Accounts Payable - Outstanding balance from purchases of products and services	31.07	24.15	- The term of trade credit is in accordance with the standard received from general accounts payable.	

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
	6) Other creditors - Fees for receiving technical assistance for the manufacture of automobile and motorcycle control cables and window regulator that all control cables are used for.  7) Product claim income - Income from claims for finished products in the category of seat adjustment cables, brake cables and accelerator cables for automobiles	3.80	4.93	- Determine the credit term for payment of fees in accordance with the terms of the contract which is in the same criteria as the conditions in the same type of contract that the company does with other persons who are not related to the company.  - It is an item from a product claim.	
10. HI-LEX Vietnam Co., Ltd.	1) Revenue from sales of products and services - Sales of steel and rubber parts to be used in the assembly of motorcycle control cables	6.04	6.02	- It is a transaction of the sale of products normally occurring at a price that gives gross profit at a rate similar to the gross profit margin that the company received from selling the same product to another	1) It is a related company. The company held 6.28% of the paid-up capital.  2) Common director is Mr. Taro Teraura.

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
				person who is not related to the company.	
	2) Account receivable - Outstanding balance from sales of products and service	1.13	1.45	- Determine the normal trade credit term given to general account receivables	
	3) Accounts Payable - Outstanding balance from purchases of products and services	10.11	12.77	- The term of trade credit is in accordance with the standard received from general accounts payable.	
	4) Cost of purchasing products and services - Purchase parts and raw materials to be used in the assembly of automobile and motorcycle control cable	57.77	69.06	- It is a purchase of a component that cannot be manufactured in Thailand or the production volume is not worth self producing or unable to procure raw materials from within Thailand, if there are other sellers in Thailand as well the company has compared the prices and considered the lowest bidder.	

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
11. PT. HI-LEX Indonesia	1) Revenue from sales of products and services - Sales steel parts to be used in the assembly of control cables for automobiles and motorcycles.	6.93	3.66	- It is a transaction of the sale of products normally occurring at a price that gives gross profit at a rate similar to the gross profit margin that the company received from selling the same product to another person who is not related to the company.	1) Common director is Mr. Taro Teraura.
	2) Account receivable - Outstanding balance from sales of products and services	1.94	1.06	- Determine the normal trade credit term given to general account receivables.	
	3) Cost of purchasing products and services - Purchase parts and raw materials to be used in the assembly of automobiles and motorcycle control cable.	-	-	- It is a purchase of a component that cannot be manufactured in Thailand or the production volume is not worth self producing or unable to procure raw materials from within Thailand.	
12. TSK Korea	1) Cost of purchasing products and services - Purchase of gear cable type steel parts to be	8.62	7.10	- It is a regular purchase of a product, just like any purchase from another partner by comparing	1) Common director is Mr. Taro Teraura.

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
	used in the assembly of automobiles and motorcycle control cables.			prices with other sellers of products and services in the country (if any) and determining who offers the lowest price.	
	2) Accounts Payable - Outstanding balance from purchases of products and services	1.56	1.65	- The term of trade credit is in accordance with the standard received from general accounts payable.	
	3) Revenue from sales of products and services - Sales of steel and rubber parts to be used in the assembly of automobiles control cables and window regulator.	0.03	-	- It is a transaction of the sale of products normally occurring at a price that gives gross profit at a rate similar to the gross profit margin that the company received from selling the same product to another person who is not related to the company.	

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
13. Yantai TSK Cable System	1) Cost of purchasing products and services - Purchase of gear cable type steel parts to be used in the assembly of automobile and motorcycle control cables.	0.28	1.47	- It is a regular purchase of a product, just like any purchase from another partner by comparing prices with other sellers of products and services in the country (if any) and determining who offers the lowest price.	1) Common director is Mr. Taro Teraura.
	2) Accounts Payable - Outstanding balance from purchases of products and services	0.12	1.31	- The term of trade credit is in accordance with the standard received from general accounts payable.	
	3) Other accounts receivable - Claims of import expenses, taxes and duties	-	-	- Determine the normal trade credit term given to general account receivables.	
14. HI-Lex America	1) Purchase product - Purchase parts to use with machines and equipment.	0.27	0.22	- It is a purchase item for repairing machinery and equipment.	1) Common director is Mr. Taro Teraura.

Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
15. Hi-Lex Mexicana S.A de C.V.	1) Revenue from sales of products and services - Sale steel parts, type of accelerator cable to be used in the assembly of automobiles and motorcycle control cables.	8.44	7.79	- It is a transaction of the sale of products normally occurring at a price that gives gross profit at a rate similar to the gross profit margin that the company received from selling the same product to another person who is not related to the company.	1) Common director is Mr. Taro Teraura.
	2) Account receivable - Outstanding balance from sales of products and services	2.63	3.93	- Determine the normal trade credit term given to general account receivables.	
16. HILEX Controls, Inc.)	1) Cost of purchasing products and services - Purchase of gear type steel parts to be used in the assembly of control cables for automobiles and motorcycles.	1.09	0.91	- It is a regular purchase of a product as any purchase from another partner by comparing prices with other sellers of products and services in the country (if any) and determining who offers the lowest price.	1) Common director is Mr. Taro Teraura.
	2) Accounts Payable - Outstanding balance from purchases of products and services	0.49	0.01	- The term of commercial credit is in accordance with the norms received from general accounts	



Related companies	Principal Transactions	Size (Million Baht)		Price conditions/ Rationale for the transactions	Relationship with the company
		2021	2022		
				payable.	
17. Summit Steering wheel Co.,Ltd. (SSW)	1) Cost of purchasing products and services - Purchase parts and raw materials to be used in the assembly of automotive steering systems and equipment	-	1.19	- It is a regular product sales transaction. The selling price is the price that gives the gross profit at a rate similar to the gross profit margin that the Company received from selling the same product to other persons who are not related to the Company.	1) Common directors are Mr. Sunsurin Jurangkool, Mr. Thaveechat Jurangkool and Mr. Santi Patanatmarueng
	2) Accounts Payable - Outstanding balance from purchases of products and services	-	0.74	- Determine the period of trade credit in accordance with the general trade standard.	
	3) Purchase assets - Purchase molds to produce parts	-	0.96	- It is an order to make mold for parts production which happens with other partners.	

**Noted: can view historical data to compare 3 years on the company's website.**  
**([https://www.tscpcl.com/th/56-1 One Report](https://www.tscpcl.com/th/56-1%20One%20Report))**

### **Necessity and Reasonableness of Connected Transactions**

The Audit Committee has considered the related transactions and has the opinion that the product purchase and sale and services transaction, including asset purchase transactions. It is a normal transaction of the company and is reasonable and necessary for the Company's business operations. The Company considers the best interests of the Company and shareholders as a whole.

The conditions of connected transactions will be determined in accordance with the general trading conditions and the price is in accordance with the competitive mechanism or a reasonable price and the conditions are not different from transactions with third parties (Fair and at arm's length).

### **Measures or procedures for approving connected transactions**

The connected transactions must be based on necessity, reasonable and adhere to the same practices as making transactions with the third parties. In case that there is a connected transaction of the company or the company with persons who may have conflicts of interest have stake or there may be a conflict of interest in the future, the Audit Committee will give opinions on the necessity of entering into the transaction and the appropriateness of the transaction's price by considering various conditions to be in accordance with the normal business operations in the industry and is compared with third party prices or market prices. In case of important connected transactions, the company will arrange for it to be approved by the Audit Committee and Board of Directors including shareholder meetings as the case.

However, if the Audit Committee does not have expertise in considering connected transactions that may occur, the company will provide independent experts to give opinions on the connected transactions to be used in the decision of the Board of Directors, Audit Committee or shareholders as the case. The stakeholder directors will not have the right to vote. In addition, connected transactions will be disclosed in the notes to the audited financial statements or reviewed by the auditor of the company.

### **Policy or trend of connected transactions in the future**

In the future, the company needs to make connected transactions. The company will comply with the law on securities and exchange and regulations, notifications, orders or regulations of the Stock Exchange of Thailand as well as in accordance with accounting standards of the disclosure of individuals information or related parties which is determined by the Federation of Accounting Professions under royal patronage including compliance with the disclosure requirements of connected transactions and acquisition or disposition.

In the case of entering into normal related transactions such as hiring for parts production, purchasing products and raw materials and product sales are the transactions that occur continuously in the future. The company has set the rules and guidelines for practice in accordance with the general trading with reference to the appropriate price and conditions to be fair, reasonable and able to compare with the market price used with general customers and can be examined in accordance with the rules of transactions that are considered normal transactions. The audit committee has determined that there will be an audit of connected transactions by hiring an internal audit expert to verify that they have complied with the company's regulations and in accordance with the regulations of the Stock Exchange of Thailand.

However, if there are connected transactions that are not within the normal range of the above mentioned transactions, the company will comply with the law on securities and stock exchange and regulations, orders or regulations of the Stock Exchange of Thailand including compliance with the disclosure requirements of connected transactions and the acquisition or disposition of the company's assets and disclose connected transactions in the notes to the financial statements which have been audited by the company's auditors and has been reviewed by the Audit Committee.

However, if there is any connected transaction with a related person having a stake or there may be a conflict of interest in the future, they will arrange for the Audit Committee to give opinions on the appropriateness of that transaction. In the case that the Audit Committee does not have expertise in considering connected transactions, the company will arrange a person with knowledge, specialty such as independent property appraisers is the person who gives opinions on connected transactions by the opinion of the Audit Committee or a person with knowledge, specialty will use for the decision of the Board of Directors or shareholders depending on the case, to ensure that entering into such a transaction will not be a transfer or transfer benefits between companies or shareholders of the company but it is a transaction that the company takes into account the best interests of all shareholders.

### **Vested Interest Policy**

The company requires the 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 approved this form of report.
2. Inform every change within 15 days from the date of change.
3. The company secretary 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 Stakeholders Conduct**

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 in the corporate governance handbook.

### **Press releases to the media/newsletters presenting financial statement**

In 2022, the company published a newsletter presenting the Company's financial statement for publication in Than Hoon newspaper, issue dated November 23, 2022.

## **Part 3: Financial statement**

## 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 an 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, 2022. The Company has complied with generally accepted accounting principles and also complied with the relevant Laws and regulations.



(Sarit Patanatmarueng)  
Managing Director



(Sunsum Jurangkool)  
Chairman of the Board of Directors

## **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 2022, 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 2022, 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 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 the matter 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 are 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 comprises 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 the matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter 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.

I am responsible the audit resulting in this independent auditor's report.

Kunlapee Piyawannasuth

**Certified Public Accountant (Thailand) No. 6137**

EY Office Limited

Bangkok: 22 November 2022

## Financial

### Thai Steel Cable Public Company Limited

#### Statement of financial position

As at 30 September 2022

(Unit: Baht)

	Note	2022	2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	197,930,209	177,518,095
Trade and other receivables	8	550,780,244	427,821,088
Inventories	9	203,191,260	195,523,678
Other current financial assets	10	296,166,694	358,638,151
Other current assets		12,782,691	18,083,599
<b>Total current assets</b>		<b>1,260,851,098</b>	<b>1,177,584,611</b>
<b>Non-current assets</b>			
Investment in equity instrument of a non-listed company	11	35,739,712	40,240,754
Investment properties	12	116,817,909	118,755,447
Property, plant and equipment	13	895,068,296	931,106,987
Intangible assets	14	13,687,198	6,786,031
Deferred tax assets	23	8,667,831	8,497,442
Other non-current assets		49,278,410	37,438,269
<b>Total non-current assets</b>		<b>1,119,259,356</b>	<b>1,142,824,930</b>
<b>Total assets</b>		<b>2,380,110,454</b>	<b>2,320,409,541</b>

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 2022**

(Unit: Baht)

	Note	2022	2021
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loan from a bank	15	100,000,000	100,000,000
Trade and other payables	16	581,998,198	476,461,262
Current portion of lease liabilities	17	2,212,553	2,262,508
Income tax payable		5,886,635	4,059,299
Other current liabilities		14,727,849	15,548,494
<b>Total current liabilities</b>		<b>704,825,235</b>	<b>598,331,563</b>
<b>Non-current liabilities</b>			
Lease liabilities - net of current portion	17	3,179,309	3,032,032
Provision for long-term employee benefits	18	49,988,261	50,625,065
Provision for product warranty	19	73,977,535	73,233,522
Deferred tax liability	23	2,007,142	2,907,351
Other non-current liabilities		519,600	999,600
<b>Total non-current liabilities</b>		<b>129,671,847</b>	<b>130,797,570</b>
<b>Total liabilities</b>		<b>834,497,082</b>	<b>729,129,133</b>

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 2022**

(Unit: Baht)

	Note	2022	2021
<b>Shareholders' equity</b>			
Share capital			
Registered			
268,500,000 ordinary shares of Baht 1 each		268,500,000	268,500,000
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	20	26,850,000	26,850,000
Unappropriated		786,064,617	828,130,820
Other components of shareholders' equity		8,028,570	11,629,403
<b>Total shareholders' equity</b>		<b>1,545,613,372</b>	<b>1,591,280,408</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,380,110,454</b>	<b>2,320,409,541</b>
		-	-

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 2022**

	Note	2022	(Unit: Baht) 2021
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales	21	2,644,336,329	2,602,510,377
Other income			
Compensation from import duty	29.5	36,769,949	217,651
Others		21,391,099	10,385,164
<b>Total revenues</b>		<u>2,702,497,377</u>	<u>2,613,113,192</u>
<b>Expenses</b>			
Cost of sales		2,243,734,415	2,124,354,009
Selling and distribution expenses		38,272,046	39,477,734
Administrative expenses		205,320,855	211,874,127
<b>Total expenses</b>		<u>2,487,327,316</u>	<u>2,375,705,870</u>
<b>Profit from operating activities</b>		215,170,061	237,407,322
Finance income		2,176,008	3,047,330
Finance cost		(1,275,786)	(1,574,597)
<b>Profit before income tax expenses</b>		216,070,283	238,880,055
Income tax expenses	23	(7,462,108)	(1,774,590)
<b>Profit for the year</b>		<u>208,608,175</u>	<u>237,105,465</u>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax	11, 23	(3,600,833)	2,028,175
Actuarial gain - net of income tax	18, 23	9,119,422	2,943,289
<b>Other comprehensive income for the year</b>		<u>5,518,589</u>	<u>4,971,464</u>
<b>Total comprehensive income for the year</b>		<u>214,126,764</u>	<u>242,076,929</u>
<b>Earnings per share</b>	25		
Basic earnings per share			
Profit attributable to equity holders of the Company		0.80	0.91
Weighted average number of ordinary shares (shares)		259,800,000	259,800,000

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 2022**

(Unit: Baht)

	2022	2021
<b>Cash flows from operating activities</b>		
Profit before tax	216,070,283	238,880,055
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	111,073,233	119,146,568
Reduction of inventory to net realisable value (reversal)	(2,091,914)	1,687,633
Gain on disposal/write-off of equipment	(260,040)	(163,274)
Write-off of import duty refundable	6,441,792	-
Provisions	1,553,310	35,241,193
Provision for long-term employee benefits	8,715,905	6,983,801
Unrealised gain on exchange	(3,403,829)	(400,374)
Finance income	(2,176,008)	(3,047,330)
Finance cost	1,275,786	1,574,597
Profit from operating activities before changes in operating assets and liabilities	337,198,518	399,902,869
Operating assets (increase) decrease		
Trade and other receivables	(121,915,610)	(46,956,889)
Inventories	(5,575,668)	(49,497,801)
Other current assets	(1,140,884)	2,902,005
Other non-current assets	(35,239,152)	(21,275,533)
Operating liabilities increase (decrease)		
Trade and other payables	100,842,400	69,569,264
Other current liabilities	(820,645)	3,671,448
Other non-current liabilities	(480,000)	(473,400)
Cash flows from operating activities	272,868,959	357,841,963
Cash paid for provision for product warranty	(809,297)	(1,099,192)
Cash paid for interest expenses	(1,272,772)	(1,574,597)
Cash paid for income tax	(6,038,448)	(5,893,503)
<b>Net cash flows from operating activities</b>	<b>264,748,442</b>	<b>349,274,671</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 2022**

(Unit: Baht)

	2022	2021
<b>Cash flows from investing activities</b>		
Decrease (increase) in other current financial assets	62,471,457	(343,638,151)
Cash paid for purchase of equipment	(60,127,827)	(67,858,263)
Cash paid for purchase of intangible assets	(9,137,705)	-
Proceeds from sales of equipment	21,236,480	310,692
Interest received	3,468,106	797,931
<b>Net cash flows from (used in) investing activities</b>	<b>17,910,511</b>	<b>(410,387,791)</b>
<b>Cash flows from financing activities</b>		
Payment of principal portion of lease liabilities	(2,453,039)	(3,401,093)
Dividend paid	(259,793,800)	(233,819,800)
<b>Net cash flows used in financing activities</b>	<b>(262,246,839)</b>	<b>(237,220,893)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>20,412,114</b>	<b>(298,334,013)</b>
Cash and cash equivalents at beginning of year	177,518,095	475,852,108
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>197,930,209</b>	<b>177,518,095</b>
	-	-
<b>Supplemental cash flows information</b>		
Increase in other payables from purchase of equipment	5,759,707	1,859,316
Transfer other non-current assets to equipment	23,399,011	14,086,000
Equipment increased from lease liabilities	2,550,361	137,588

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 2022

(Unit: Baht)

	Issued and paid-up	Share premium	Retained earnings		Other component of shareholders' equity	Total
	share capital		Appropriated -	Unappropriated	Other comprehensive income - Fair value reserve	shareholders' equity
<b>Balance as at 1 October 2020</b>	259,800,000	464,870,185	26,850,000	821,901,866	9,601,228	1,583,023,279
Profit for the year	-	-	-	237,105,465	-	237,105,465
Other comprehensive income for the year	-	-	-	2,943,289	2,028,175	4,971,464
Total comprehensive income for the year	-	-	-	240,048,754	2,028,175	242,076,929
Dividend paid (Note 28)	-	-	-	(233,819,800)	-	(233,819,800)
<b>Balance as at 30 September 2021</b>	<u>259,800,000</u>	<u>464,870,185</u>	<u>26,850,000</u>	<u>828,130,820</u>	<u>11,629,403</u>	<u>1,591,280,408</u>
<b>Balance as at 1 October 2021</b>	259,800,000	464,870,185	26,850,000	828,130,820	11,629,403	1,591,280,408
Profit for the year	-	-	-	208,608,175	-	208,608,175
Other comprehensive income for the year	-	-	-	9,119,422	(3,600,833)	5,518,589
Total comprehensive income for the year	-	-	-	217,727,597	(3,600,833)	214,126,764
Dividend paid (Note 28)	-	-	-	(259,793,800)	-	(259,793,800)
<b>Balance as at 30 September 2022</b>	<u>259,800,000</u>	<u>464,870,185</u>	<u>26,850,000</u>	<u>786,064,617</u>	<u>8,028,570</u>	<u>1,545,613,372</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 2022

#### 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 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, 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

##### 3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company believes that the adoption of these amendments will not have any significant impact on the Company's financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

#### **Sales of goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable after deducting any consideration payable to customers, excluding value added tax.

#### **Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

#### **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 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 raw material costs, labour 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.

## 4.4 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.

## 4.5 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 - 25 years
Machinery and factory equipment	- 3 - 20 years

Tools	- 1 - 20 years
Molds	- 1 - 10 years
Motor vehicles	- 10 years
Furniture, fixtures and office equipment	- 3 - 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.

#### **4.6 Intangible assets**

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

Intangible assets with finite lives are amortised on the straight-line 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:

Computer software	- 3 - 10 years
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No amortisation is provided on computer software under installation.

#### **4.7 Leases**

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The Company as a lessee**

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### *Right-of-use assets*

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Office equipment	- 5 years
Motor vehicles	- 1 - 5 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right of use are presented as property, plant and equipment in the financial position.

### *Lease liabilities*

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### *Short-term leases and leases of low-value assets*



A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

#### **4.8 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 associates and individuals or enterprises 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.

#### **4.9 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.

#### **4.10 Impairment of non-financial assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties 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.

#### **4.11 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 benefits*

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income and actuarial gains and losses arising from other long-term benefit are recognised in profit and loss.

#### **4.12 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.

#### **4.13 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.

#### **4.14 Financial instruments**

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial

recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

#### *Financial assets at amortised cost*

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### *Financial assets designated at FVOCI (equity instruments)*

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has

neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **4.15 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:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - 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:

### **Reduction of inventory cost to net realisable value**

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount of the inventories are expected to realise. These estimates take into consideration fluctuations of selling price directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates the expected loss from obsolete and slow-moving inventories based upon aging profile of inventories and the prevailing economic condition.

### **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.

### **Assurance-type warranty to customers**

The management estimates the warranty expenses for product return and repair of which sales are incurred during the year and are under warranty policy. The estimation is based on past experience and the history of actual claim.

### **Litigation**

The Company has contingent liabilities as a result of litigation. 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.



	2022	2021	(Unit: Million Baht) Transfer Pricing Policy
<u>Transactions with related companies</u>			
Sales of goods	198	159	Cost plus margin
Other income	3	10	Cost plus margin
Purchases of raw materials and finished goods	406	381	Cost plus margin
Purchases of assets	8	3	Agreed upon basis
Royalty fee	18	17	2% on the net sales amount

As at 30 September 2022 and 2021, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	2022	2021
<b>Trade and other receivables - related parties (Note 8)</b>		
<u>Trade receivables - related parties</u>		
Related companies	61,153	35,060
<u>Other receivables - related parties</u>		
Related companies	24	25
<b>Trade and other payables - related parties (Note 16)</b>		
<u>Trade payables - related parties</u>		
Related companies	82,041	70,566
<u>Other payables - related parties</u>		
Related companies	632	1,398
<u>Accrued royalty fee - related party</u>		
Related company	4,909	3,803
<u>Directors and management's benefits</u>		

During the years ended 30 September 2022 and 2021, the Company provided employee benefit expenses to its directors and management as below.

	(Unit: Thousand Baht)	
	2022	2021
Short-term employee benefits	84,256	82,791
Post-employee benefits	5,290	4,131
Total	89,546	86,922

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2022	2021
Cash	306	411
Bank deposits	197,624	177,107
Total	197,930	177,518

As at 30 September 2022 and 2021, bank deposits in savings accounts and fixed deposits carried interest at the rates between 0.05% and 0.25% per annum.

## 8. Trade and other receivables

	(Unit: Thousand Baht)	
	2022	2021
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	52,350	30,828
Past due up to 3 months	8,803	4,232
Total trade receivables - related parties	61,153	35,060
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	483,975	379,727
Past due		
Up to 3 months	3,752	6,615
3 - 6 months	156	124
6 - 12 months	80	4
Over 12 months	2	-
Total trade receivables - unrelated parties	487,965	386,470

	(Unit: Thousand Baht)	
	2022	2021
Total trade receivables - net	549,118	421,530
<u>Other receivables</u>		
Other receivables - related parties	24	25
Other receivables - unrelated parties	1,638	6,266
Total other receivables - net	1,662	6,291
Total trade and other receivables - net	550,780	427,821

The normal credit term is 30 to 60 days.

## 9. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	46,202	42,418	(769)	(553)	45,433	41,865
Work in process	31,884	37,056	(301)	(449)	31,583	36,607
Raw materials	106,662	102,456	(2,724)	(4,884)	103,938	97,572
Goods in transit	17,384	17,133	-	-	17,384	17,133
Spare parts and factory supplies	4,853	2,347	-	-	4,853	2,347
Total	206,985	201,410	(3,794)	(5,886)	203,191	195,524

During the year 2022, the Company reversed the write-down of cost of inventories by Baht 2 million and reduced the amount of inventories recognised as expenses during the year.

During the year 2021, the Company reduced cost of inventories by Baht 2 million, to reflect the net realisable value. This was included in cost of sales.

## 10. Other current financial assets

It represents fixed deposits with banks with an original maturity of more than three months and are not subject to withdrawal restrictions.

## 11. Investment in equity instrument of a non-listed company

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage		Cost	
			2022	2021	2022	2021	2022	2021
					(%)	(%)	(Thousand Baht)	(Thousand Baht)
HI-LEX Vietnam Co., Ltd.	Manufacture automobile parts	Vietnam	VND 211,092 million or equivalent to USD 11.15 million	VND 211,092 million or equivalent to USD 11.15 million	6.28	6.28	40,241	37,705
Add: Gain (loss) on changes in fair value through other comprehensive income							(4,501)	2,536
							35,740	40,241

## 12. Investment properties

The net book value of investment properties as at 30 September 2022 and 2021 are presented below.

(Unit: Thousand Baht)			
	Land and land improvement	Building and building improvement	Total
30 September 2022:			
Cost	93,510	161,877	255,387
Less: Accumulated depreciation	(4,076)	(134,493)	(138,569)
Net book value	89,434	27,384	116,818
30 September 2021:			
Cost	93,510	161,877	255,387
Less: Accumulated depreciation	(4,076)	(132,556)	(136,632)
Net book value	89,434	29,321	118,755

A reconciliation of the net book value of investment properties for the years 2022 and 2021 are presented below.

	(Unit: Thousand Baht)	
	2022	2021
Net book value at beginning of year	118,755	120,784
Depreciation	(1,937)	(2,029)
Net book value at end of year	<u>116,818</u>	<u>118,755</u>

The fair value of investment properties as at 30 September 2022 and 2021 stated below:

	(Unit: Thousand Baht)	
	2022	2021
Land	332,400	332,400
Buildings	68,400	68,400
Total	<u>400,800</u>	<u>400,800</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. Their fair value hierarchy are at Level 2.

### 13. Property, plant and equipment

	(Unit: Thousand Baht)	
	2022	2021
Net book value		
Property, plant and equipment	889,794	926,068
Right-of-use assets (Note 17)	5,274	5,039
Total	<u>895,068</u>	<u>931,107</u>

(Unit: Thousand Baht)

	Land and land improvement	Building and building improvement	Machinery, factory equipment, tools and molds	Motor vehicles	Furniture, fixtures and office equipment	Asset under installation and construction	Total
<b>Cost</b>							
1 October 2020	142,981	627,028	1,329,788	8,748	72,870	79,145	2,260,560
Additions	-	55	6,530	-	1,392	61,806	69,783
Disposals/write-off	-	(885)	(16,440)	-	(826)	-	(18,151)
Transfers in (out)	-	114	36,503	-	1,162	(23,694)	14,085
30 September 2021	142,981	626,312	1,356,381	8,748	74,598	117,257	2,326,277
Additions	-	226	1,602	-	524	63,535	65,887
Disposals/write-off	-	-	(39,722)	-	(14,863)	-	(54,585)
Transfers in (out)	-	51,092	79,104	-	307	(107,104)	23,399
30 September 2022	142,981	677,630	1,397,365	8,748	60,566	73,688	2,360,978
<b>Accumulated depreciation</b>							
1 October 2020	242	226,163	1,018,391	2,269	60,298	-	1,307,363
Depreciation for the year	36	16,562	87,826	1,004	5,357	-	110,785
Depreciation on disposals/ write-off	-	(885)	(16,258)	-	(796)	-	(17,939)
30 September 2021	278	241,840	1,089,959	3,273	64,859	-	1,400,209
Depreciation for the year	36	18,101	80,961	1,004	4,481	-	104,583
Depreciation on disposals/ write-off	-	-	(18,750)	-	(14,858)	-	(33,608)
30 September 2022	314	259,941	1,152,170	4,277	54,482	-	1,471,184
<b>Net book value</b>							
30 September 2021	142,703	384,472	266,422	5,475	9,739	117,257	926,068
30 September 2022	142,667	417,689	245,195	4,471	6,084	73,688	889,794
<b>Depreciation for the year</b>							
2021 (Baht 103 million included in cost of sales, and the remaining balance in selling and administrative expenses)							110,785
2022 (Baht 98 million included in cost of sales, and the remaining balance in selling and administrative expenses)							104,583

As at 30 September 2022, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 735 million (2021: Baht 615 million).

#### 14. Intangible assets

The net book value of intangible assets as at 30 September 2022 and 2021 are presented below.

	(Unit: Thousand Baht)		
	Computer software	Computer software under installation	Total
30 September 2022:			
Cost	88,150	9,047	97,197
Less: Accumulated amortization	(83,510)	-	(83,510)
Net book value	<u>4,640</u>	<u>9,047</u>	<u>13,687</u>
30 September 2021:			
Cost	88,660	-	88,660
Less: Accumulated amortisation	(81,874)	-	(81,874)
Net book value	<u>6,786</u>	<u>-</u>	<u>6,786</u>

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 are presented below.

	(Unit: Thousand Baht)	
	2022	2021
<b>Net book value at beginning of year</b>	6,786	10,201
<b>Additions</b>	9,138	-
<b>Amortisation</b>	(2,237)	(3,415)
<b>Net book value at end of year</b>	<u>13,687</u>	<u>6,786</u>

#### 15. Short-term loan from a bank

	(Unit: Thousand Baht)		
	Interest rate (% per annum)	2022	2021
Promissory note	1.10	<u>100,000</u>	<u>100,000</u>

The short-term loan from a bank is clean and denominated in Baht.



## 16. Trade and other payables

	(Unit: Thousand Baht)	
	2022	2021
Trade payables - related parties	82,041	70,566
Trade payables - unrelated parties	382,753	293,588
Other payables	27,538	20,156
Accrued expenses	89,666	92,151
Total	<u>581,998</u>	<u>476,461</u>

## 17. Leases

### The Company as a lessee

The Company has lease contracts for various items of office equipment and motor vehicles used in its operations. Leases generally have lease terms between 1 - 5 years.

### a) Right-of-use assets

Movement of right-of-use assets for the year ended 30 September 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)		
	Office equipment	Motor vehicles	Total
As at 1 October 2020	-	7,819	7,819
Additions	-	138	138
Depreciation for the year	-	(2,918)	(2,918)
As at 30 September 2021	-	5,039	5,039
Additions	457	2,094	2,551
Depreciation for the year	(54)	(2,262)	(2,316)
As at 30 September 2022	<u>403</u>	<u>4,871</u>	<u>5,274</u>

**b) Lease liabilities**

	(Unit: Thousand Baht)	
	2022	2021
Lease payments	5,799	5,566
Less: Deferred interest expenses	(407)	(271)
Total	5,392	5,295
Less: Portion due within one year	(2,213)	(2,263)
Portion due more than one year	3,179	3,032

Movements of the lease liability account during the years ended 30 September 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)	
	2022	2021
Balance at beginning of year	5,295	8,558
Additions	2,551	138
Accretion of interest	179	273
Repayments	(2,633)	(3,674)
Balance at end of year	5,392	5,295

A maturity analysis of lease payments is disclosed in Note 30.1 to the financial statements under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

	(Unit: Thousand Baht)	
	For the years ended	
	30 September	
	2022	2021
Depreciation expense of right-of-use assets	2,316	2,918
Interest expense on lease liabilities	179	273
Expense relating to short-term leases	393	678
Expense relating to leases of low-value assets	7,973	3,544

**d) Others**

The Company had total cash outflows for leases for the year ended 30 September 2022 of Baht 9 million (2021: Baht 7 million), including the cash outflow related to short-

term lease and leases of low-value assets. Moreover, the Company had non-cash additions to right-of-use assets and lease liabilities of Baht 3 million (2021: Baht 0.1 million).

## 18. Provision for long-term employee benefits

(Unit: Thousand Baht)

	Provision for retirement benefits	Provision for other long-term benefits	Total
<b>Balance as at 1 October 2020</b>	41,253	5,427	46,680
<b>Included in profit or loss:</b>			
<b>Current service cost</b>	6,230	760	6,990
<b>Interest cost</b>	966	70	1,036
<b>Actuarial gain</b>	-	(1,043)	(1,043)
<b>Included in other comprehensive income:</b>			
<b>Actuarial (gain) loss arising from</b>			
<b>Demographic assumptions</b>			
<b>changes</b>	4,078	-	4,078
<b>Financial assumptions changes</b>	(5,079)	-	(5,079)
<b>Experience adjustments</b>	(2,037)	-	(2,037)
<b>Balance as at 30 September 2021</b>	45,411	5,214	50,625
<b>Included in profit or loss:</b>			
<b>Current service cost</b>	7,587	965	8,552
<b>Interest cost</b>	1,161	85	1,246
<b>Actuarial gain</b>	-	(1,082)	(1,082)
<b>Included in other comprehensive income:</b>			
<b>Actuarial gain arising from</b>			
<b>financial</b>			
<b>assumptions changes</b>	(9,353)	-	(9,353)
<b>Balance as at 30 September 2022</b>	44,806	5,182	49,988

During the years 2022 and 2021, the Company expects no long-term employee benefits payment during the next year.

As at 30 September 2022, the weighted average duration of the liabilities for long-term employee benefit is 19 years (2021: 17 years).

Significant actuarial assumptions are summarised below:

	2022	2021
	(% per annum)	(% per annum)
Discount rate	2.28 - 4.11	0.51 - 2.82
Salary increase rate	2.5 - 5.5	2.5 - 5.5
Employee turnover rate (depending on age of employee)	3.0 - 17.0	3.0 - 17.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 30 September 2022 are summarised below:

	(Unit: Thousand Baht)	
	2022	
	Increase 1%	Decrease 1%
Discount rate	(7,297)	8,727
Salary increase rate	9,055	(7,616)
	Increase 10%	Decrease 10%
	depending on age	depending on age
Turnover rate	(2,842)	3,041

	(Unit: Thousand Baht)	
	2021	
	Increase 1%	Decrease 1%
Discount rate	(6,473)	7,722
Salary increase rate	8,004	(6,725)
	Increase 10%	Decrease 10%
	depending on age	depending on age
Turnover rate	(2,548)	2,703

## 19. Provision for product warranty

Movements during the years ended 30 September 2022 and 2021 were summarised below.

	(Unit: Thousand Baht)
As at 1 October 2020	39,092
Increase during the year	36,925
Utilised	(1,099)
Reversal of provisions	(1,684)
As at 30 September 2021	73,234
Increase during the year	1,946
Utilised	(809)
Reversal of provisions	(393)
As at 30 September 2022	73,978

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

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

## 21. Revenue from contracts with customers

	(Unit: Thousand Baht)	
	2022	2021
<b>Type of goods and services</b>		
Automobile control cables	1,766,113	1,815,156
Motorcycle control cables	389,708	358,977
Automobile window regulators	341,095	329,719
Part and product testing	1,481	7,619
Others	147,792	93,295
Total	2,646,189	2,604,766
Less: Consideration payable to a customer	(1,853)	(2,256)
<b>Total revenue from contracts with customers</b>	<b>2,644,336</b>	<b>2,602,510</b>

## 22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2022	2021
Salaries and wages and other employee benefits	485,818	472,628
Depreciation	108,836	115,732
Amortisation	2,237	3,415
Provision for product warranty	1,553	35,241
Rental expenses	8,366	6,999
Raw materials and consumables used	1,407,870	1,360,384
Changes in finished goods and work in process	1,388	(20,572)
Reduction of inventories to net realisable value (reversal)	(2,092)	1,688
Packaging expenses	10,807	10,954

## 23. Income tax

Income tax expenses for the years ended 30 September 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)	
	2022	2021
<b>Current income tax:</b>		
Current income tax charge	7,866	9,953
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(404)	(8,178)
<b>Income tax expenses reported in profit or loss</b>	<b>7,462</b>	<b>1,775</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 30 September 2022 and 2021 are as follows:

	(Unit: Thousand Baht)	
	2022	2021
Deferred tax on gain (loss) from the change in value of financial assets measured at FVOCI	(900)	507
Deferred tax relating to actuarial gain	233	95
<b>Total</b>	<b>(667)</b>	<b>602</b>



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

	(Unit: Thousand Baht)	
	2022	2021
Accounting profit before tax	<u>216,070</u>	<u>238,880</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	43,214	47,776
Recording of previously unrecognised deferred tax assets	(203)	(7,876)
Effects of:		
Promotional privileges (Note 24)	(36,605)	(37,889)
Non-deductible expenses	2,840	969
Additional expense deductions allowed	(1,784)	(1,205)
Total	<u>(35,549)</u>	<u>(38,125)</u>
Income tax expenses reported in profit or loss	<u>7,462</u>	<u>1,775</u>

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

	(Unit: Thousand Baht)	
	As at 30 September 2022	As at 30 September 2021
<b>Deferred tax assets</b>		
Allowance for diminution in value of inventories	94	123
Provision for long-term employee benefits	8,821	8,840
Provision for product warranty	99	97
Others	178	286
Accumulated depreciation - investment properties	(521)	(556)
Advance payments tax	-	(291)
Lease	(3)	(2)
<b>Total</b>	<b>8,668</b>	<b>8,497</b>
<b>Deferred tax liabilities</b>		
Unrealised fair value gain on investments	2,007	2,907
<b>Total</b>	<b>2,007</b>	<b>2,907</b>

## 24. Promotional privileges

The Company has received promotional privileges from the Board of Investment for various operations. Subject to certain imposed conditions, as at 30 September 2022, the important privileges 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	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	Expire on 19 January 2023	7 years	4 May 2017
Manufacture of control cable of vehicles and component and window regulator of automobiles and component	61-1445-1-04-1-0	Expire on 13 December 2021	3 years	2 April 2019
Manufacture of control cable, window regulator and component	63-0564-1-04-1-0	Expire on 27 May 2023	3 years	2 July 2020
Manufacture of control cable of vehicles and window regulator of automobiles	60-0798-0-00-1-0	Expire on 19 January 2023	7 years	8 November 2021
Manufacture of control cable of vehicles and window regulator of automobiles	60-0799-0-00-1-0	Expire on 19 January 2023	7 years	Not yet commencing

The Company's operating revenues for the years ended 30 September 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2022	2021	2022	2021	2022	2021
<b>Sales</b>						
<b>Domestic sales</b>	2,277,751	2,157,203	220,868	320,090	2,498,619	2,477,293
<b>Export sales</b>	36,794	48,020	108,923	77,197	145,717	125,217
<b>Total sales</b>	<u>2,314,545</u>	<u>2,205,223</u>	<u>329,791</u>	<u>397,287</u>	<u>2,644,336</u>	<u>2,602,510</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 2022, the Company has revenues from 4 major customer groups in amount of Baht 441 million, Baht 386 million, Baht 334 million and Baht 266 million,

respectively. (2021: 4 major customer groups in amount of Baht 476 million, Baht 383 million, Baht 307 million and Baht 253 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% 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 2022 amounting to Baht 7 million (2021: Baht 5 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 2020	The Annual General Meeting of the Company's shareholders on 19 January 2021	129,900	0.50
Interim dividends for the year ended 30 September 2021	The Board of Directors Meeting on 10 May 2021	103,920	0.40
Total dividends for year 2021		<u>233,820</u>	<u>0.90</u>
Dividends for the year ended 30 September 2021	The Annual General Meeting of the Company's shareholders on 25 January 2022	155,876	0.60
Interim dividends for the year ended 30 September 2022	The Board of Directors Meeting on 10 May 2022	103,918	0.40
Total dividends for year 2022		<u>259,794</u>	<u>1.00</u>

## 29. Commitments and contingent liabilities

### 29.1 Capital commitments

As at 30 September 2022, the Company had capital commitments of approximately Baht 70 million and USD 0.16 million (2021: Baht 45 million and USD 0.22 million), relating to the purchase of equipment.

### 29.2 Lease commitments

As at 30 September 2022 and 2021, the Company has future short-term lease, leases of low-value assets and service agreement payments required under these non-cancellable contracts as follows.

	(Unit: Million Baht)	
	2022	2021
Payable		
In up to 1 year	16	30
In over 1 year and up to 5 years	4	15
Total	20	45

### 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 agreement, the Company is to pay the fee twice a year at a rate as stipulated in the agreement. The fees for the year ended 30 September 2022 amounting to Baht 18 million (2021: Baht 17 million) were recognised as expenses.

### 29.4 Guarantees

As at 30 September 2022 and 2021, there was outstanding bank guarantee of approximately Baht 3 million issued by a bank on behalf of the Company to guarantee electricity use.

### 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 - 2006 by 3 lots and assessed import duties and

VAT shortfalls for Lot 1 and Lot 3 of Baht 17.90 million and Baht 5.67 million, respectively, and capital for Lot 2 of Baht 3.84 million, excluding penalties and surcharges.

Lot 1: In September 2017, the Central Tax Court delivered a judgment to revoke the assessment of import duty and surcharges. The Company has no authority 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 Appeals in accordance with Section 30 of the Revenue Code. Subsequently, on 3 December 2018, the special court of appeal upheld the judgment of the Central Tax Court. On 18 January 2021, 8 February 2021, 22 March 2021 and 7 June 2021 the Central Tax Court has read the judgement of the Supreme Court for all 14 cases of which the judgement was to revoke the assessment of import duty and VAT assessment on those import duties.

Currently, the Company received some compensation and the remaining amount is in requesting process.

Lot 2: In December 2018, the Central Tax Court delivered a judgment to revoke only the assessment of import duty and surcharges. The Company has no authority 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 Appeals in accordance with Section 30 of the Revenue Code. On 30 September 2019, the special court of appeal upheld the judgment of the Central Tax Court. The Supreme Court permitted the Custom Department to file its appeal. On 18 February 2021, the Company submitted an amendment to the Supreme Court.

On 2 May 2022, the Supreme Court judged that the Company won the case and had the right to request an import duty refund. On 26 July 2022, the Company submitted a notice to refund import duty with the Customs Department.

Lot 3: In December 2019, the Central Tax Court delivered a judgment to revoke only the assessment of import duty and surcharges. The Company has no authority 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 Appeals in accordance with Section 30 of the Revenue Code. On 21 September 2020, the special court of appeal upheld the judgment of the Central Tax



Court. The Supreme Court permitted the Custom Department to file its appeal. On 9 July 2021, the Company submitted an amendment to the Supreme Court.

On 5 September 2022, the Supreme Court judged that the Company won the case and had the right to request an import duty refund. On 16 September 2022, the Company submitted a notice to refund import duty with the Customs Department.

### **30. Financial instruments**

#### **30.1 Financial risk management objectives and policies**

The Company's financial instruments principally comprise cash and cash equivalents, trade and other receivables, financial assets, investments in equity, short-term loans and trade and other payables. 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 maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

##### **Trade receivables**

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Company does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies customer segments by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

### **Financial instruments and cash deposits**

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors and may be subject to approval of the Company's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

### **Market risk**

There are two types of market risk comprising currency risk and interest rate risk.

#### **Foreign currency risk**

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies.

As at 30 September 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	1.3	0.9	1.0	0.6	37.91	33.92
JPY	8.0	4.3	91.7	104.3	0.26	0.30

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in US dollar and Japanese yen exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 30 September 2022 and 2021.

Currency	2022		2021	
	Change in FX	Effect on profit	Change in FX	Effect on profit
	rate	before tax	rate	before tax
	(%)	(Million Baht)	(%)	(Million Baht)
USD	+12	1.1	+12	0.8
	-12	(1.1)	-12	(0.8)
JPY	+7	(2.6)	+7	(3.6)
	-7	2.6	-7	3.6

This information is not a forecast or prediction of future market conditions and should be used with care.

### **Interest rate risk**

The Company's exposure to interest rate risk relates primarily to its cash at banks and short-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 30 September 2022 and 2021, 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)

	2022					
	Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalent	-	-	118.9	79.0	197.9	0.05 - 0.25
Trade and other receivables	-	-	-	550.8	550.8	-
Other current financial assets	296.2	-	-	-	296.2	0.55 - 0.60
Investment in equity instrument of a non-listed company	-	-	-	35.7	35.7	-
	<u>296.2</u>	<u>-</u>	<u>118.9</u>	<u>665.5</u>	<u>1,080.6</u>	
<b>Financial liabilities</b>						
Short-term loan from a bank	100.0	-	-	-	100.0	1.10
Trade and other payables	-	-	-	582.0	582.0	-
Lease liabilities	2.2	3.2	-	-	5.4	3.75 and 5.02
	<u>102.2</u>	<u>3.2</u>	<u>-</u>	<u>582.0</u>	<u>687.4</u>	

(Unit: Million Baht)

		2021					
		Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
		Within 1 year	1 - 5 years				
<b>Financial assets</b>							
Cash and cash equivalent		-	-	113.7	63.8	177.5	0.05 - 0.25
Trade and other receivables		-	-	-	427.8	427.8	-
Other current financial assets		358.6	-	-	-	358.6	0.55 - 0.95
Investment in equity instrument of a non-listed company		-	-	-	40.2	40.2	-
		<u>358.6</u>	<u>-</u>	<u>113.7</u>	<u>531.8</u>	<u>1,004.1</u>	
<b>Financial liabilities</b>							
Short-term loan from a bank		100.0	-	-	-	100.0	1.10
Trade and other payables		-	-	-	476.5	476.5	-
Lease liabilities		<u>2.3</u>	<u>3.0</u>	<u>-</u>	<u>-</u>	<u>5.3</u>	3.75
		<u>102.3</u>	<u>3.0</u>	<u>-</u>	<u>476.5</u>	<u>581.8</u>	

### Liquidity risk

The Company monitors liquidity risks and maintains levels of cash and cash equivalents. The management considers that it is sufficient to finance its operation. The Company has sufficient access to a variety of sources of funds to reduce the impact of cash flow fluctuations.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at 30 September 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	2022		
	Less than 1 year	1 - 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	100,271	-	100,271
Trade and other payables	581,998	-	581,998
Lease liabilities	2,403	3,396	5,799
<b>Total non-derivatives</b>	<b>684,672</b>	<b>3,396</b>	<b>688,068</b>

(Unit: Thousand Baht)

	2021		
	Less than 1 year	1 - 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	100,271	-	100,271
Trade and other payables	476,461	-	476,461
Lease liabilities	2,418	3,148	5,566
<b>Total non-derivatives</b>	<b>579,150</b>	<b>3,148</b>	<b>582,298</b>

### 30.2 Fair values of financial instruments

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

The estimated fair value of financial instrument, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	As at 30 September 2022		As at 30 September 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Investment in equity instrument of a non-listed company	26	36	26	40

The method used in estimating the fair value of Investment in equity instrument of a non-listed company is adjusted net book value. Its fair value hierarchy is categorised within Level 3.

During the current year, there were no changes in the methods and assumptions used by the Company estimating the fair value of financial instruments and 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 2022, the Company's debt-to-equity ratio was 0.54:1 (2021: 0.46:1).

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

On 22 November 2022, a meeting of Company's Board of Directors passed a resolution to propose the payment of a dividend for the year 2022 of Baht 0.60 per share, or a total of Baht 155.9 million. The Board of Directors will propose the dividend payment for approval by the Annual General Meeting of the Company's Shareholders for the year 2023.

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

These financial statements were authorised for issue by the Company's Board of Directors on 22 November 2022.



## **Part 4: Certification of Accuracy**

## Confirmation of Information Accuracy

The Company having carefully, reviewed the information contained in 56-1 One Report, hereby certify that the said information is accurate, complete and true, is not misleading and does not omit any material information which is required to be disclosed and false or that:

- (1) The financial statements and financial information summarized in 56-1 One Report have accurate and complete material information in respect of the financial condition, results of operations and cash flows of the Company.
- (2) The Company is responsible for arranging for an effective disclosure system to assure that the Company properly and completely discloses the material information of the Company, and shall be responsible for monitoring to ensure compliance with such system.
- (3) The Company is responsible for arranging for an effective internal controls and monitoring them to ensure compliance with such system, and the Company has reported the information as of September 30, 2022 relating to the internal control, including the deficiency and material change of the internal control that may affect preparation of financial reports of the Company, to the auditor and Audit Committee.

As evidence that all documents are the same set of documents that the Company has reviewed, The Company assigned Miss Sirina Patanatmarueng to initial all pages hereof. If any pages do not have the initials of Miss Sirina Patanatmarueng indicated, it shall be deemed that the Company has not reviewed the aforesaid information.

Name	Position	Signature
1. Mr. Sunsurin Jurangkool	Chairman of the Board of Directors	.....
2. Mr. Sarit Patanatmarueng	Director/ Chairman of Risk Management/	.....
Proxy	Position	
Ms. Sirina Patanatmarueng	Senior General Manager Business Administration Division	.....

In this regard, Section 89/20 of the Securities and Exchange Act B.E. 2535 (1992) as amended by the Securities and Exchange Act (No. 4) B.E. 2551 set that directors and managements must jointly be liable to any person who trades in the Company's securities for any damage arising from the disclosure of information to shareholders or the general public by showing a statement that is essentially false or concealing the fact that should have been disclosed in a material aspect. In the case of financial statements and reports on the financial position and results of operations of the company or any other reports that must be disclosed under section 56 or section 199 without limiting liability to directors and managements who have signed to certify the accuracy of the information in such documents only. However, directors or managements who can prove that by their position do not know the authenticity of the information or the lack of information that should be reported shall not be liable under Section 89/20.

## Attachment

- Attachment 1** Details of Directors, Executives, Controlling Persons, the person taking the highest responsibility in finance and accounting and the person supervising accounting and Company Secretary
- Attachment 2** Details of directors of subsidiaries
- Attachment 3** Head of Internal Audit and Head of Compliance
- Attachment 4** Assets for Business Operations and Details of Assets Assessment
- Attachment 5** Policy and Guideline for Corporate Governance and Code of Conduct of the Company
- Attachment 6** Audit Committee Report and other Subcommittees' Reports

## **Attachment 1**

Details of Directors, Executives, Controlling Persons, the person taking the highest responsibility in finance and accounting and the person supervising

### **Mr. Sunsum Jurangkool**

Chairman of the Board of Directors  
 Authorized Director

Date of Appointment : April 2, 2005  
 Age : 80 years

### **Shareholding (%) As of September 30, 2022**

Direct: 83,115,000 shares (31.99%)  
 Indirect : None

**Relationship** : Father of Mr. Thaveechat Jurangkool and Mr. Nuttapol Jurangkool

### **Education**

- Doctor of Philosophy

**Training** : None

**Record of Offense** : None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
1978 - Present	Chairman, Authorized Director	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
1978 - November 2018	Chief Executive Officer		
<b>Limited Company</b>			
1972 - Present	Chairman, Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat
1982 - Present	Chairman, Director, 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

Work Experiences in Late 5 Years			
Time	Position	Company	Business
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	Chairman, 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
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	Hitachi Astemo Chonburi Manufacturing 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

Work Experiences in Late 5 Years			
Time	Position	Company	Business
1995 - Present	Chairman, Authorized Director	Eastern P.U. Foam Industry Co., Ltd.	Manufacture automobile seat foam
1995 - Present	Chairman, Director, 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
1999 - Present	Director, Authorized Director	Adient & Summit Co., Ltd.	Manufacture of automobile seat and interior parts
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

Work Experiences in Late 5 Years			
Time	Position	Company	Business
2005 - Present	Chairman, Authorized Director	Summit Rieter Nittoku Sound Proof Co., Ltd.	Manufacture and export of automobile soundproof parts
2007 - Present	Chairman, Authorized Director	Summit Green Valley Chiangmai Country 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.



## Mr. Thaveechat Jurangkool

Director

Authorized Director

Chief Executive Officer

Date of Appointment : April 2, 2005

Age : 50 years

### Shareholding (%) As of September 30, 2022

Direct: 21,942,600 shares (8.45%)

Indirect: None

**Relationship** Son of Mr. Sunsum Jurangkool and older brother of Mr.Nuttapol Jurangkool

### Education

- MBA., Finance, Webster University

### Training

- Director Accreditation Program (DAP109/2014)

**Record of Offense:** None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
December 2018 – Present	Chief Executive Officer	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
2003 - Present	Director, Authorized Director		
<b>Limited Company</b>			
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

Work Experiences in Late 5 Years			
Time	Position	Company	Business
1998 - Present	Director, Authorized Director	Modern Products Industry Co., Ltd.	Manufacture of wood printing and coating of auto parts
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

Work Experiences in Late 5 Years			
Time	Position	Company	Business
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
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 Country Club Co., Ltd.	Golf club service
2007 - Present	Director, Authorized Director	J-Max Property Assest 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

Work Experiences in Late 5 Years			
Time	Position	Company	Business
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.

### **Mr. Sarit Patanatmarueng**

Director, Authorized Director  
 Chairman of Risk Management Committee  
 Managing Director

Date of Appointment : April 2, 2005

Age : 47 years

### **Shareholding (%) As of September 30, 2022**

Direct: 10,592,000 shares (4.08%)

Indirect: None

**Relationship:** Older brother of Mr. Santi Patanatmarueng and younger brother of Ms. Sirina Patanatmarueng

### **Education**

- M.A., Business Administration, New Hampshire College, USA

### **Training**

- Director Accreditation Program (DAP172/2020)
- Director Certification Program (DCP42/2004)

**Record of Offense** : None

<b>Work Experiences in Late 5 Years</b>			
<b>Time</b>	<b>Position</b>	<b>Company</b>	<b>Business</b>
<b><u>Listed Company</u></b>			
2004 – Present	Director, Managing Director, Authorized Director, Chairman of Risk Management Committee	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile /motorcycle and car window regulator
<b><u>Limited Company</u></b>			
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

Work Experiences in Late 5 Years			
Time	Position	Company	Business
2004 – Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry and other
2016 - Present	Director, Authorized Director	Amata Summit Ready Built Co., Ltd.	Factory Lease / Rental Service

## Mr. Taro Teraura

Director

Date of Appointment: February 9, 2022

Age: 45 Years

## Shareholding (%) As of September 30, 2022

Direct: None

Indirect: None

**Relationship:** None

## Education

- B.A. in Civil Engineering Osaka City University Osaka ,Japan

**Training:** None

**Record of Offense:** None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
2022 – Present	Director	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
<b>Limited Company</b>			
2016 – Present	President	HI-LEX Hungary Cable System Manufacturing LLC.	Manufacturer of control cable for automobile
2016 – Present	Director	HI-LEX EUROPE GMBH	R & D
2017 – Present	President	HI-LEX Czech, s.r.o.	Manufacturer of car window regulator and rear slider
2018 – Present	Director	HI-LEX Autoparts (Shenyang) Co., Ltd	Manufacturer of control cable for automobile and car window regulator
2020 – Present	President	HI-LEX Corporation	Manufacturer of control

Work Experiences in Late 5 Years			
Time	Position	Company	Business
			cable for automobile/motorcycle and car window regulator
2020 – Present	Audit Committee	PT. HI-LEX Indonesia	Manufacturer of control cable for automobile/ motorcycle and car window regulator
2020 – Present	Audit Committee	PT. HI-LEX Parts Indonesia	Manufacturer of car component
2020 – Present	Audit Committee	PT. HI-LEX Cirebon	Manufacturer of control cable for automobile and car window regulator
2020 – Present	Director	TSK of America Inc.	Holding company
2020 – Present	Director	HI-LEX Controls Inc.	Manufacturer of car window regulator and rear slider
2020 – Present	Director	HI-LEX America Inc.	Manufacturer of control cable for automobile/ motorcycle
2020 – Present	Director	Daedong HI-LEX of America Inc. LLC.	Manufacturer of car window regulator and door module
2020 – Present	Director	HI-LEX Mexicana, S.A DE.C.V	Manufacturer of control cable for automobile/motorcycle and car window regulator
2020 – Present	Director	Yantai TSK Cable System Co., Ltd.	Manufacturer of control cable for automobile and car window regulator
2020 – Present	Director	TSK (Korea) Co., Ltd.	Manufacturer of control cable for automobile/ motorcycle
2021 – Present	Director	Dae Dong System Co., Ltd.	Manufacturer of control cable for automobile/ motorcycle



Work Experiences in Late 5 Years			
Time	Position	Company	Business
2021 – Present	Director	HI-LEX Vietnam Co., Ltd.	Manufacturer of control cable for motorcycle
2021 – Present	Director	HI-LEX Medical Corp.	Manufacturer of medical devices

### Mr. Nuttapol Jurangkool

Director

Authorized Director

Date of Appointment: January 1, 2021

Age : 46 Year

### Shareholding (%) As of September 30, 2022

Direct : None

Indirect : None

**Relationship** Son of Mr Sunsum Jurangkool and younger brother of Mr. Thaveechat Jurangkool

### Education

- Master's degree: Lincoln University USA

### Training

- Director Accreditation Program (DAP 179/2021)
- Director Certification Program (DCP 314/2022)

**Record of Offense** : None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
2021 - Present	Director/ Authorized Director	Thai Steel Cable Public Company Limited	Manufacturer of control cable for automobile/motorcycle and car window regulator
<b>Limited Company</b>			
2002 - Present	Director, Authorized Director	Summit Auto Body Industry Company Limited	Manufacture of automobile body parts, mold and die
2002 - Present	Deputy Chief Executive Officer Authorized Director	Summit Corporation Co., Ltd.	Investment and shareholding in various businesses.
2002 - Present	Director, Authorized Director	Summit Advanced Material Co., Ltd.	Importer of steel products, manufacture of steel sheet and cutting steel.

Work Experiences in Late 5 Years			
Time	Position	Company	Business
2002 - Present	President/Director, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf course business
2002 - Present	President/Director, Authorized Director	Acme Refreshment Co., Ltd.	Selling products & providing services/ Laundry services for Industrial, hotel and general.
2007 - Present	President/Director, Authorized Director	Summit Green Valley Chiangmai Country Club Co., Ltd.	Golf course business
2007 - Present	Director, Authorized Director	Summit On Green Media	Printing media
2008 - Present	President/Director, Authorized Director	Real Land Development Co., Ltd	Apartment for rent
2017 - Present	Director, Authorized Director	The TJ Jomtien Pattaya Co., Ltd.	Hotel & services
2022 - Present	Director, Authorized Director	Ample Property Co., Ltd.	Building for rent

## Mr. Santi Patanatmarueng

Director, Authorized Director

Date of Appointment : February 12, 2018

Age : 44 years

## Shareholding (%) As of September 30, 2022

Direct: 10,602,400 shares (4.08%)

Indirect: None

**Relationship** Younger brother of Mr. Sarit Patanatmarueng and younger brother of Ms. Sirina Patanatmarueng

## Education

- M.A. Political Science, Ramkhamhaeng University

## Training

- Director Accreditation Program (DAP156/2019)
- Director Certification Program (DCP253/2018)
- Risk Management Program for Corporate Leaders (RCL 23/2021)

**Record of Offense** : None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
February 2018 - Present	Director, Authorized Director	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
<b>Limited Company</b>			
2017 - Present	Director, Authorized Director	Entire Asset 2 Co., Ltd.	Real Estate service provider
2016 - Present	Director, Authorized Director	Entire Asset Co., Ltd.	Real Estate service provider
2016 - Present	Director, Authorized Director	Amata Petroleum Co., Ltd.	Energy business
2014 - Present	Director, Authorized Director	Thanaseth Business and Development Co., Ltd.	Real Estate service provider
2012 - Present	Director, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry

Work Experiences in Late 5 Years			
Time	Position	Company	Business
2012 - Present	Director, Authorized Director	Thai Progress Rubber Co., Ltd.	Manufacture rubber parts for automotive and electronic industry and others
2012 - Present	Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture steering wheel, horn pad and gear knob
2007 - Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry and others
2006 - Present	Director, Authorized Director	Amata Summit Ready Built Co., Ltd.	Factory service provider

### Mr. Hajime Kato

Director, Authorized Director,  
 General Manager - R&D Division

Date of Appointment: February 12, 2018

Age: 59 years

### Shareholding (%) As of September 30, 2022

Direct: None

Indirect: None

**Relationship** : None

### Education

- Faculty of Science and Engineering, Department of Metallurgical Engineering, Kindai University

### Training

- Director Accreditation Program (DAP146/2018)

**Record of Offense:** None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
February 2018 - Present	Director, Authorized Director, General Manager - R&D Division	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
<b>Limited Company</b>			
2012 - January 2018	Vice President	HI-LEX India Private Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator

### Mr. Prinya Waiwatana

Independent Director, Chairman of the Audit Committee  
 Chairman of the Corporate Governance Committee,  
 Nomination and Remuneration Committee

Date of Appointment: April 2, 2005

Age: 74 years

### Shareholding (%) As of September 30, 2022

Direct: None

Indirect: None

**Relationship:** None

### Education

- B.A., Accounting, Chulalongkorn University

### Training

- Director Accreditation Program (DAP 35/2005)
- Audit Committee Program (ACP 9/2005)
- Director Certification Program (DCP 72/2006)
- Monitoring the System of Internal Control and Risk Management (MIR 2/2008)
- Role of the Compensation Committee (RCC 10/2010)
- AC vs Changes in financial reports for 2011

**Record of Offense:** None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
July 1, 2020 - Present	Independent Director	Nok Airlines Public Company Limited	Airlines
February 2020 - Present	Chairman of the Audit Committee	Nava Nakorn Pcl.	Real Estate
January 2020 - Present	Audit Committee		
March 2018 - Present	Independent Director		

Work Experiences in Late 5 Years			
Time	Position	Company	Business
May 2016 - Present	Chairman of the Audit Committee	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
2005 - Present	Chairman of the Corporate Governance Committee, Independent Director		
2005 – May 2016	Audit Committee member, Corporate Governance Committee member, Nomination and Remuneration Committee member		
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.	Telecommunication



### Mr. Apinan Na Ranong

Independent Director, Audit Committee

Chairman of the Nomination and Remuneration Committee, Corporate Governance Committee

Date of Appointment : April 2, 2005

Age: 72 years

### Shareholding (%) As of September 30, 2022

Direct: None

Indirect: None

**Relationship:** None

### Education

- B.A., Business Administration, Chiang Mai University

### Training

- Director Accreditation Program (DAP35/2005)
- Audit Committee Program (ACP 9/2005)
- Monitoring the System of Internal Control and Risk Management (MIR 2/2008)

**Record of Offense:** None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
May 2016 - Present	Chairman of the Nomination and Remuneration Committee	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
2005 - Present	Independent Director, Audit Committee member, Corporate Governance Committee member		
2005 - May 2016	Nomination and Remuneration Committee member		

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b><u>Limited Company</u></b>			
May 2014 - 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).

### Mr. Chatchai Earsakul

Independent Director, Audit Committee,  
 Nomination and Remuneration Committee,  
 Corporate Governance Committee

Date of Appointment: May 17, 2010

Age: 67 years

### Shareholding (%) As of September 30, 2022

Direct: None

Indirect: None

**Relationship:** None

### Education

- M.A., Economies of Planning & Policy, Northeastern University

### Training

- Director Accreditation Program (DAP84/2010)

**Record of Offense:** None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
2010 - Present	Independent Director, Audit Committee member, Nomination and Remuneration Committee member, Corporate Governance Committee member	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
2015 - Present	Vice Chairman of the Board	Thai Pack Aging & Printing Plc.	Produce and distribute packaging material and offset printing
<b>Limited Company</b>			
2019 - Present	Managing Director	Thanyakij Service Co., Ltd.	Warehouse and Dockyard
2011 - Present	Director		

### Mr. Veerawat Korphaibool

Independent Director, Audit Committee  
 Nomination and Remuneration Committee,  
 Corporate Governance Committee

Date of Appointment: January 26, 2016

Age: 54 years

### Shareholding (%) As of September 30, 2022

Direct: None

Indirect : None

**Relationship:** None

### Education

- M.B.A., Business Administration, University of New Haven, U.S.A

### Training

#### Course : IOD

- Director Accreditation Program (DAP13/2004)
- Director Certification Program (DCP151/2011)
- Financial Statements for Directors (FSD14/2011)

#### Course : EDP

- TLCA Executive Development Program batch 12

**Record of Offense:** None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<u>Listed Company</u>			
2016 - Present	Independent Director, Audit Committee member, Nomination and Remuneration Committee member, Corporate Governance Committee member	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/ motorcycle and car window regulator

Work Experiences in Late 5 Years			
Time	Position	Company	Business
2000 – September 2017	Director	Thai Storage Battery PCL.	Manufacturer and distributor of batteries.
2013 – July 2017	Vice Chairman of BOD		
2013 – 2014	Vice President – Marketing		
<b><u>Limited Company</u></b>			
2003 - July 2017	Director	3K Products Co., Ltd.	Dealer of battery for vehicles, golf cart, lighting and motorcycle.
2010 - 2014	Senior Vice President		
2015 - September 2017	Chief Executive Officer		
October 2017- January 2018	Co-Chief Executive Officer		
2000 - July 2017	Director	Thai Nonferrous Metal Co., Ltd.	Manufacturer of lead melting.
2008 - July 2017	Director	3K Traction Battery Co.,Ltd.	Manufacturer and distributor of metal. Sell and provide rentals and maintenance service of battery repair.
2010 - July 2017	Director	Power Plas Co., Ltd.	Manufacturer and distributor of all types of plastic.
2016 - 2020	Director, Faculty of Business and Accounting Type of Expert	Khon Kaen University	Educational institution.
July 2018 - Present	Director	Free Trade Zone Logistics Co.,Ltd.	Transportation and warehousing for rent.

## **Ms. Sirina Patanatmarueng**

Chief Financial Officer

Senior General Manager - Business Administration Division

Age: 48 years

### **Shareholding (%) As of September 30, 2022**

Direct: 10,321,300 shares (3.97%)

Indirect: None

**Relationship** Older sister of Mr. Sarit Patanatmarueng and Mr. Santi Patanatmarueng

### **Education**

- M.A. Arts Chulalongkorn University

### **Training**

Course : IOD

- Company Secretary
- Financial Statements for Directors (FSD26/2014)
- Director Certification Program (DCP227/2016)
- Ethical Leadership Program (ELP9/2017)

Course : TLCA

- Executive Development Program (EDP15/2014)

### **Continuing Professional Development (CPD) hours in accounting 6 hrs.: Federation of Accounting Professions**

- Fraudulent news stories and breaches of the listed company's accounting standards (3/2019)
- Management account for planning and decision making (1/2020)
- Corporate Finance (2/2021) (Online training via Microsoft Teams)

**Record of Offense:** None

<b>Work Experiences in Late 5 Years</b>			
<b>Time</b>	<b>Position</b>	<b>Company</b>	<b>Business</b>
<b>Listed Company</b>			
October 2018 - Present	Chief Financial Officer	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
2002 - Present	Senior General Manager - Business Administration Division and Procurement Division		

Work Experiences in Late 5 Years			
Time	Position	Company	Business
May 2016 - February 2018	Director, Authorized Director		
<b>Limited Company</b>			
May 2016 - Present	Director, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry
2013 - Present	General Manager - Office Division		
April 2016 - Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry
2003 - Present	Director, Authorized Director	Thai Progress Rubber Co., Ltd.	Manufacture rubber parts for automotive and electronic industry

## **Ms. Patra Chaiyosburana**

Senior General Manager - Business Operation and Research & Development

Age: 49 Years

### **Shareholding (%) As of September 30, 2022**

Direct: None

Indirect: None

**Relationship:** None

### **Education**

- M.A., Marketing, Coventry University UK
- B.A. Communication Arts, Chulalongkorn University

**Training : None**

**Record of Offense:** None

<b>Work Experiences in Late 5 Years</b>			
<b>Time</b>	<b>Position</b>	<b>Company</b>	<b>Business</b>
<b><u>Listed Company</u></b>			
January 2019 - Present	Senior General Manager - Business Operation and Research & Development	Thai Steel Cable PCL	Manufacturer of control cable for automobile/motorcycle and car window regulator
January 2018 - December 2018	General Manager - Business Operation		
2012 - 2017	Manager - Marketing Department		



## **Mrs. Kasita Pitaksongkram**

General Manager of Business Administrative Division

Age: 40 years

## **Shareholding (%) As of September 30, 2022**

Direct: None

Indirect: None

**Relationship:** None

## **Education**

- M.A., Business Administration, Human Resource Management, Sripatum University

## **Training**

### **Course : IOD**

- Company Secretary Program (CSP46/2012)
- Company Reporting Program (CRP3/2012)
- Board Reporting Program (BRP13/2014)
- Anti-Corruption the Practical Guide (ACPG 21/2015)
- Financial Statement for Director (FSD42/2020)

### **By TLCA**

- Fundamental Practice for Corporate Secretary (FPCS)
- IR Certification 2016

### **By SEC, SET**

- Smart Disclosure Program (SDP)
- SCP Straight Through
- Basic IR Training
- Stock Valuation for IR
- Good Practices for Analyst Presentation
- Guidelines on the Corporate Governance Report of Thai Listed Companies (CGR) 2016
- CSR for Corporate Sustainability 2015
- Responsible Supply Chain Management 2015
- CSR Report 2015

### **By Others**

- Global Mini MBA batch78, Faculty of Commerce and Accountancy, Thammasat University
- PA (Personal Assistant) training 2015 (Thailand Chapter Young Presidents' Organization Inc.)
- The shareholders' meeting by the principles of corporate governance. (2016) AGM 100 (2016)

- The rights and obligations of Shareholders on dimensional Yin - Yang: White - Black doing the right thing.
- PA (Personal Assistant) training 2016 (Thailand Chapter Young Presidents' Organization Inc.)
- Finance for Non-Finance Executive (PSR Management Training)
- Rockefeller Habits Thailand Chapter Young Presidents' Organization Inc.)
- CFO\_IP#10 by Federal of Accounting Professions Under The Royal Patronage of His Majesty The King
- The Better Way is your way (Certified Strengths Coach, Gallup)

**Record of Offense:** None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
December 1, 2019 - Present	General Manager of Business Administrative Division	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
May 2016 – August 31, 2021	Secretary of Nomination and Remuneration Committee		
May 2014 – May 10, 2021	Secretary of Corporate Governance Committee		
2012 – May 10, 2021	Company Secretary		
December 2016 – November 30, 2019	Asst. Mgr. of Compliance and Investor Relations department		
2012 – December 2016	Supervisor of Compliance and Investor Relations department		
2008 – November 30, 2019	Assistant to Managing Director		

Work Experiences in Late 5 Years			
Time	Position	Company	Business
2008 - 2010	Secretary Of Managing Director		
<b><u>Limited Company</u></b>			
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 and Exporter of water sport equipment

**Mr. Watcharin Sayamrattanakit**

General Manager - Production Division

Age: 44 years

**Shareholding (%) As of September 30, 2022**

Direct: None

Indirect: None

**Relationship:** None

**Education**

- MM International College of NIDA

**Training:** None

**Record of Offense:** None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
October 1, 2020 - Present	General Manager - Production Division	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
<b>Limited Company</b>			
March 1, 2010 - September 30, 2020	Plant Manager	General Motors Powertrain	Manufacturer of Engine

## Mr. Somkiat Korten

General Manager – Production Support Division

Age: 45 years

## Shareholding (%) As of September 30, 2022

Direct: None

Indirect: None

**Relationship:** None

## Education

- MBA. Industrial Management, SPU

**Training:** None

**Record of Offense:** None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
March 1, 2022 - Present	General Manager - Production Support Division	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
2021 – 2022	General Manager - Quality Division		
2020 – 2021	Manager - Quality Department		
2014 – 2019	Manager - New Project Control Department		

**Mr.Taweesak Ngampattapunt**

Finance & Accounting Manager

Age: 51 years

**Shareholding (%) As of September 30, 2022**

Direct: None

Indirect: None

**Relationship:** None

**Education**

- Master of Science (Accounting), Thammasat University

**Training:** None

**Record of Offense:** None

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b>Listed Company</b>			
16 March 2022 - Present	Accounting Manager	Thai Steel Cable Public Company Limited	Manufacturer of control cable for automobile/motorcycle and car window regulator
<b>Limited Company</b>			
16 December 2020 – 15 March 2022	Accounting Manager	Idec Asia (Thailand) Co., Ltd	Manufacturing - Control Switch
16 October 2015 - 31 March 2020	Finance & Accounting	Siam Motors Parts Co, Ltd.	Auto Parts - Distributor

## **Ms. Suppapitch Kosonphiriyatham**

Company Secretary

**Date of appointment:** May 14, 2021

**Age:** 31 years

**Address:** 121/99 Soi 22 Grand Valley Village Moo 3, Mueang Subdistrict, Mueang District, Chonburi 20130

### **Shareholding (%) As of September 30, 2022**

Direct: None

Indirect: None

**Relationship:** None

### **Education**

- MBA, Burapha University
- Bachelor of Political Science Politics and Governance Thammasat University

### **Training**

#### **Course: IOD**

- Company Secretary Program (CSP 119/2021)
- Company Reporting Program (CRP 29/2021)
- Anti-Corruption the Practical Guide (ACPG 47/2018)
- Enhancing Good Corporate Governance based on CGR Scorecard

#### **Course by TLCA**

- Fundamental Practice for Corporate Secretary (FPCS)

#### **Course by SEC, SET**

- Smart Disclosure Program (SDP)
- SETPortal & Strategic Shareholder, FSCOM
- Sustainability Reporting Workshop : Transition from GRI G4 to GRI Standards

### **Work Experiences in Late 5 Years**

<b>Work Experiences in Late 5 Years</b>			
<b>Time</b>	<b>Position</b>	<b>Company</b>	<b>Business</b>
<b>Listed Company</b>			
May 14, 2021 - Present	Company Secretary	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator
July 18, 2018 - May 13, 2021	Compliance and Investor Relations officer		

Work Experiences in Late 5 Years			
Time	Position	Company	Business
<b><u>Limited Company</u></b>			
September 13, 2013 - June 30, 2018	Secretary of management	Vandapac Co.,Ltd.	Manufacturer of automotive accessories, insulation and packaging



## Information on the position of directors and managements in the table as follows:

Company Name	Mr. Sunsum Jurangkool	Mr. Sarit Patanaalmar ueng	Mr. Taro Teraura	Mr. Thaveechat Jurangkool	Mr. Nuttapol Jurangkool	Mr. Hajime Kato	Mr. Prinya Waiwatan a	Mr. Apinan Na Ranong	Mr. Chatchai Earsakul	Mr. Veerawat Korphaibo ol	Mr. Santi Patanaalm arueng	Ms. Sirina Patanaalm arueng	Ms. Patra Chaiyosb urana	Mrs. Kasita Pilaksongk ram	Mr. Watcharin Sayamratt anakit	Mr. Somkiat Korten
Listed Company																
1 Thai Steel Cable Pcl.	X, S	/, //, S	/	/, //, S		/, //, S	ID, AC	ID, AC	ID, AC	ID, AC	/, S	-	-	-		
2 Thai Pack Aging & Printing Plc.									/							
3 AIRA Capital Co., Ltd.							/, ID									
4 Samart Corporation Pcl.							/, ID									
5 Nava Nakorn Pcl.							ID, AC									
6 Nok Airlines Public Company Limited							ID									
Limited Company																
7 J-Max Monopoly Corporation Co., Ltd.				/, S												
8 J-Max Property Asset Co., Ltd.				/, S												
9 JRK Auto Parts PVT. Ltd.	/			/												
10 HSH Co., Ltd.	/															
11 SNC Sound Proof Co., Ltd.	X, S															
12 STB Textiles Industry Co., Ltd.	X, S			/, S												
13 Pacific Group Co., Ltd.																
14 Modern Products Industry Co., Ltd.	X, //, S			/, S												
15 Auto Advance Material Manufacturing Co., Ltd.	X, S			/, S												
16 Thai Progress Rubber Co., Ltd.				/, S							/, S	/, S				
17 Thai Seat Belt Co., Ltd.	X, S															
18 Complete Auto Rubber Manufacturing Co., Ltd.	X, /, S	/, S		/, S							/, S	/, S				
19 Complete Auto Parts Co., Ltd.	X, /, S	/, S		/, S												
20 Summit Engineering Center Co., Ltd.	X, //, S			/, S												
21 Summit Laemchabang Auto Seats Manufacturing Co., Ltd.	X, S			/, S												
22 Summit Laemchabang Auto Body Work Co., Ltd.	X, //, S			/, S												
23 Summit Advanced Material Co., Ltd.	X, S			/, S												
24 Summit Ansei Auto Parts Co., Ltd.	X, /, S															
25 Summit Showa Manufacturing Co., Ltd.	X, /, S															
26 Summit Auto Body Skill Development Center Co., Ltd.	X, S			/, S												
27 Summit Auto Body Industry Co., Ltd.	X, //, S			/, S												
28 Summit Auto Seats Industry Co., Ltd.	X, //, S			/, S												
29 Summit Otsuka Manufacturing Co., Ltd.	X, S			/, S												
30 Summit Green Valley Chiangmai Countryclub Co., Ltd.	X, S			/, S												
31 Summit Corporation Co., Ltd.	X, //, S			/, S	-											
32 Summit Keylex (Thailand) Co., Ltd.	X															
33 Summit Kurata Manufacturing Co., Ltd.	X, /, S			/, S												
34 Summit Chugoku Seira Co., Ltd.	X, /, S	/, S		/, S							/, S	/, S				
35 Summit Rieter Nittoku Sound Proof Co., Ltd.	X, S															
36 Summit Windmill Golf Club Co., Ltd.	X			/, S												
37 Summit Steering Wheel Co., Ltd.	/, S, X			/, S							/, S					
38 Summit R&D Center Co., Ltd.	X, S			/, S												
39 Summit Industry (Thailand) Co., Ltd.				/												
40 Summit Electric Component Co., Ltd.	X, S															
41 Thanyakij Service Co., Ltd.									/, -							
42 Bangkok Eagle Wings Co., Ltd.	/															
43 3K Products Co., Ltd.										//						
44 Marubishi Summit Industry Vietnam Co., Ltd.	/, S			/												
45 Steel Alliance Service Center Co., Ltd.	/															
46 Amata Summit Ready Built Co., Ltd.		/, S									/, S					
47 Amata Summit Reit Management Co., Ltd.								X								
48 Auto Interior Products Co., Ltd.	X, S			/, S												
49 Eastern P.U. Foam Industry Co., Ltd.	X, S			/, S												
50 Hiruta And Summit Co., Ltd.	/															
51 Adient & Summit Corporation Ltd.	/, S															
52 Free Trade Zone Logistics Co., Ltd.										/						
53 Entire Asset 2 Co., Ltd.											/, S					
54 Entire Asset Co., Ltd.											/, S					
55 Amata Petroleum Co., Ltd.											/, S					
56 Thanaseth Business and Development Co., Ltd.											/, S					
57 Ample Property Co., Ltd.					/, S											
58 Changchun HI-LEX Auto Cable Co., Ltd.			/													

Company Name		Mr. Sunsum Jurangkool	Mr. Sarit Patanatmar ueng	Mr. Taro Teraura	Mr. Thaveechat Jurangkool	Mr. Nuttapol Jurangkool	Mr. Hajime Kato	Mr. Prinya Waiwatan a	Mr. Apinan Na Ranong	Mr. Chatchai Earsakul	Mr. Veerawat Korphaibol	Mr. Santi Patanatmarueng	Ms. Sirina Patanatmarueng	Ms. Patra Chaiyosburana	Mrs. Kasita Pitaksongkram	Mr. Watcharin Sayamrattanakit	Mr. Somkiat Korten
59	Chongqing Evaheart Medical Device Co., Ltd.			/													
60	Chongqing HI-LEX Cable System Group Co., Ltd.			/													
61	Guangdong HI-LEX Cable System Co., Ltd.			/													
62	Guangzhou TSK Control Cable Co., Ltd.			/													
63	HI-LEX Cable System Co., Ltd.			/													
64	HI-LEX Corporation			X													
65	HI-LEX Hungary Cable System Manufacturing LLC.			X													
66	HI-LEX India Private Ltd.			/			-										
67	HI-LEX KANTO, Inc.			/													
68	HI-LEX Miyagi, Inc.			/													
69	HI-LEX Saitama, Inc.			/													
70	HI-LEX Shimane, Inc.			/													
71	Izushi Cable, Inc.			/													
72	Sun Medical Technology Research Corp.			/													
73	Tajima TSK, Inc.			/													
74	TSK (Korea) Co., Ltd.			/													
75	TSK of America Inc.			X													
76	HI-LEX EUROPE GMBH			/													
77	HI-LEX Czech, s.r.o.			X													
78	HI-LEX Autoparts (Shenyang) Co., Ltd			/													
79	PT. HI-LEX Indonesia			AC													
80	PT. HI-LEX Parts Indonesia			AC													
81	PT. HI-LEX Cirebon			AC													
82	HI-LEX Controls Inc.			/													
83	HI-LEX America Inc.			/													
84	Daedong HI-LEX of America Inc. LLC.			/													
85	Daedong HI-LEX of America Inc. LLC.			/													
86	Yantai TSK Cable System Co., Ltd.			/													
87	Dae Dong System Co., Ltd.			/													
88	HI-LEX Vietnam Co., Ltd.			/													
89	HI-LEX Medical Corp.			/													
Remarks:    x Chairman    / Director    // Executive Director    S. Authorized Director    ID Independent Director    AC Audit Committee    - Others																	

## **Attachment 2**

### Details of directors of subsidiaries

-None-

## **Attachment 3**

### Details of Head of Internal Audit and Head of Compliance

#### **Head of Internal Audit**

**Ms.Supisra Kiatkanarat**

Internal Audit Manager

**Date of Appointment**

November 26, 2019

**Age:** 49 years

**Shareholding (%) As of September 30, 2022**

Direct : 1,804 Shared (0.00069%)

Indirect: None

**Relationship:** None

**Education**

- Bachelor Degree of Business Management Ramkumhaeng University

**Training**

- Business Opportunity Standard & The Risk of Supply Chain
- ISO9001 Lead Auditor
- ISO14001 Lead Auditor
- VDA 6.3 Process Auditor
- IATF16949 Lead Auditor
- Five Core Tools for Management System

**Record of Offense:** None

<b>Work Experiences in Late 5 Years</b>			
<b>Time</b>	<b>Position</b>	<b>Company</b>	<b>Business</b>
<b><u>Listed Company</u></b>			
2020 – Present	Internal Audit Manager	Thai Steel Cable PCL	Automobile Control Cable Motorcycle Control Cable Windows Regulator
2009 – Present	Lead Auditor of IATF16949 /ISO9001/ISO14001/VDA		
2019 – 2020	QA Manager		
2017 - 2018	Quality Management		

	Representative of ISO9001		
2014 - 2017	Safety Health and Environment Manager		
2009 - 2018	Quality Management Manager		
2009 - 2018	Quality Management Representative of IATF16949		
2009 - 2018	Environmental Management Representative of ISO14001		

## **Head of Compliance**

(Information as the details of the company secretary)

## **Attachment 4**

### Details of Assets for Business Operations and Details of Assets Assessment

In 2022, the Company does not have an Assets Assessment policy and there is no revaluation of the assets during the accounting period.

## **Attachment 5**

### Policy and Guideline for Corporate Governance and Code of Conduct of the Company

The Company has disclosed the Corporate Governance Handbook on the website which can be accessed as follows

- **CG Handbook**  
: **<https://www.tscpcl.com/cghandbook>**
- **Board of Directors Charter**  
: **<https://www.tscpcl.com/charter>**

## **Attachment 6**

### **Report of Audit Committee and Subcommittee**

#### **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 comprise 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 2022 attendance are listed below:

<b>No.</b>	<b>Name of Directors</b>	<b>Designation</b>	<b>Total meetings</b>	<b>Meeting attendance</b>
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 accordance with the Stock Exchange of Thailand.

In 2022 (period from October 1, 2021 to September 30, 2022), 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 statements 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 an 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 it to monitor the correction of defect inspection reports.



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 and risk of the spread of Coronavirus (Covid-19) that has a pandemic worldwide including Thailand which had a significant effect on the business operation. 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, then reported some risk management to the Board of Directors, which the Audit committee 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 were no significant defects in terms of non-compliance with the law and regulations reviewed.
5. Considering the report of the Internal Auditor to review the compliance under the Anti - Corruption Policy of the internal auditor. The Committee has the opinion that the Company has sufficient measures to oppose and detect the corruption efficiently. The certificate demonstrates the strong commitment to conducting business fairly, transparently and both directly and indirectly to emphasize the anti-corruption.
6. Reviewing and commenting 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 item 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. Consider the selection of the auditor and the remuneration proposed to the Board of Directors for approval at the shareholders' meeting. The Audit Committee has considered a new auditor to replace the former auditor who has requested to withdraw by considering the audit experience in the same industry, the number of auditors supporting the audit of the listed company and the audit fee when compared to the same level of audit firms including knowledge, expertise and independence and proposed to the Board of Directors for approval at the shareholders' meeting to appointing Mr. Pongthavee Ratanakoses Certified Public Accountant (Thailand) No.7795, Ms. Rodjanart Banyatananusard, Certified Public Accountant (Thailand) No. 8435 and Mr. Boonrueng Lerdwisewit Certified Public Accountant (Thailand) No. 6552 of PricewaterhouseCoopers ABAS Ltd. be appointed as the Company's auditors, any one of them being authorized to conduct the audit and express an opinion on the financial statements of the Company. In the absence of the above-named auditors, PricewaterhouseCoopers ABAS Ltd. is authorized to identify one other Certified Public Accountant within PricewaterhouseCoopers ABAS Ltd. to carry out the work as auditors for 2023 (the period from October 1, 2022 - September 30, 2023) with the audit fee in total of 1,500,000 Baht (excluding monitoring of compliance with the terms of the Investment Promotion Act (BOI privilege 5 licenses) for 450,000 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 by using knowledge, competence, caution, prudence and with sufficient independence as well as providing comments and suggestions for the benefit of business operations. The audit committee has the opinion that the Company had correctly and completely completed financial reports and business operations. There were proper and effective internal control systems, internal audit and risk management properly of existing and emerging risks from the Coronavirus (Covid-19) epidemic 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. In addition, the audit committee made a self-assessment based on the self-assessment form of the audit committee set by the Stock Exchange of Thailand for using the evaluation results to improve the performance of the Audit Committee and to ensure that The Audit Committee is qualified and the actions of the audit committee in performing their duties in accordance with the requirements of the SET and the SEC.



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 who 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 2022, 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 and Sub-Committee and propose to the Board of Directors and/or further to the Shareholders' Meeting for approval.
2. To prepare criteria and policy regarding the nomination of top management and propose to the Board of Directors.
3. To recruit and propose an appropriate person to be the Company Director, Sub-Committee and top management of the Company.
4. To encourage that the Company allows the shareholders to suggest a person to be nominated as the Company Director.
5. To proceed with 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 propose to the Board of Directors and further to the shareholders' Meeting for approval.
2. To prepare criteria and policy regarding the remuneration to comply with the duties and responsibilities of top management and propose to the Board of Directors.
3. To give an explanation related to remuneration in the shareholders' meeting.
4. To report the remuneration policy in 56-1 One Report.
5. To proceed with 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	3	3
2	Mr. Prinya	Waiwatana	Director	3	3
3	Mr. Chatchai	Earsakul	Director	3	3
4	Mr. Veerawat	Korphaibool	Director	3	3



(Mr. Apinan Na Ranong)

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 who 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 2022, the Corporate Governance Committee compliance with the charter of the Corporate Governance Committee will completely consider and review compliance of CG Code Principles with its business and regularly report 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 continuously 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.2/2022 on August 4, 2022 which consists of business ethics (Code of Conducts) including guidelines, especially anti-corruption policy, others suggest 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 comprise of 8 individuals and names of committee members and 2022 attendance are listed below:

No.	Name of Directors	Designation	Total number of meetings	Meeting attendance
1	Mr. Sarit Patanatmarueng (Managing Director)	Chairman	4	4
2	Ms. Sirina Patanatmarueng (Senior General Manager - Business Administration Division)	Committee	4	4
3	Ms. Patra Chaiyosburana (Senior General Manager - Business Operation Division and Research and Development Division)	Committee	4	4
4	Mr. Hajime Kato (General Manager - Research and Development Division)	Committee	4	4
5	Mrs. Kasita Pitaksongkram (General Manager - Business Administration Division)	Committee	4	4
6	Mr. Watcharin Siamrattanakit (General Manager - Production Division)	Committee	4	4
7	Mr. Somkiat Korten <sup>1</sup> (General Manager – Production support Division)	Committee	4	4
8	Mr. Siwawong Buthgate <sup>2</sup> (General Manage (Acting) - Quality Division)	Committee	2	2
Directors retired during the year				
-None-				

Noted: <sup>1</sup>Nominated of General Manager - Production Support Division on March 1, 2022.

<sup>2</sup>Nominated of General Manager (Acting) - Quality Division on March 1, 2022.

In 2022 (period from October 1, 2021 to September 30, 2022), 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 supports the company whilst enabling it to manage the risk efficiently and effectively.

2. Review risk management framework, risk management process and level of risk assessment that includes the assessment of strategic risk, operational risk, financial risk to have a current operating process and could be practiced according to the process.
3. Consider Company risk management such as strategic risk assessment, operational risk, financial risk management and compliance risk of related Corporate Governances Department and compliance with relevant laws. Also emerging risk according to the current situation such as the new epidemic of infectious diseases such as the Coronavirus (Covid-19). Additionally, consider risk responses by taking into account needs and urgency in risk response based on risk assessment, risk appetite and risk severity.
4. Consider and approve the revised Business Continuity Plan (BCP) to ensure that the business continuity plan can be used as a working plan and a roadmap for business management to continue without stopping in the disrupted situations from internal or external threats that will cause problems and obstacles to business operations.
5. Consider and approve the appointment of the Business Continuity Management Committee (BCM) for the team and the director can continue to operate on a continuous basis in critical situations or in situations that may change.

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 including emerging risks such as the spread of Coronavirus (Covid-19). To oversee, follow up and review continuously the result of risk management affected the target or the company's objectives significantly 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



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People  
Society  
Environment  
Ethic  
Knowledge  
Quality

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**VALUE**  
คุณค่า



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คน  
สังคม  
สิ่งแวดล้อม  
จริยธรรม  
ความรู้  
คุณภาพ



**Thai Steel Cable Public Company Limited**

700/737 Moo.1 Tambol Panthong, Amphur Panthong, Chonburi, 20160

Tel : (+66) 38 447 200 – 05 [www.tscpcl.com](http://www.tscpcl.com)

Line ID : @tscpcl Facebook : TSC PCL