

2016

Annual Report

Thai Steel Cable Public Company Limited

A large, abstract graphic of blue waves or flowing lines dominates the lower half of the page. The waves are in various shades of blue, from light to dark, and create a sense of movement and depth.



Vision

To be world class automotive control cable manufacturer.



Mission

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

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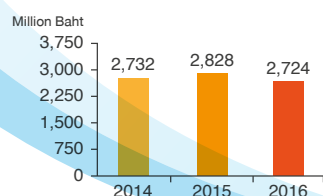
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Financial Highlights

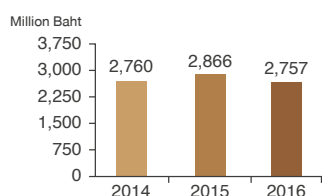
Unit : Million Baht

| Financial Statement as of September 30 | 2014 | 2015 | 2016 |
|--|-------|-------|-------|
| Operating Performance | | | |
| Revenues from Sales | 2,732 | 2,828 | 2,724 |
| Total Revenues | 2,760 | 2,866 | 2,757 |
| Total Expenses | 2,619 | 2,704 | 2,595 |
| Earnings Before Finance Costs and Income Tax | 141 | 162 | 162 |
| Net Earnings | 126 | 144 | 132 |
| Financial Situation | | | |
| Current Assets | 1,232 | 1,378 | 1,440 |
| Total Assets | 2,701 | 2,791 | 2,751 |
| Total Liabilities | 1,014 | 1,141 | 1,112 |
| Shareholder's Equity | 1,687 | 1,650 | 1,639 |
| Per Share Data (Unit : Baht) | | | |
| Earnings per Share (EPS) | 0.49 | 0.56 | 0.53 |
| Dividend per Share | 0.50 | 0.50 | 0.50 |
| Book Value per Share | 6.50 | 6.35 | 6.31 |
| Financial Ratios (Unit : %) | | | |
| Debt/Equity Ratio | 0.60 | 0.69 | 0.68 |
| Net Earnings Margin | 5 | 5 | 5 |
| Return on Equity (ROE) | 7 | 9 | 8 |
| Return on Asset (ROA) | 5 | 5 | 5 |

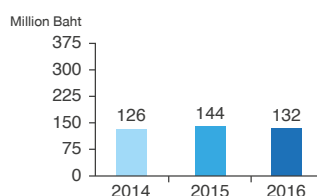
Revenues from Sales



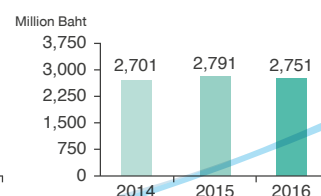
Total Revenues



Net Earnings



Total Assets



Message from the Board of Directors

In 2016, the output of Thailand automotive industry has been in line with the previous year. The demand of domestic decreased despite the increase in export. It has been gradually recovering in both locally and globally economic. The Company keeps eyes on adjusting its business plan to meet with current exposure which include reducing the costs whilst maintain the highest quality of product. Every staff was collaborated and committed to the development of environmentally friendly production process and the achievement of optimal resource utilization. As a result, the Company delivers quality products at the right cost and constantly pursuing research and development. In this regard, the aim is to increase production efficiency and the level of competitiveness.

Besides the business plan, the Board also upholds the Company's philosophy:

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

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

In 2017, the Company continued the adherence and implementation of the business plan as well as the year 2016. 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 economies, uphold the principle of sustainable business, and implement an internationally recognized risk management system which conforms to international standards in order to prepare the organization to effectively deal with external and internal changes.

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



Mr. Sunsum Jurangkool
Chairman of the Board of Directors

Policy and overall business operations of the company

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

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

Overall business operations

Last year global economic slowdown and domestic political issues that crippled Thailand's economy caused contractions in the local auto industry. However, the Company still commanded the highest market share in the control cable segment in the ASEAN region. Our customers comprised leading automobile and motorcycle manufacturers, and automobile manufacturers still entrusted the Company to design and produce control cables for new car models, which will be launched in Thailand and overseas markets.

Business Goals

The Company's principal goal is to maintain the status of a leading world-class manufacturer of automobile and motorcycle control cable and automobile window regulators, whereby it mainly supplies components to companies affiliated with Hi-Lex Corporation. To achieve such goal, the Company realizes that key contributing factors lie with maintenance and improvement of product quality, production cost control, improved efficiency of product delivery and improved relationship with car producer at oversea.

To maintain and improve product quality that meets the demand of automobile and motorcycle manufacturers, the Company needs to develop its capabilities to obtain standard certification from internationally recognized certifying bodies. Aside from the existing ISO/TS 16949, ISO 14001, and ISO 17025 certification, the Company already began studying the VDA system (Verband der Deutschen Automobil Industrie E.V.), which is a quality standard certification applicable for European auto makers, to pursue further development for potential certification.

The Company constantly improved the production system in order to raise product standards and build confidence among customers. Moreover, production lines have been developed towards automated systems to help reduce errors and the number of workers in the production process. Other operating systems, such as warehouse and transportation, have also been developed continuously.

For auto parts manufacturers, another key attribute is research and development as well as product design. In this regard, the Company worked with auto makers based in Thailand and abroad on product design and solutions to product issues on a regular basis. Most recently, the Company undertook a joint research project on the development of quality engineering with leading educational institutions in Thailand. This endeavor signifies an extension of the vision "world-class automobile control cable manufacturer" which calls for pursuance of social and environmental responsibilities under the corporate governance principles and necessity to recognize the importance of sustainability of all sectors.

Nature of Business

Corporate Background and Major Developments

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

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

Key changes and developments

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

| Year | Description |
|------|---|
| 2016 | <ul style="list-style-type: none"> • Received “Green Certificate Level 3 (Green System)” from the Ministry of Industry to certify that our company comply with a systematic environmental management as well as follow up, evaluate and review for continuous improvement. • Received “J.I.T. Service Parts Supplier Performance Award” from Toyota Parts Center Asia Pacific Co., Ltd. as result from excellent performance in quality assurance. • Received Best Organization award for training and development of personnel for improving efficiency of Energy Management from Department of Alternative Energy Development and Energy Conservation together with KhonKaen University. • Received Thailand’s Private Sector Collective Action Coalition Against Corruption Certificate from CAC Council. • Received the outstanding award of Workplace Health, Safety and Environment in the working place in nationally level in 2016 from Ministry of Labor. The Company received this award for the second year in a row. • Received “GM Supplier Quality Award 2015” from General Motors (Thailand) Limited. The award is granted to product supplier with excellent quality of 2015. |

Products

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

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

Production of automobile control cables and window regulators using various types of control cables mentioned above. The Company manufactures these products under the license and technical assistance agreement between the Company and Hi-Lex Corporation, which is a leading Japanese vehicle control cable manufacturer and a major shareholder of the Company.

Revenue structure

The Company supplies products to both domestic and international partners. Summary of the company's revenue by products during 2014 - 2016 are as followed :

| Product line | 2014 | | 2015 | | 2016 | |
|------------------------------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|
| | Revenue Million Bt. | Ratio (%) | Revenue Million Bt. | Ratio (%) | Revenue Million Bt. | Ratio (%) |
| Revenue from domestic sales | 2,610 | 95 | 2,675 | 93 | 2,542 | 92 |
| - automobile control cables | 1,984 | 72 | 1,859 | 65 | 1,853 | 67 |
| - motorcycle control cables | 409 | 15 | 356 | 12 | 326 | 12 |
| - automobile window regulators | 217 | 8 | 460 | 16 | 363 | 13 |
| - others | - | - | - | - | - | - |
| Revenue from overseas sales | 122 | 4 | 154 | 5 | 182 | 7 |
| - automobile control cables | 29 | 1 | 9 | 0 | 14 | 1 |
| - motorcycle control cables | - | - | 1 | 0 | 0 | - |
| - automobile window regulators | 1 | 0 | 1 | 0 | 0 | - |
| - others | 92 | 3 | 142 | 5 | 168 | 6 |
| Other income | | | | | | |
| - others | 28 | 1 | 37 | 1 | 33 | 1 |
| Total revenues | 2,760 | 100 | 2,866 | 100 | 2,757 | 100 |

Customer Satisfaction

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

The results of the annual customer satisfaction survey 2016 as followed.

(Total is 5)

| Customer Satisfaction | 2015 | 2016 |
|-----------------------|-------------|-------------|
| Quality | 4.20 | 4.40 |
| Cost | 3.92 | 4.00 |
| Delivery | 4.27 | 4.50 |
| New model | 4.21 | 4.35 |
| Overall | 4.14 | 4.31 |

Industrial Trends and Competitive Situation in the Future

Overview of the automotive industry in 2016

From the statistic, Thailand had been maintaining our position as one of top domestic sales in Asia in the past years. Although automotive market was still dull beginning of 2016, due to continuous slow-down in economic conditions and the volatility of the global market which had resulted in the limitation of buying power and investment from both business sector and household sector. The Federation of Thai Industries (FTI) set its target at 1.95-2 million units this year, increase slightly from last year. It is believed that automotive market in Thailand will start recovering by end of this year and back to the expected growth in 2017 onwards.

To compensate for the reduction of domestic sales, automobile makers in Thailand have expanded their export market, especially the growing of Eco-car segment with government promotion scheme. In addition, the exporting of PPV (Pick-up Passenger vehicle) has become an important and growing segment in the past year. Thailand has geographical advantages of being the center of Asian region, with large domestic demand and strong supply chain base. Therefore, it attracts global automotive players to continue their investment in Thailand. Japanese car makers who currently hold 75% of car production and domestic sales, positions Thailand as production base for 1Ton pick-up and Eco-car for domestic and export. European and China car makers are also increasing their sales and production in Thailand.

Trends of the automotive industry in 2017

Thailand automotive market should have good prospects this year due to many factors. Export market for ASEAN had a good trend after the ASEAN Economic Community (AEC) has started. Most members reduced import duty for imported vehicle to 0% as defined in AEC which encouraged export market expansion among this region since 2016 onwards. While, Thailand has implemented new tax structure as well as Eco-car Phase 2 projects following global requirement by reducing carbon emissions into the environment, it is expected that export sales from Thailand will rise continuously.

While Thai government has set long term strategy to promote BEV (Battery Electric Vehicles) to enhance competitiveness of automotive industry in general, Thailand is considered to be one of most important automotive parts production base in the world. Therefore, it has strong capability to establish and well adapt this technology in Thailand market. Electric vehicles would become an upcoming high end segment for consumers who prefer new innovation and technology.

The alliance of Japanese automotive makers in the past year will be another factor to increase competition globally especially the development of upcoming models. Last year, Nissan Motors acquired 34 percent stake in Mitsubishi Motors, they would likely to share and jointly develop the next generation of pick-up truck. It would strengthen their supply chain network as well as join development of electric vehicles technology. Whereas, Isuzu Motors has announced partnership with Mazda for new pick-up model. This partnership will enhance their competitiveness in production and marketing.

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 (%) |
| 2557 | 1,880,007 | 881,832 | 1,128,102 | (23) | 1,842,708 | 1,701,535 | 887,980 | (17) |
| 2558 | 1,913,002 | 799,632 | 1,204,895 | 2 | 1,807,325 | 1,639,090 | 939,980 | (2) |
| 2559* | 1,476,736 | 556,525 | 900,726 | (23) | 1,361,328 | 1,350,089 | 653,221 | (25) |

*Cumulative data over a period of nine months (January - September)
Source: The Federation of Thai Industries as of September 30, 2016

Risk factors

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

1. Risks from reliance on majority shareholders

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

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

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

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

Consequently, these risks are rather low.

2. Risks from foreign competition

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

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

3. Risks from fluctuation of raw material prices

In 2016, the Company purchased basic raw materials, including steel, metal wire, plastic pellets and rubber, valued more than 50% of the total value of raw materials and components purchased by the Company. The prices of these raw materials were affected from fluctuation of trading prices based on supply and demand situations of these basic raw materials in the world market, and such factors are beyond the control of the Company.

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

4. Risks from foreign exchange rate fluctuation

In 2016, the Company procured imported raw materials and components, accounting for around 33% 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 427 million Baht. Thus, the Company faced risks from foreign exchange rate fluctuation if exchange rates have gone up.

5. Risks from reliance on major customers

At present, the Company has 8 key customers, 7 of which are major automobile manufacturers and 1 of which are major motorcycle manufacturers. Combined sales value to these major customers accounted for around 87% of the Company's revenue in 2016. 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 38 years. Over the years, the Company has boosted its production efficiency up to a reputed level. The Company possesses production technology which earns widely respected quality and efficiency as well as has competitive production cost and its own product testing facility which effectively reduces operational time and improves turnaround time. Furthermore, the Company has maintained business relationship with major automobile and motorcycle manufacturers for a long time, and its major shareholder, Hi-Lex Corporation, is a leading control cables manufacturer in Japan. Additionally, the Company is also affiliated with Summit Corporation which is a major automobile and motorcycle components manufacturer in Thailand with long experiences in this industry, and Summit Corporation is a manufacturer reputed for its reliable product quality. The product range offered by Summit Corporation covers almost every type of automobile and motorcycle components, such as body parts, seats, side door panels, and so forth. With such attributes, there is a small possibility that these automobile and motorcycle companies will place orders with our competitors instead.

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

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

The Company has three groups of majority shareholders, including Jurangkool, Hi-Lex Corporation, and Patanatmarueng (see details in “Securities Information and Shareholders”). As of 30 September 2016, the number of shares held by these three groups totals 209,469,800 shares, or 80.63% of the total paid-up capital of the Company. Consequently, these shareholder groups possess enough shares to control nearly all of shareholders’ votes in their favor, whether it be director’s appointment or any other resolution that requires a majority vote – except legal matters or articles of association that require a three-fourths vote of shareholders’ meeting.

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

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

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

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

7. Risks from warranty claims

The Company is responsible for the provision of product quality guarantee and must be accountable to its customers. In purchasing contracts, it is stipulated that any damage arising from the Company’s products must be compensated by the Company. In the event automobile and motorcycle manufactures demanded compensation for any damage incurred by a product in an amount equal to or exceeding the Company’s sales revenue, and the court conclusively ruled that the Company must be financially liable for such damage, the Company’s business might be adversely affected in the future. Moreover, the Company and manufacturers must be jointly liable for any damage arising from defects of the Company’s products.

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

8. Risks from reliance on automobile and motorcycle industries

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

Presently, the automotive industry is recognized as an industry that can create tremendous economic value. Therefore, many countries have been endeavoring to foster local production as much as possible. Thailand is now the ninth largest auto maker in the world, and total production volume in 2016 is estimated at 2 million units. The government has launched the Eco Car 2 project as a supplementary policy to promote Thailand as an automotive hub in the ASEAN region, so there is less likelihood that the automotive industry would face a slump soon.

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

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

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

The Company has been a manufacturer of automobile and motorcycle control cables as well as window regulators for more than 38 years and it is one of the country's largest manufacturers of these products. With widely acclaimed track records and long-standing reputation among automobile and motorcycle manufacturers, the Company thus enjoys a considerable advantage over local competitors in the production of automobile and motorcycle control cables and window regulators in Thailand. Therefore, the Company is confident that it will be able to compete effectively against other industry players.

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

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

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

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

Investment risks related to investors

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

Key risks associated with stock investment:

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

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

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

General Corporate

Company Profile

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

Information on shareholding over 10 percent

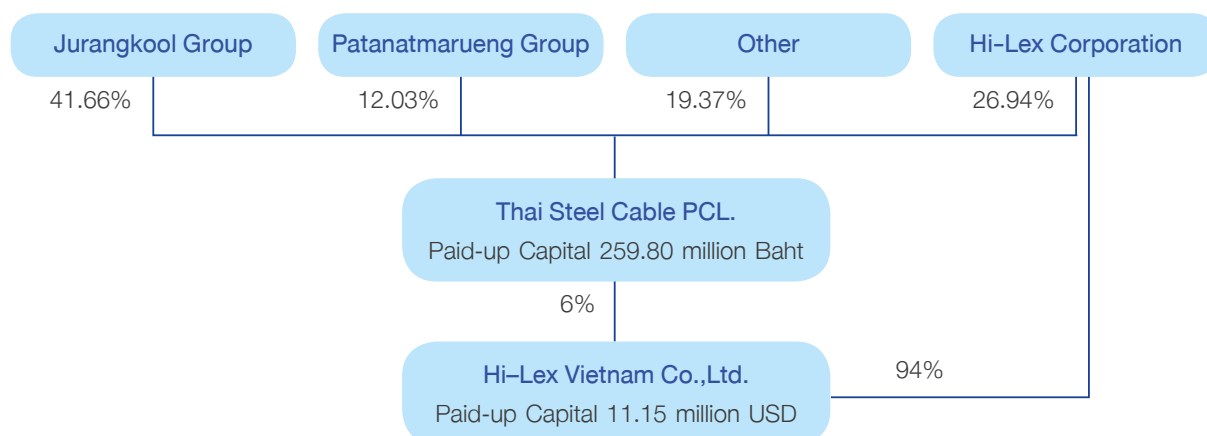
The Company does not hold shares of other business or company.

Information on other cited persons

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

Shareholders

Shareholding Structure of the Company as of September 30, 2016



Major shareholders

The major shareholders of the Company as of September 30, 2016 are presented as below:

| No. | Name | Paid-up capital 259,800,000 Baht | |
|--------------|--|----------------------------------|-------------------|
| | | Number of shares | % of shareholding |
| 1 | Jurangkool Group | 108,220,900 | 41.66 |
| 2 | Hi-Lex Corporation | 70,000,000 | 26.94 |
| 3 | Patanatmarueng Group | 31,248,900 | 12.03 |
| 4 | Thai NVDR Company Limited | 12,625,900 | 4.86 |
| 5 | Mr. Chaitat Chaipipatsuke | 6,500,000 | 2.50 |
| 6 | Mr. Dumrong Kulthanapong | 6,000,000 | 2.31 |
| 7 | AIRA Securities Public Company Limited | 5,378,800 | 2.07 |
| 8 | Ms. Waraporn Songpracha | 2,105,400 | 0.81 |
| 9 | Mr. Thewarug Werawatganon | 1,929,200 | 0.74 |
| 10 | Mr. Pithak Werawatganon | 1,750,000 | 0.67 |
| 11 | Ms. Duangporn Werawatganon | 1,665,500 | 0.64 |
| 12 | Ms. Pornpen Werawatganon | 1,501,000 | 0.58 |
| 13 | Ms. Sumitra Domrongkitchaiporn | 1,500,000 | 0.58 |
| 14 | Other | 9,374,400 | 3.61 |
| Total | | 259,800,000 | 100 |

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 | 20,913,400 shares, | or | 8.05 % | 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, 2016) are :

| | | |
|---|-------|---------|
| 1. Teraura Investment Co., Ltd. | holds | 20.03 % |
| 2. JP Morgan Chase Bank | holds | 6.20 % |
| 3. Teraura Scholarship Foundation | holds | 4.06 % |
| 4. Northern Trust Company | holds | 3.71 % |
| 5. Nippon Life Insurance Company | holds | 3.29 % |
| 6. BBH For Fidelity Low-Priced Stock Fund | holds | 3.22 % |
| 7. Japan Trustee Services Bank, Ltd. | holds | 2.92 % |
| 8. NISHIKAWA RUBBER CO., LTD. | holds | 2.70 % |
| 9. CMBL S.A. REMUTUAL FUNDS | holds | 2.51 % |
| 10. Honda Motor CO., LTD. | holds | 2.22 % |

3) Patanatmarueng Group comprises 4 shareholders of the same family name and related individuals as follows :

| | | | | | | |
|-----------------|----------------|-------|-------------------|----|--------|--------------------|
| - Mr. Santi | Patanatmarueng | holds | 9,680,200 shares, | or | 3.73 % | of paid up capital |
| - Mr. Sarit | Patanatmarueng | holds | 9,640,400 shares, | or | 3.71 % | of paid up capital |
| - Ms. Sirina | Patanatmarueng | holds | 9,330,300 shares, | or | 3.59 % | of paid up capital |
| - Mr. Choothong | Patanatmarueng | holds | 2,598,000 shares, | or | 1.00 % | of paid up capital |

Restrictions to foreign shareholder

Foreign shareholder shall together hold not more than 49% of paid-up stock and capital. As of September 30, 2016, the Company shares being hold foreigners was 27.15%.

Shareholdings of the Board of Directors

As of September 30, 2016, the Board of Directors together holds 48.88% of paid-up stock and capital.

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

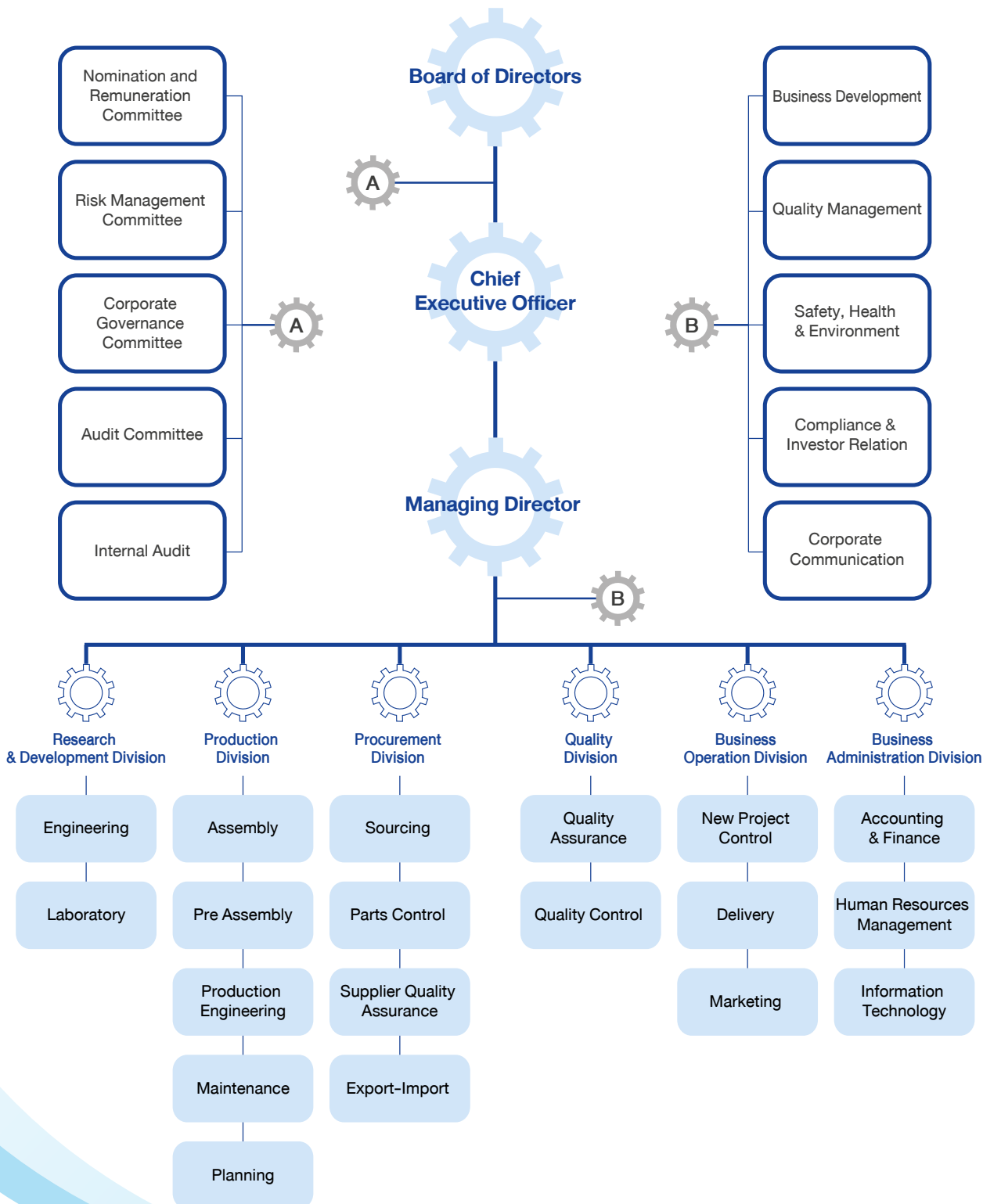
- Rights to receive share certificates and rights to transfer shares
- Rights to receive adequate information in a timely fashion and in a form appropriate for making decisions
- Rights to attend shareholders meetings and to vote at these meetings
- Rights to elect and remove directors
- Rights to approve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

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

Dividend payment policy

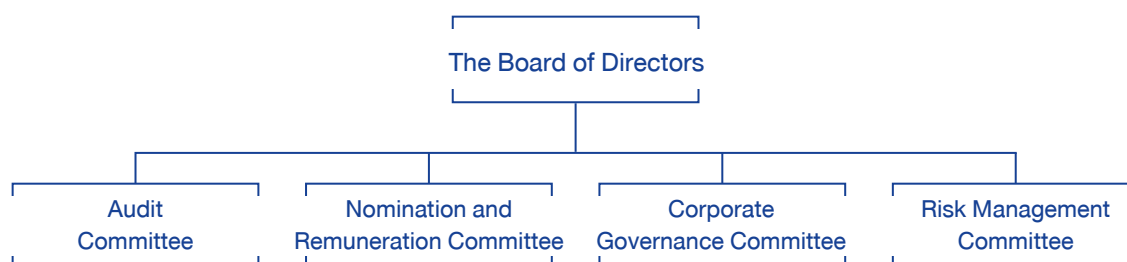
The Company has a dividend policy that pays dividend at a rate of no less than 25% of net profit after deductions of all types of reserve stated in regulations and legal provisions; provided that there is no ground of other necessity and dividend payment will not have significant effects on the Company's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

Management Structure



Organization Chart as of September 30, 2016

The Company's management structure as of September 30, 2016 comprises the Board of Directors and 4 sub-committees, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee. The details of this structure are outlined as followed:



1. The Board of Directors

The Board of Directors as per the certification of the Ministry of Commerce dated August 29, 2016 shows that there are 11 Directors comprises of:

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

| No. | Name of Directors | | Designation | Total number of meetings | Meeting attendance |
|-----|-------------------|-----------------------------|-----------------------|--------------------------|--------------------|
| 1 | Mr. Sunsum | Jurangkool | Chairman of the Board | 6 | 3 |
| 2 | Mr. Makoto | Teraura | Director | 6 | 6 |
| 3 | Mr. Thaveechat | Jurangkool | Director | 6 | 0 |
| 4 | Mr. Kornkrit | Jurangkool | Director | 6 | 3 |
| 5 | Mr. Sarit | Patanatmarueng | Director | 6 | 5 |
| 6 | Ms. Sirina | Patanatmarueng ¹ | Director | 6 | 6 |
| 7 | Mr. Kazuhiro | Takeshita | Director | 2 | 2 |
| 8 | Mr. Prinya | Waiwatana | Independent Director | 6 | 6 |
| 9 | Mr. Apinan | Na Ranong | Independent Director | 6 | 5 |
| 10 | Mr. Chatchai | Earsakul | Independent Director | 6 | 6 |
| 11 | Mr. Veerawat | Korphaibool ² | Independent Director | 4 | 3 |

| No. | Name of Directors | Designation | Total number of meetings | Meeting attendance |
|---|---|----------------------------|--------------------------|--------------------|
| The directors who resigned during the year | | | | |
| 12 | Mr. Choothong Patanatmarueng ³ | Vice Chairman of the Board | 3 | 0 |
| 13 | Mr. Kavee Vasuvat ⁴ | Independent Director | 2 | 1 |

¹ Board of Directors meeting No. 4/2016 on May 10, 2016 resolved to appoint Ms. Sirina Patanatmarueng to be the Director in place of Mr. Choothong Patanatmarueng who resigned since March 2, 2016. The tenure of new director shall be as the remaining of the former one and effective from May 11, 2016 onward.

² An annual general meeting 2016 on January 26, 2016 resolved to appoint Mr. Veerawat Korphaibool to be an Independent Director (additional Director), effective from January 27, 2016 onward.

³ Resigned from the director and other designations on March 2, 2016.

⁴ Resigned from the Independent director and other designations on February 10, 2016.

Directors with signatory authority

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

2. Audit Committee

| No. | Name of Directors | Designation | Total number of meetings | Meeting attendance |
|---|----------------------------|-------------|--------------------------|--------------------|
| 1 | Mr. Prinya* Waiwatana | Chairman | 5 | 5 |
| 2 | Mr. Apinan Na Ranong | Director | 5 | 5 |
| 3 | Mr. Chatchai Earsakul | Director | 5 | 5 |
| 4 | Mr. Veerawat** Korphaibool | Director | 2 | 2 |
| The directors who resigned during the year | | | | |
| 1 | Mr. Kavee Vasuvat *** | Chairman | 3 | 1 |

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

** Board of Directors meeting No. 3/2016 on February 9, 2016 resolved to appoint Mr. Veerawat Korphaibool, Independent Director, to be a committee in Sub Committee which are: Audit Committee, Nomination and Remuneration Committee, and Corporate Governance Committee, effective from February 10, 2016 onward.

*** Resigned from the Chairman of Audit Committee and other committees on February 10, 2016.

(The schedule of Audit Committee meeting 2016: November 23, 2015, January 18, 2016, February 8, 2016, May 9, 2016, August 5, 2016.)

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

3. Nomination and Remuneration Committee

| No. | Name of Directors | Designation | Total number of meetings | Meeting attendance |
|---|---------------------------|-------------|--------------------------|--------------------|
| 1 | Mr. Apinan Na Ranong | Chairman | 4 | 4 |
| 2 | Mr. Prinya Waiwatana | Director | 4 | 4 |
| 3 | Mr. Chatchai Earsakul | Director | 4 | 4 |
| 4 | Mr. Veerawat* Korphaibool | Director | 4 | 2 |
| The directors who resigned during the year | | | | |
| 1 | Mr. Kavee Vasuvat ** | Chairman | 3 | 1 |

* Board of Directors meeting No. 3/2016 on February 9, 2016 resolved to appoint Mr. Veerawat Korphaibool, Independent Director, to be a committee in Sub Committee which are: Audit Committee, Nomination and Remuneration Committee, and Corporate Governance Committee, effective from February 10, 2016 onward. (The schedule of Nomination and Remuneration Committee meeting 2016: November 23, 2015, February 9, 2016, May 9, 2016, September 20, 2016.)

** Resigned from the Chairman of Nomination and Remuneration Committee and other committees on February 10, 2016. (The schedule of Nomination and Remuneration Committee meeting 2016: November 23, 2015, February 9, 2016, May 9, 2016, September 20, 2016.)

Ms. Sirina Patanatmarueng, Senior General Manager - Business Administration division, was a Nomination and Remuneration secretary. And The committee in NRC meeting No. 3/2016 on May 9, 2016 resolved to appoint Mrs. Kasita Pitaksongkram, to be an NRC secretary, effective from May 10, 2016 onward.

4. Corporate Governance Committee

| No. | Name of Directors | Designation | Total number of meetings | Meeting attendance |
|---|---------------------------|-------------|--------------------------|--------------------|
| 1 | Mr. Prinya Waiwatana | Chairman | 3 | 3 |
| 2 | Mr. Apinan Na Ranong | Director | 3 | 3 |
| 3 | Mr. Chatchai Earsakul | Director | 3 | 3 |
| 4 | Mr. Veerawat* Korphaibool | Director | 2 | 2 |
| The directors who resigned during the year | | | | |
| 1 | Mr. Kavee Vasuvat ** | Chairman | 3 | 1 |

* Board of Directors meeting No. 3/2016 on February 9, 2016 resolved to appoint Mr. Veerawat Korphaibool, Independent Director, to be a committee in Sub Committee which are: Audit Committee, Nomination and Remuneration Committee, and Corporate Governance Committee, effective from February 10, 2016 onward. (Corporate Governance Committee meeting 2016: October 13, 2015, May 3, 2016, September 13, 2016.)

** Resigned from the Chairman of Corporate Governance Committee and other committees on February 10, 2016. (The schedule of Corporate Governance Committee meeting 2016: October 13, 2015, May 3, 2016, September 13, 2016.)

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

5. Risk Management Committee

| No. | Name of Directors | Designation | Total number of meetings | Meeting attendance |
|-----|--|-------------|--------------------------|--------------------|
| 1 | Mr. Sarit Patanatmarueng (Managing Director / Acting Senior General Manager - Business Operation Division) | Chairman | 4 | 4 |
| 2 | Mr. Kazuhiro Takeshita (Senior General Manager - Research & Development Division) | Director | 4 | 4 |
| 3 | Mr. Suthon Premprea (Senior General Manager - Production Division) | Director | 4 | 4 |
| 4 | Ms. Sirina Patanatmarueng (Senior General Manager - Business Administration Division) | Director | 4 | 4 |
| 5 | Mr. Sawat Sukaachin (Senior General Manager - Procurement Division / Acting General Manager - Quality Division) | Director | 4 | 4 |

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

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

6. Executives

| No. | Name of Executives | Designation |
|-----|---------------------------|--|
| 1 | Mr. Sunsum Jurangkool | Chief Executive Officer |
| 2 | Mr. Sarit Patanatmarueng | Managing Director, Acting Senior General Manager, Business Operation Division |
| 3 | Mr. Kazuhiro Takeshita | Senior General Manager, Research & Development Division |
| 4 | Mr. Suthon Premprea | Senior General Manager, Production Division |
| 5 | Mr. Sawat Sukaachin | Senior General Manager, Procurement Division Acting General Manager, Quality Division |
| 6 | Ms. Sirina Patanatmarueng | Senior General Manager, Business Administration Division |
| 7 | Ms. Sineenuth Srithamma | Manager, Accounting & Finance Department |

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

Scope and authority of the board of directors and management

The board of directors

1. Perform the duties in accordance with the law and the Company's objectives and articles of association as well as legitimate resolutions of shareholders' meeting with integrity and prudence in order to protect the interest of the Company and serve the best interest of shareholders.
2. Scrutinize and approve the appointment of a person with required qualifications and prohibited characteristics in accordance with the Public Limited Companies Act B.E. 2535 (1992) and the securities and exchange law as well as relevant notifications, bylaws and/or regulations, in case a Director's seat is vacated due to any reason other than retirement by rotation.
3. Scrutinize and select a candidate nominated by the Nomination and Remuneration Committee for the position of independent Director based on review of required qualifications and prohibited characteristics in accordance with the Public Limited Companies Act B.E. 2535 (1992) and the securities and exchange law as well as relevant notifications, bylaws and/or regulations, so that such nomination will be proposed to a Board meeting and/or shareholders' meeting for approval and appointment as an independent Director of the Company.
4. Scrutinize the appointment of the Audit Committee by reviewing qualifications set out in the securities and exchange law as well as notifications, bylaws and/or regulations of the Stock Exchange of Thailand.
5. Scrutinize and approve the appointment of an executive by examining a candidate nominated by the Nomination Committee. Scrutinize and approve appointment of managing Director, prescribe the scope of authority and duties of managing Director, and authorize managing Director to act on behalf of the Company in regard to its normal business operation.
6. Consider and approve management structure of the Company. Deliberate on appointment of an executive Board by selecting candidates from Board members, and stipulate the scope of authority and duties of the Executive Board.
7. The Board of Directors shall have the power to consider, select and revise the list of authorized signatory Directors of the Company.
8. Scrutinize the appointment or designation of one or several Directors to act on behalf of the Board of Directors where appropriate; and able to revoke, amend or modify such power.
9. Consider and approve a dividend policy of the Company and principal policies for investment in subsidiaries, joint venture companies and related companies.
10. Consider and approve the interim dividend payment to shareholders when the Company deems it has sufficient profit to do so, and notify shareholders' meeting of such payment at the next shareholders' meeting for acknowledgement.
11. Consider and approve significant matters, such as corporate governance policy, execution of connected transactions or related party transactions as well as acquisition or sale of assets of a listed company in accordance with relevant notifications, rules and/or regulations of the Stock Exchange of Thailand.

12. Consider and approve various matters that require shareholder meeting's approval in accordance with statutory provisions.
13. Consider and approve the following matters ;
 - (1.) Policy, business strategy and guidelines, targets, plans and annual budget of the Company.
 - (2.) The Company's quarterly business performances that compare with plan and budget and consider the trends of next year.
 - (3.) The investment for the annual non-budgetary project or authority.
 - (4.) Spending on the investment capital at 10% in excess of the investment budget in the approved project and 10% in excess of the other investment budgets that are not the project investment budget.
 - (5.) Purchase and sale of assets, purchase of business and the participation in the co-investment project that is not contradicted to the Stock Exchange of Thailand's criteria and not exceeding in authority of executives.
 - (6.) The transaction or any actions that shall impact to the Company's financial status, debt, business strategy, and reputation.
 - (7.) Any contract execution that is not related to the normal business operation and the contract related to the major regular business operation.
 - (8.) Inter-related transaction between the Company, subsidiaries, associated companies and the related persons in part of the transactions that are not meet with the requirements of the Stock Exchange and the Securities and Exchange Commission.
 - (9.) Any transactions effecting the Company's capital structure at the debt ratio against the capital that is exceeding 1.5:1.
 - (10.) Payment of the interim dividends.
 - (11.) The change of policy and practices with the significance related to the accounting, risk management, and internal audit.
 - (12.) Employment of executives.
 - (13.) Determine and change of the approval authority to executives.
 - (14.) The appointment and the termination of the Board of Directors and company secretary status.
 - (15.) Authorization and duties for Managing Director, management, or one of Director including the revision of authorization. However, this must not be in contradiction with the criteria and requirements of the Stock Exchange and Securities and Exchange Commission.
 - (16.) The appointment and the determination of authority of the Sub-committee.
 - (17.) Arrangement and control the management with the corporate governance principle.
 - (18.) Approval to change and modify the organizational structure in level of Managing Director or higher.
 - (19.) Any other actions to be in accordance with laws, objectives, Articles of Association and resolutions of the meeting of shareholders.

Chairman of the Board of directors

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

Sub-committee

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

The attendance of Director in Shareholders' Meeting

In 2016, the Company arranged one shareholders' meeting which was the Annual General Meeting of Shareholders on January 26, 2016. Nine directors attended the meeting, contributed 81.82 percent of the attendance of all Directors.

Management

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

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

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

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

Directorship in other companies of Managing Director

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

Board of Directors



Mr. Sunsum Jurangkool
Director



Mr. Makoto Teraura
Director



Mr. Thaveechat Jurangkool
Director



Mr. Kornkrit Jurangkool
Director



Mr. Sarit Patanatmarueng
Director



Ms. Sirina Patanatmarueng
Director



Mr. Kazuhiro Takeshita
Director



Mr. Prinya Waiwatana
Independent Director



Mr. Apinan Na Ranong
Independent Director



Mr. Chatchai Earsakul
Independent Director



Mr. Veerawat Korphaibool
Independent Director

Executive



Mr. Sunsum Jurangkool
Chief Executive Officer



Mr. Sarit Patanatmarueng
Managing Director and
Acting Senior General Manager,
Business Operation Division



Mr. Kazuhiro Takeshita
Senior General Manager,
Research & Development Division



Mr. Suthon Prempre
Senior General Manager,
Production Division



Ms. Sirina Patanatmarueng
Senior General Manager,
Business Administration Division



Mr. Sawat Sukaachin
Senior General Manager,
Procurement Division and
Acting General Manager,
Quality Division

Shareholding of the Board of directors and Management

As of September 30, 2016

| No. | Name - Surname | Position | Shareholding (shares) | | The number of shares that are bought / sold during the year | Spouse and Minor children |
|-----|---------------------------|--|-----------------------|--------------------|---|---------------------------|
| | | | September 30, 2015 | September 30, 2016 | | |
| 1 | Mr. Sunsum Jurangkool | Chairman of the Board of Directors/Chief Executive Officer | 83,115,000 | 83,115,000 | 0 | 0 |
| 2 | Mr. Makoto Teraura | Director | 0 | 0 | 0 | 0 |
| 3 | Mr. Thaveechat Jurangkool | Director | 20,532,000 | 20,913,400 | 381,400 | 0 |
| 4 | Mr. Kornkrit Jurangkool | Director | 4,000,000 | 4,000,000 | 0 | 0 |
| 5 | Mr. Sarit Patanatmarueng | Director /Managing Director/ Chairman of Risk Management Committee/ Senior General Manager - Business Operation Division (Acting) | 460,200 | 9,640,400 | 9,180,200 | 0 |
| 6 | Mr. Kazuhiro Takeshita | Director / Senior General Manager - Research and Development Division | 0 | 0 | 0 | 0 |
| 7 | Mr. Prinya Waiwatana | Independent Director / Chairman of Audit Committee/ Nomination and Remuneration Committee / Chairman of Corporate Governance Committee | 0 | 0 | 0 | 0 |
| 8 | Mr. Apinan Na Ranong | Independent Director / Audit Committee/ Chairman of Nomination and Remuneration Committee / Corporate Governance Committee | 0 | 0 | 0 | 0 |
| 9 | Mr. Chatchai Earsakul | Independent Director / Audit Committee/ Nomination and Remuneration Committee / Corporate Governance Committee | 0 | 0 | 0 | 0 |
| 10 | Mr. Veerawat Korphaibool | Independent Director / Audit Committee/ Nomination and Remuneration Committee / Corporate Governance Committee | 0 | 0 | 0 | 0 |
| 11 | Ms. Sirina Patanatmarueng | Director / Senior General Manager Business Administration Division | 150,100 | 9,330,300 | 9,180,200 | 0 |
| 12 | Mr. Suthon Prempre | Senior General Manager - Production Division | 0 | 0 | 0 | 0 |
| 13 | Mr. Sawat Sukaachin | Senior General Manager Procurement Division / General Manager - Quality Division (Acting) | 0 | 0 | 0 | 0 |

Nomination of Company Directors and Executives

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

Nomination of directors

1. Criteria and method

The Nomination and Remuneration Committee determines suitable qualifications which are consistent with the Board of Directors Charter. A suitable candidate must be competent and can devote sufficient work time for the Company. According to the articles of association, board of directors must comprise at least five members but not more than 12, whereby at least one-half of the total number of directors must be domiciled in Thailand. Directors may or may not be a shareholder of the Company.

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

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

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

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

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

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 tie vote and exceed the required number of directors, the meeting chair shall cast a deciding vote.
- Shareholders meeting may pass a resolution to remove any director before the end of a term with no less than three-fourths of the total number of attending shareholders with voting rights that accounts for more than one-half of the number of attending shareholders with voting rights.

Criteria for selection and procedure for appointment of new directors

Selection criteria

The Company selects a director from two channels described below:

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

2. Shareholders nominate qualified candidates.

Procedure for appointment of new directors

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

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

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

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

Recruiting the Executives

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

Chief Executive Officer and Director

Principle : To provide succession plan for chief executive officer and director

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

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

Basic Qualifications of the chief executive officer and director

- Education level: Master's degree is prerequisite, In case of, the applicant holds a lower education level, this shall fall to the Nomination and Remuneration committee discretion.
- More than 10 year experience in the management positions at least managing director in the company which has similar incomes or industry to TSC.
- Able to conduct a strategic planning and organizational planning.
- Leadership skill and coherent visions according to corporate governance, business, and organization culture policies.
- Good moral and ethics, without and involvement in criminal cases.

Senior General Manager and General Manager

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

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

Basic Qualifications of the senior general manager and general manager

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

Remuneration of Directors and Executives

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

(1) Remuneration

1.1 Remuneration of Directors (on behalf of Director only)

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

- Meeting allowance (for each meeting attended) is the same as the 2015 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 2015 operating results.

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

Details of remuneration of each director in 2016 are as followed:

| Name - Surname | Designation | Remuneration Committee (Baht) | | | | | |
|---------------------------------|----------------------------|-------------------------------|-----------------|---------------------------------------|--------------------------------|------------------|------------------|
| | | Board of Directors | Audit Committee | Nomination and Remuneration Committee | Corporate Governance Committee | Bonus | Total |
| 1. Mr. Sunsum Jurangkool | Chairman of the Board | 105,000 | | | | 177,136 | 282,136 |
| 2. Mr. Choothong Patanatmarueng | Vice Chairman of the Board | | | | | 177,136 | 177,136 |
| 3. Mr. Sarit Patanatmarueng | Director | 150,000 | | | | 177,136 | 327,136 |
| 4. Mr. Makoto Teraura | Director | | | | | 177,136 | 177,136 |
| 5. Mr. Thaveechat Jurangkool | Director | 75,000 | | | | 177,136 | 252,136 |
| 6. Mr. Kornkrit Jurangkool | Director | 125,000 | | | | 177,136 | 277,136 |
| 7. Mr. Kazuhiro Takeshita | Director | 150,000 | | | | 177,136 | 327,136 |
| 8. Ms. Sirina Patanatmarueng | Director | 50,000 | | | | 0 | 50,000 |
| 9. Mr. Kavee Vasuvat | Independent Director | 25,000 | 25,000 | 25,000 | 0 | 177,136 | 252,136 |
| 10. Mr. Apinan Na Ranong | Independent Director | 125,000 | 125,000 | 100,000 | 75,000 | 177,136 | 602,136 |
| 11. Mr. Prinya Waiwatana | Independent Director | 150,000 | 125,000 | 100,000 | 75,000 | 177,136 | 627,136 |
| 12. Mr. Chatchai Earsakul | Independent Director | 150,000 | 125,000 | 100,000 | 75,000 | 177,136 | 627,136 |
| 13. Mr. Veerawat Korphaibool | Independent Director | 75,000 | 50,000 | 50,000 | 50,000 | 0 | 225,000 |
| Total | | 1,180,000 | 450,000 | 375,000 | 275,000 | 1,948,500 | 4,228,500 |

Note: 1. Mr. Veerawat Korphaibool
 2. Mr. Kavee Vasuvat
 3. Mr. Choothong Patanatmarueng
 4. Ms. Sirina Patanatmarueng

was appointed as the Independent Director,
 resigned from the Independent Director and other designations,
 resigned from the Director and other designations,
 was appointed as the Director,

effective from January 27, 2016.
 effective from February 10, 2016.
 effective from March 2, 2016.
 effective from May 11, 2016.

Total remuneration of the executives***:

| Remuneration | 2015 Amount (MB Baht) | 2016 Amount (MB Baht) |
|----------------------|--------------------------|--------------------------|
| Salaries, bonus etc. | 72.23 (12 executives) | 73.18 (15 executives) |

1.2 Remuneration of Executives ***

- The remuneration of Chief Executive Officer in 2016 can be adjusted not more than 10% of rate in previous year.
- Remuneration of lower-ranking executives*** depends on the discretion of the Chief Executive Officer.

In 2016, remuneration of 15 executives*** were comprises of salary and bonus in amount of 73.18 million Baht.

(2) Other compensation

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

Provident fund

The Company established a provident fund in which employees are required to contribute 3 or 5% of their salaries and the Company is required to make the same rate of contribution. In 2016, the Company's contribution to the provident fund for 12 executives amounted to 1,196,617.29 Baht.

Social security

In 2016, the Company's social security contribution for 12 executives. amounted to 55,500 Baht.

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

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

Knowledge continuous development for the Board of Directors policy

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

Training Record

| Name - Surname | | Position | Courses | Group | Institute | Year |
|----------------|---------------------------|---|--|----------|-----------|------|
| 1 | Mr. Sunsum Jurangkool | Chairman of the Board of Directors/Chief Executive Officer | - | - | - | - |
| 2 | Mr. Makoto Teraura | Director | - | - | - | - |
| 3 | Mr. Thaveechat Jurangkool | Director | Director Accreditation Program (DAP) | 109/2014 | IOD | 2557 |
| 4 | Mr. Kornkrit Jurangkool | Director | Director Accreditation Program (DAP) | 77/2009 | IOD | 2552 |
| 5 | Mr. Sarit Patanatmarueng | Director/ Managing Director/ Chairman of Risk Management Committee/ Senior General Manager - Business Operation Division (Acting) | Director Certification Program (DCP) | 42/2004 | IOD | 2547 |
| 6 | Ms. Sirina Patanatmarueng | Director/ Senior General Manager - Business Administration-Division (Acting) | 1. Financial Statements for Directors (FSD) | 26/2014 | IOD | 2557 |
| | | | 2. Director Certification Program (DCP) | 227/2016 | IOD | 2559 |
| 7 | Mr. Kazuhiro Takeshita | Director/Senior General Manager - Research and Development Division | Director Accreditation Program (DAP) | 108/2014 | IOD | 2557 |
| 8 | Mr. Prinya Waiwatana | Independent Director/ Chairman of Audit Committee/ Nomination and Remuneration Committee/ Chairman of Corporate Governance Committee | 1. Audit Committee Program (ACP) | 9/2005 | IOD | 2548 |
| | | | 2. Director Accreditation Program (DAP) | 35/2005 | IOD | 2548 |
| | | | 3. Directors Certification Program (DCP) | 72/2006 | IOD | 2549 |
| | | | 4. Monitoring the System of Internal Control & Risk Management (MIR) | 2/2008 | IOD | 2551 |
| | | | 5. Role of the Compensation Committee (RCC) | 10/2010 | IOD | 2553 |
| | | | 6. AC vs Changing of financial reporting | - | SET | 2554 |
| 9 | Mr. Apinan Na Ranong | Independent Director/ Audit Committee/ Chairman of Nomination and Remuneration Committee/ Corporate Governance Committee | 1. Audit Committee Program (ACP) | 9/2005 | IOD | 2548 |
| | | | 2. Director Accreditation Program (DAP) | 35/2005 | IOD | 2548 |
| | | | 3. Monitoring the System of Internal Control & Risk Management (MIR) | 2/2008 | IOD | 2551 |

| Name – Surname | Position | Courses | Group | Institute | Year |
|-----------------------------|---|--|----------|-----------|------|
| 10 Mr. Chatchai Earsakul | Independent Director/ Audit Committee/ Nomination and Remuneration Committee/ Corporate Governance Committee | Director Accreditation Program (DAP) | 84/2010 | IOD | 2553 |
| 11 Mr. Veerawat Korphaibool | Independent Director/ Audit Committee/ Nomination and Remuneration Committee/ Corporate Governance Committee | 1. Director Accreditation Program (DAP) | 13/2014 | IOD | 2547 |
| | | 2. Directors Certification Program (DCP) | 151/2011 | IOD | 2554 |
| | | 3. Financial Statements for Directors (FSD) | 14/2011 | IOD | 2554 |

Employees (Exclude managements)

As of September 30, 2016, total employees was 996 persons and sub-contract 388 persons, separate by type of product as followed.

| Business | September 30, 2014 | | September 30, 2015 | | September 30, 2016 | |
|--------------------------|--------------------|------------|--------------------|------------|--------------------|------------|
| | Permanent | Temporary | Permanent | Temporary | Permanent | Temporary |
| Automobile control cable | 239 | 184 | 220 | 210 | 240 | 198 |
| Motorcycle control cable | 105 | 8 | 100 | 15 | 91 | 9 |
| Window Regulator | 25 | 24 | 22 | 20 | 20 | 19 |
| Center | 623 | 105 | 653 | 138 | 645 | 162 |
| Total | 1,008 | 457 | 995 | 383 | 996 | 388 |

Changes in staff numbers significantly

-None-

Labor disputes is in 3 years previously

-None-

Company Secretary

The Board of Directors appointed Mrs. Kasita Pitaksongkram as company secretary whose purview is stipulated in the Securities and Exchange Act B.E. 2535, 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, 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:
 - Directors register;
 - Notices of board meeting, minutes of board meeting, and annual reports;
 - Notices of shareholders meeting and minutes of shareholders meeting.
7. Keep conflict of interest reports submitted by directors or management.
8. Perform other tasks stipulated in notifications of the Capital Market Supervisory Board.
9. Organize a new director orientation program, and promote awareness and understanding of good corporate governance among directors, management and employees.
10. Liaise and communicate with shareholders to ensure that they are informed of shareholder's rights and keep them abreast of the Company's news and development.
11. Others issues that assigns by the Board of Directors.

Corporate governance

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



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

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

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

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

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

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

In 2016, the Company observed the best practices under the prescribed corporate governance principles and organized training and communication programs to ensure that every director, executive and employee could understand the principles and really apply them to organizational management. Download the corporate governance policy from http://www.thaisteelcable.com/investor_information.php?id=3&subid=4

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

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

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

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

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

Social Responsibility

Corporate social sustainable responsibility policy

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

Corporate governance

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

Fair business practices

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

Anti-corruption efforts

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

Respect for human rights

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

Equal treatment of employees

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

Accountability for consumers

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

Engagement in the development of communities and the society

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

Environmental management

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

Innovation and dissemination of innovation

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

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

Anti-corruption efforts

In 2015, no complaint was reported about this issue, and corruption risk assessment was undertaken. Moreover, the Company has joined the anti-corruption network and collaborated with the network in the project called Collective Action Coalition Against Corruption (CAC). Not only that, the Company also plans to persuade trade partners to join this network after it receives endorsement for participation in the project.

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

Sustainable Development

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

TSC Philosophy

Well-balance of work and life

Maximum value to all stakeholders

People and organization that grow together

Moving forward at all time

Promote good society

Reporting

The Company prepared the sustainability reporting first time in 2016 in refer to guidelines of Stock Exchange of Thailand and International Global Reporting Initiatives Guideline (GRI) Version 4.0.

Internal control and risk management

In 2016, the Audit Committee jointly assessed the adequacy of the internal control system. In Meeting No. 2/2017 held on 22 November 2016, the Board of Directors reviewed the adequacy and suitability of the internal control system of the Company based on the internal control system adequacy evaluation form issued by the Office of the Securities and Exchange Commission. The meeting viewed that “the Company has an internal control system deemed adequate and suitable for its business operation.” Key points are as follows:

1. Internal control of the organization

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

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

2. Risk assessment

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

3. Operational control

The Board of Directors appoints four committees, comprising the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee. It is incumbent upon these committees to control performance of the management, and it is the management's duty to stipulate operating regulations in writing so as to develop operational control system and IT-based control mechanics, which clearly define scope, purview, and approval layers for each level of management and also tackle data security issues. Moreover, the Audit Committee reviews and approves the annual audit plan and contemplates its paramount issues. Not only that, the Committee also provides recommendations to the management so that corrective actions could be taken and outcomes and preventive measures could be later reported.

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

4. IT system and data communication

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

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

5. Monitoring system

The Company constantly monitored and evaluated performance to ensure that it achieved the stipulated goals and still maintained an efficient internal control system. The management is required to prepare and present quarterly performance reports or an ad hoc report, whenever an incident occurs. In 2015, the Board of Directors convened six times. This year the Audit Committee required regular compliance audits of the internal control system, and internal auditors were required to report audit results directly to the Audit Committee ensure that internal auditors could work independently.

To sum up, the Company developed and maintained the internal control system and regularly reviewed the efficiency of the internal control system. Such review encompassed financial control and management supervision to ensure compliance with relevant laws and regulations, asset protection, and risk management. The Company pursued internal audits by hiring Dharmniti Law Office Co.,Ltd.. Besides, the Internal Audit Department also examined performance of various work units to ensure that they followed guidelines set out in the approved annual audit plan and focused on ad hoc matters required by the Audit Committee and the management (if any). Furthermore, the Internal Audit Department is required to monitor improvement results on a regular basis and to directly report audit results to the Audit Committee.

According to the internal audit report prepared by Dharmniti Law Office Co.,Ltd. and the Internal Audit Department for year 2015, no significant shortcomings were found. Therefore, it is deemed that the internal control system is stringent enough, and the Company had enough personnel to efficiently perform various tasks required by the internal control system and to properly comply with relevant laws and regulations prescribed by various government entities. Furthermore, the Company regularly protected its assets, prevented any illegitimate and unauthorized usage by directors, executives and employees, and constantly improved its work systems.

Whistleblowing policy

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

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

Contact the Chairman of the Audit Committee

Website : www.thaisteelcable.com (Whistle-blowing Notice Policy)
Postal service : Chairman of the Audit Committee
Thai Steel Cable Public Company Limited
700/737 Moo 1, Panthong Sub-District,
Panthong District, Chonburi 20160

Comment box (Red box) For all levels of employees
Send comments at office and plant buildings

Tip-offs, complaints and recommendations will be taken up for consideration and resolved as deemed appropriate. Such issues will be dealt with on a case by case basis without revealing whistleblower's name. Moreover, such information will be kept confidential and a whistleblower protection program will be put in place in order to ensure that whistleblowers will not face any repercussion from the filing of such report.

The Company recognizes the importance of the need to keep whistleblower's identity confidential and stipulates a procedure for receiving complaints and investigating such matters. Moreover, such complaints will be kept confidential among concerned individuals. The Company will use these tip-offs for the purpose of operational management and internal oversight, or they may be disclosed upon receiving a legitimate order, a court order and/or any order from SEC, SET, government entities and/or concerned regulatory bodies. In this regard, the Audit Committee will consider and report these cases to the Board, where appropriate, on a regular basis.

Protection of internal data use

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

Connected Transactions

Necessity and rationale of connected transactions

The Audit Committee reviewed connected transactions in 2016 and determined that buy-sell transactions of products and services as well as asset purchase between related parties were normal transactions of the Company executed reasonably and necessarily in the normal course of business. Such transactions were engaged with the best interests of the Company and shareholders in mind. Thus, the conditions of connected transactions were consistent with common trade terms and the prices were set under competition mechanism or deemed reasonable. Moreover, such trade terms did not differ from the transactions between the Company and external parties.

Measure or procedure for approval of connected transactions

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

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

Policy governing or trend of connected transactions

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

In case of routine connected transactions, such as engagement to produce pieces of contents, purchase of products and raw materials and product sale, which are continuing transactions in the future, the Company laid out practical guideline and approach to ensure that such transactions conform with general trade terms by referring to fair, suitable and reasonable prices and trade terms. Moreover, such transactions can be examined based on the criteria of routine transactions. To this end, the Audit Committee requires that connected transactions may be examined by internal audit experts to determine whether they comply with the regulations of the Company and the Stock Exchange of Thailand.

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

Report of Vested Interest

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

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

Code of conduct for Stakeholders

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

Financial Information

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

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

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

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

The Board of Directors of the Company is of the opinion that overall, the Company's internal control systems are of a satisfactory level, and are able to engender reasonable confidence in the credibility of the Company's annual financial statements for the year ended September 30, 2016. 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

Management Discussion and Analysis (MD&A)

Financial Position

| Unit : Million Baht | 2014 At Sep 30, 2014 | 2015 At Sep 30, 2015 | 2016 At Sep 30, 2016 |
|---------------------|-------------------------|-------------------------|-------------------------|
| Current asset | 1,231.86 | 1,377.64 | 1,440.46 |
| Total Assets | 2,700.94 | 2,790.53 | 2,750.99 |
| Current Liabilities | 959.18 | 1,074.22 | 931.59 |
| Total liabilities | 1,013.54 | 1,140.54 | 1,112.38 |
| Total equity | 1,687.40 | 1,649.99 | 1,638.61 |

| Ratio | 2014 (Oct 1, 2013 - Sep 30, 2014) | 2015 (Oct 1, 2014 - Sep 30, 2015) | 2016 (Oct 1, 2015 - Sep 30, 2016) |
|--------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Gross Profit Ratio | 18.32% | 17.92% | 17.35% |
| ROE | 7.48% | 8.75% | 8.37% |
| Current Ratio | 1.28 | 1.28 | 1.55 |
| Debt/Equity Ratio | 0.60 | 0.69 | 0.68 |

Gross Profit Ratio of 2016 was a bit lower than the same period of last year mainly due to the Cost of Goods Sold that was proportionally lowered less than of the sales turnover.

Return on Equity of 2016 was slightly lower than 2015 due to the Net Profit which was lower than the same period of last year.

Current Ratio of 2016 was increased as result of the long-term loan received from a commercial bank for investment and short term loan paid out.

Debt/Equity Ratio remains same as earlier year.

Performance

| Unit: Million Baht | 2014 (Oct 1, 2013 - Sep 30, 2014) | % on sale | 2015 (Oct 1, 2014 - Sep 30, 2015) | % on sale | 2016 (Oct 1, 2015 - Sep 30, 2016) | % on sale |
|---|---|-----------|---|-----------|---|-----------|
| Revenue from sales | 2,731.86 | 100.00% | 2,828.12 | 100.00% | 2,724.17 | 100.00% |
| Other Income | 28.18 | 1.03% | 37.40 | 1.32% | 32.57 | 1.20% |
| Cost of goods sold | -2,231.35 | -81.68% | -2,321.21 | -82.08% | -2,251.53 | -82.65% |
| Selling & Administrative expenses | -387.52 | -14.19% | -382.51 | -13.53% | -343.31 | -12.60% |
| Finance cost | -14.56 | -0.53% | -16.00 | -0.57% | -16.80 | -0.62% |
| Income tax | -0.45 | -0.02% | -1.36 | -0.05% | -7.90 | -0.29% |
| Net Profit | 126.15 | 4.62% | 144.44 | 5.11% | 137.19 | 5.04% |
| Gain (loss) on change estimate the actuarial | 0.00 | 0.00% | 0.00 | 0.00% | -5.69 | -0.21% |
| Total comprehensive income | 126.15 | 4.62% | 144.44 | 5.11% | 131.51 | 4.83% |

In 2016, the Company has the revenue from sales at 2,724.17 million Baht. It was 103.95 million Baht lowered or 3.68% dropped from the same period of last year. Such contributed by the unstable of world economy and the slow-moving Thai market.

The Net Profit of 2016 was 131.51 million Baht. It was 8.96% or 144.44 million Baht less than the last year as the sales revenue was lowered. Also, there was another 5.69 million Baht loss from the change of estimation of employee benefit according to the actuarial valuation standard under TAS19.

In 2016, the Company has invested in research and development in technology and innovation in amount of 1.9 million Baht. Such activity will enhance our capacity in production and product quality in long term.

The overall Thai economy had already hit the bottom and gradually moving up in the last quarter of 2016 and to be continued in 2017. This was contributed mainly by the Thai government spending which will have a significant positive impact on Thai Automotive Industry as the domestic demand is expected to grow up.

Independent Auditor's Report

To the Shareholders of Thai Steel Cable Public Company Limited

I have audited the accompanying financial statements of Thai Steel Cable Public Company Limited, which comprise the statement of financial position as at 30 September 2016, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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 2016, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Poonnard Paocharoen
Certified Public Accountant (Thailand) No. 5238

EY Office Limited
Bangkok: 22 November 2016

Thai Steel Cable Public Company Limited

Statement of financial position

As at 30 September 2016

(Unit: Baht)

| | Note | 2016 | 2015 |
|---|------|----------------------|----------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 7.1 | 506,856,901 | 648,179,430 |
| Current investments | 7.2 | 200,502,565 | 101,681 |
| Trade and other receivables | 8 | 488,318,415 | 479,462,536 |
| Inventories | 9 | 235,965,414 | 243,031,997 |
| Other current assets | | 8,815,339 | 6,865,668 |
| Total current assets | | 1,440,458,634 | 1,377,641,312 |
| Non-current assets | | | |
| Long-term investment | 10 | 25,704,000 | 25,704,000 |
| Investment properties | 11 | 129,315,735 | 131,478,984 |
| Property, plant and equipment | 12 | 1,104,011,855 | 1,181,633,750 |
| Intangible assets | 13 | 25,613,985 | 28,538,750 |
| Deferred tax assets | 22 | 12,854,924 | 9,863,742 |
| Other non-current assets | | 13,035,628 | 35,672,386 |
| Total non-current assets | | 1,310,536,127 | 1,412,891,612 |
| Total assets | | 2,750,994,761 | 2,790,532,924 |
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Short-term loans from banks | 14 | 300,000,000 | 500,000,000 |
| Trade and other payables | 15 | 551,099,823 | 552,142,822 |
| Current portion of long-term loan from bank | 16 | 64,920,000 | - |
| Current portion of finance lease payables | 17 | 4,075,307 | 4,444,028 |

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 2016

(Unit: Baht)

| | Note | 2016 | 2015 |
|---|------|----------------------|----------------------|
| Other current liabilities | | 11,496,184 | 17,637,018 |
| Total current liabilities | | 931,591,314 | 1,074,223,868 |
| Non-current liabilities | | | |
| Long-term loan from bank - net of current portion | 16 | 113,440,000 | - |
| Finance lease payables - net of current portion | 17 | 8,837,804 | 11,496,899 |
| Provision for long-term employee benefits | 18 | 45,883,951 | 38,056,250 |
| Provisions | 19 | 12,535,702 | 16,631,627 |
| Other non-current liabilities | | 101,456 | 136,456 |
| Total non-current liabilities | | 180,798,913 | 66,321,232 |
| Total liabilities | | 1,112,390,227 | 1,140,545,100 |
| Shareholders' equity | | | |
| 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 | | 887,084,349 | 898,467,639 |
| Total shareholders' equity | | 1,638,604,534 | 1,649,987,824 |
| Total liabilities and shareholders' equity | | 2,750,994,761 | 2,790,532,924 |

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 2016

(Unit: Baht)

| | Note | 2016 | 2015 |
|--|------|---------------|---------------|
| Profit or loss: | | | |
| Revenues | | | |
| Sales | 23 | 2,724,168,855 | 2,828,120,158 |
| Other income | | 32,571,263 | 37,399,883 |
| Total revenues | | 2,756,740,118 | 2,865,520,041 |
| Expenses | | | |
| Cost of sales | | 2,251,532,605 | 2,321,212,601 |
| Selling expenses | | 68,296,433 | 81,272,142 |
| Administrative expenses | | 275,016,872 | 301,237,360 |
| Total expenses | | 2,594,845,910 | 2,703,722,103 |
| Profit before finance cost and income tax expenses | | 161,894,208 | 161,797,938 |
| Finance cost | | (16,795,985) | (15,997,121) |
| Profit before income tax expenses | | 145,098,223 | 145,800,817 |
| Income tax expenses | 22 | (7,902,686) | (1,357,099) |
| Profit for the year | | 137,195,537 | 144,443,718 |
| Other comprehensive income: | | | |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i> | | | |
| Actuarial loss - net of income tax | | (5,688,827) | - |
| Total comprehensive income for the year | | 131,506,710 | 144,443,718 |
| Earnings per share | 24 | | |
| Basic earnings per share | | | |
| Profit attributable to equity holders of the Company | | 0.53 | 0.56 |
| 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

Statement of changes in shareholders' equity

For the year ended 30 September 2016

(Unit: Baht)

| | Issued and paid-up share capital | Share premium | Retained earnings | | Total shareholders' equity |
|---|----------------------------------|---------------|----------------------------------|----------------|----------------------------|
| | | | Appropriated - statutory reserve | Unappropriated | |
| Balance as at 1 October 2014 | 259,800,000 | 464,870,185 | 26,850,000 | 935,883,841 | 1,687,404,026 |
| Profit for the year | - | - | - | 144,443,718 | 144,443,718 |
| Other comprehensive income for the year | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | 144,443,718 | 144,443,718 |
| Dividend paid (Note 27) | - | - | - | (181,859,920) | (181,859,920) |
| Balance as at 30 September 2015 | 259,800,000 | 464,870,185 | 26,850,000 | 898,467,639 | 1,649,987,824 |
| Balance as at 1 October 2015 | 259,800,000 | 464,870,185 | 26,850,000 | 898,467,639 | 1,649,987,824 |
| Profit for the year | - | - | - | 137,195,537 | 137,195,537 |
| Other comprehensive income for the year | - | - | - | (5,688,827) | (5,688,827) |
| Total comprehensive income for the year | - | - | - | 131,506,710 | 131,506,710 |
| Dividend paid (Note 27) | - | - | - | (142,890,000) | (142,890,000) |
| Balance as at 30 September 2016 | 259,800,000 | 464,870,185 | 26,850,000 | 887,084,349 | 1,638,604,534 |

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 2016

(Unit: Baht)

| | 2016 | 2015 |
|---|--------------------|--------------------|
| Cash flows from operating activities | | |
| Profit before tax | 145,098,223 | 145,800,817 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities | | |
| Depreciation and amortisation | 156,247,288 | 150,510,329 |
| Allowance for doubtful accounts (reversal) | (678,283) | 1,604,147 |
| Reduction of inventory to net realisable value | 596,518 | 951,005 |
| Gain on disposal/write-off of equipment | (4,826,059) | (4,468,260) |
| Provisions (reversal) | (3,209,474) | 1,479,630 |
| Provision for long-term employee benefits | 10,628,696 | 4,435,379 |
| Unrealised gain on exchange | (1,613,262) | (1,050,114) |
| Interest income | (1,260,941) | (1,055,328) |
| Interest expenses | 16,795,985 | 15,997,121 |
| Profit from operating activities before changes in operating assets and liabilities | 317,778,691 | 314,204,726 |
| Operating assets (increase) decrease | | |
| Trade and other receivables | (6,603,664) | 14,289,664 |
| Inventories | 6,470,065 | 75,933,214 |
| Other current assets | (1,949,671) | (256,294) |
| Other non-current assets | (14,963,972) | (31,463,172) |
| Operating liabilities increase (decrease) | | |
| Trade and other payables | 3,678,137 | 22,494,660 |
| Other current liabilities | (4,625,594) | 7,560,807 |
| Other non-current liabilities | (921,450) | (767,838) |
| Cash flows from operating activities | 298,862,542 | 401,995,767 |
| Cash paid for long-term employee benefits | (8,852,939) | (2,392,515) |
| Cash paid for interest expenses | (16,809,914) | (15,994,763) |
| Cash paid for income tax | (12,045,992) | (1,524,766) |
| Net cash flows from operating activities | 261,153,697 | 382,083,723 |

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 2016

(Unit: Baht)

| | 2016 | 2015 |
|---|----------------------|----------------------|
| Cash flows from investing activities | | |
| Increase in current investments | (200,400,884) | (1,030) |
| Cash paid for purchase of property, plant and equipment | (44,129,393) | (62,389,503) |
| Cash paid for purchase of intangible assets | (4,882,070) | (3,777,549) |
| Proceeds from sales of equipment | 14,965,196 | 25,849,040 |
| Interest income | 1,260,941 | 1,055,328 |
| Net cash flows used in investing activities | (233,186,210) | (39,263,714) |
| Cash flows from financing activities | | |
| Increase (decrease) in short-term loans from banks | (200,000,000) | 100,000,000 |
| Cash received from long-term loan | 200,000,000 | - |
| Repayment of long-term loan | (21,640,000) | (18,750,000) |
| Repayment of finance lease payables | (4,760,016) | (6,792,137) |
| Dividend paid | (142,890,000) | (181,859,920) |
| Net cash flows used in financing activities | (169,290,016) | (107,402,057) |
| Net increase (decrease) in cash and cash equivalents | (141,322,529) | 235,417,952 |
| Cash and cash equivalents at beginning of year | 648,179,430 | 412,761,478 |
| Cash and cash equivalents at end of year (Note 7) | 506,856,901 | 648,179,430 |
| | - | - |
| Non-cash items | | |
| Decrease in other payables from purchase of equipment | 4,667,877 | 482,719 |
| Purchases of equipment under finance lease agreements | 1,498,000 | 7,840,602 |
| Purchases of intangible assets under finance lease agreements | 234,200 | 8,299,254 |
| Transfer equipment to intangible assets | - | 5,526,000 |
| Transfer non-current asset to equipment | 37,600,731 | 48,921,409 |

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

Thai Steel Cable Public Company Limited

Notes to financial statements

For the year ended 30 September 2016

1. General information

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

2. Basis of preparation

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

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

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

3. New financial reporting standards

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

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognises actuarial gains and losses immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Interest income

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

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

4.5 Investment

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

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

4.6 Investment properties

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

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

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

4.7 Property, plant and equipment/Depreciation

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

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

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

Depreciation is included in determining income.

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

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

4.8 Intangible assets

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

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

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

4.9 Related party transactions

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

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

4.10 Long-term leases

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

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

4.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

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

An impairment loss is recognised in profit or loss.

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

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefit

Defined contribution plans

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

Defined benefit plan and other long-term employee benefit

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

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

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

4.14 Provisions

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

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.16 Fair value measurement

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

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

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:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts 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.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefit

The obligation under the defined benefit plan and other long-term employee benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

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

6. Related party transactions

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

(Unit: Million Baht)

| | 2016 | 2015 | Transfer Pricing Policy |
|---|------|------|------------------------------|
| <u>Transactions with related companies</u> | | | |
| Sales of goods | 241 | 189 | Cost plus margin |
| Purchases of raw materials and finished goods | 418 | 404 | Cost plus margin |
| Purchases of assets | 1 | 1 | Agreed upon basis |
| Royalty fee | 37 | 44 | 2.0% on the net sales amount |

As at 30 September 2016 and 2015, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

| | 2016 | 2015 |
|---|--------|--------|
| Trade and other receivables - related parties (Note 8) | | |
| <u>Trade receivables - related parties</u> | | |
| Related companies | 42,582 | 40,415 |
| <u>Other receivables - related parties</u> | | |
| Related companies | 108 | 94 |
| Trade and other payables - related parties (Note 15) | | |
| <u>Trade payables - related parties</u> | | |
| Related companies | 70,027 | 74,007 |
| <u>Other payables - related parties</u> | | |
| Related companies | 619 | 462 |
| <u>Accrued royalty - related party</u> | | |
| Related company | 9,600 | 11,037 |
| <u>Directors and management's benefits</u> | | |

During the years ended 30 September 2016 and 2015, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

| | 2016 | 2015 |
|------------------------------|--------|--------|
| Short-term employee benefits | 69,807 | 92,449 |
| Post-employee benefits | 3,577 | 2,546 |
| Total | 73,384 | 94,995 |

7. Cash and cash equivalents and current investments

7.1 Cash and cash equivalents

(Unit: Thousand Baht)

| | 2016 | 2015 |
|---------------|---------|---------|
| Cash | 325 | 316 |
| Bank deposits | 506,532 | 647,863 |
| Total | 506,857 | 648,179 |

As at 30 September 2016, bank deposits in saving accounts carried interests between 0.05 and 0.50 percent per annum (2015: between 0.05 and 0.375 percent per annum).

7.2 Current investments

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

8. Trade and other receivables

(Unit: Thousand Baht)

| | 2016 | 2015 |
|---|----------|----------|
| <u>Trade receivables - related parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 42,270 | 40,415 |
| Past due up to 3 months | 312 | - |
| Total trade receivables - related parties | 42,582 | 40,415 |
| <u>Trade receivables - unrelated parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 416,154 | 403,368 |
| Past due | | |
| Up to 3 months | 217 | 4,248 |
| 3 - 6 months | 5 | - |
| Over 12 months | 13,935 | 14,613 |
| Total | 430,311 | 422,229 |
| Less: Allowance for doubtful debts | (13,935) | (14,613) |
| Total trade receivables - unrelated parties - net | 416,376 | 407,616 |
| Total trade receivables - net | 458,958 | 448,031 |
| <u>Other receivables</u> | | |
| Other receivables - related parties | 108 | 94 |
| Other receivables - unrelated parties | 56,165 | 58,251 |
| Total | 56,273 | 58,345 |
| Less: Allowance for doubtful debts | (26,913) | (26,913) |
| Total other receivables - net | 29,360 | 31,432 |
| Total trade and other receivables - net | 488,318 | 479,463 |

9. Inventories

(Unit: Thousand Baht)

| | Cost | | Reduce cost to net realisable value | | Inventories - net | |
|------------------|---------|---------|--|---------|-------------------|---------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Finished goods | 65,318 | 72,425 | (2,572) | (1,302) | 62,746 | 71,123 |
| Work in process | 30,373 | 37,499 | (46) | (163) | 30,327 | 37,336 |
| Raw materials | 122,708 | 119,218 | (1,126) | (1,683) | 121,582 | 117,535 |
| Goods in transit | 13,272 | 8,233 | - | - | 13,272 | 8,233 |
| Spare parts | 8,038 | 8,805 | - | - | 8,038 | 8,805 |
| Total | 239,709 | 246,180 | (3,744) | (3,148) | 235,965 | 243,032 |

10. Long-term investment

(Unit: Thousand Baht)

| Company's name | Nature of business | Country of incor- poration | Paid-up capital | | Shareholding percentage | | Cost | |
|--------------------------------|------------------------------------|----------------------------------|-------------------|-------------------|----------------------------|------|--------|--------|
| | | | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | | | | | (%) | (%) | | |
| Hi-Lex Vietnam Co., Ltd. | Manufacture automobile parts | Vietnam | USD 11,150,000 | USD 11,150,000 | 6.28 | 6.28 | 25,704 | 25,704 |

11. Investment properties

The net book value of investment properties of the Company as at 30 September 2016 and 2015 is presented below.

(Unit: Thousand Baht)

| | Land and land improvement | Building and building improvement | Total |
|--------------------------------|------------------------------|---|-----------|
| 30 September 2016: | | | |
| Cost | 93,510 | 161,877 | 255,387 |
| Less: Accumulated depreciation | (4,076) | (121,995) | (126,071) |
| Net book value | 89,434 | 39,882 | 129,316 |
| 30 September 2015: | | | |
| Cost | 93,510 | 161,877 | 255,387 |
| Less: Accumulated depreciation | (4,076) | (119,832) | (123,908) |
| Net book value | 89,434 | 42,045 | 131,479 |

A reconciliation of the net book value of investment properties for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

| | 2016 | 2015 |
|-------------------------------------|---------|---------|
| Net book value at beginning of year | 131,479 | 133,673 |
| Depreciation | (2,163) | (2,194) |
| Net book value at end of year | 129,316 | 131,479 |

The fair value of the investment properties as at 30 September 2016 and 2015 stated below:

(Unit: Thousand Baht)

| | 2016 | 2015 |
|-----------|---------|---------|
| Land | 264,000 | 264,000 |
| Buildings | 82,400 | 82,400 |
| Total | 346,400 | 346,400 |

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.

12. Property, plant and equipment

(Unit: Thousand Baht)

| | Land and land improvement | Building and building improvement | Machinery, equipment and other factory equipment | Motor vehicles | Furniture, fixtures, equipment and other operating equipment | Asset under installation and construction | Total |
|---|---------------------------------|---|--|-------------------|---|---|-----------|
| Cost | | | | | | | |
| 1 October 2014 | 140,922 | 567,322 | 1,083,345 | 31,349 | 100,255 | 95,920 | 2,019,113 |
| Additions | 1,475 | 1,855 | 2,137 | 405 | 1,717 | 62,158 | 69,747 |
| Disposals/write-off | - | - | (108,801) | - | (5,764) | (45) | (114,610) |
| Transfers in (out) | 584 | 5,552 | 170,865 | 4,863 | 1,510 | (139,978) | 43,396 |
| 30 September 2015 | 142,981 | 574,729 | 1,147,546 | 36,617 | 97,718 | 18,055 | 2,017,646 |
| Additions | - | 480 | 1,216 | - | 3,511 | 35,752 | 40,959 |
| Disposals/write-off | - | - | (17,307) | (16,109) | (1,152) | (108) | (34,676) |
| Transfers in (out) | - | 649 | 77,200 | - | 799 | (41,048) | 37,600 |
| 30 September 2016 | 142,981 | 575,858 | 1,208,655 | 20,508 | 100,876 | 12,651 | 2,061,529 |
| Accumulated depreciation | | | | | | | |
| 1 October 2014 | 27 | 128,414 | 570,924 | 25,961 | 65,605 | - | 790,931 |
| Depreciation for the year | 36 | 15,718 | 106,242 | 4,131 | 12,183 | - | 138,310 |
| Depreciation on disposals/ write-off | - | - | (87,699) | - | (5,530) | - | (93,229) |
| 30 September 2015 | 63 | 144,132 | 589,467 | 30,092 | 72,258 | - | 836,012 |
| Depreciation for the year | 36 | 15,973 | 116,296 | 2,820 | 10,918 | - | 146,043 |
| Depreciation on disposals/ write-off | - | - | (7,837) | (15,631) | (1,070) | - | (24,538) |
| 30 September 2016 | 99 | 160,105 | 697,926 | 17,281 | 82,106 | - | 957,517 |
| Net book value | | | | | | | |
| 30 September 2015 | 142,918 | 430,597 | 558,079 | 6,525 | 25,460 | 18,055 | 1,181,634 |
| 30 September 2016 | 142,882 | 415,753 | 510,729 | 3,227 | 18,770 | 12,651 | 1,104,012 |

Depreciation for the year

| | |
|---|---------|
| 2015 (Baht 123 million included in cost of sales, and the balance in selling and administrative expenses) | 138,310 |
| 2016 (Baht 132 million included in cost of sales, and the balance in selling and administrative expenses) | 146,043 |

As at 30 September 2016, the Company had equipment with net book values of Baht 8 million (2015: Baht 9 million) which were acquired under finance lease agreements.

As at 30 September 2016, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 360 million (2015: Baht 288 million).

13. Intangible assets

The net book value of intangible assets as at 30 September 2016 and 2015 is presented below.

(Unit: Thousand Baht)

| | Computer software | Computer software under installation | Total |
|--------------------------------|----------------------|--|----------|
| As at 30 September 2016: | | | |
| Cost | 73,246 | 3,741 | 76,987 |
| Less: Accumulated amortisation | (51,373) | - | (51,373) |
| Net book value | 21,873 | 3,741 | 25,614 |
| As at 30 September 2015: | | | |
| Cost | 71,871 | - | 71,871 |
| Less: Accumulated amortisation | (43,332) | - | (43,332) |
| Net book value | 28,539 | - | 28,539 |

A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

| | 2016 | 2015 |
|--------------------------------------|---------|----------|
| Net book value at beginning of year | 28,539 | 20,943 |
| Additions | 5,116 | 12,077 |
| Transferred in - at a net book value | - | 5,526 |
| Amortisation | (8,041) | (10,007) |
| Net book value at end of year | 25,614 | 28,539 |

As at 30 September 2016, the Company had intangible assets with net book values of Baht 6 million (2015: Baht 8 million) which were acquired under finance lease agreements.

14. Short-term loans from banks

(Unit: Thousand Baht)

| | Interest rate (% per annum) | 2016 | 2015 |
|------------------|--------------------------------|---------|---------|
| Promissory notes | MMR | 300,000 | 500,000 |

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

15. Trade and other payables

(Unit: Thousand Baht)

| | 2016 | 2015 |
|------------------------------------|---------|---------|
| Trade payables - related parties | 70,027 | 74,007 |
| Trade payables - unrelated parties | 324,389 | 309,286 |
| Other payables | 35,426 | 38,212 |
| Accrued expenses | 121,258 | 130,638 |
| Total | 551,100 | 552,143 |

16. Long-term loan from bank

(Unit: Thousand Baht)

| Interest rate (% per annum) | Repayment schedule | 2016 | 2015 |
|---|---|----------|------|
| 3.90 | Payment of principal in monthly installments of Baht 5.41 million commencing in June 2016 | 178,360 | - |
| Less: Current portion | | (64,920) | - |
| Long-term loan from bank - net of current portion | | 113,440 | - |

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

(Unit: Thousand Baht)

| | |
|---------------------------------|----------|
| Balance as at 1 October 2015 | - |
| Add: Additional borrowing | 200,000 |
| Less: Repayment | (21,640) |
| Balance as at 30 September 2016 | 178,360 |

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

17. Liabilities under finance lease agreements

(Unit: Thousand Baht)

| | 2016 | 2015 |
|--|---------|---------|
| Liabilities under finance lease agreements | 14,296 | 17,990 |
| Less: Deferred interest expenses | (1,383) | (2,049) |
| Total | 12,913 | 15,941 |
| Less: Portion due within one year | (4,075) | (4,444) |
| Liabilities under finance lease agreements - net of current portion | 8,838 | 11,497 |

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

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

| | As at 30 September 2015 | | |
|--|-------------------------|-------------|---------|
| | Less than 1 year | 1 - 5 years | Total |
| Future minimum lease payments | 5,266 | 12,724 | 17,990 |
| Deferred interest expenses | (822) | (1,227) | (2,049) |
| Present value of future minimum lease payments | 4,444 | 11,497 | 15,941 |

18. Provision for long-term employee benefits

(Unit: Thousand Baht)

| | Provision for employee retirement benefits | Provision for other long-term employee benefit | Total |
|--|---|--|---------|
| Provision for long-term employee benefits as at 1 October 2014 | 34,466 | 1,547 | 36,013 |
| Included in profit or loss: | | | |
| Current service cost | 3,207 | 272 | 3,479 |
| Interest cost | 900 | 56 | 956 |
| Benefit paid during the year | (975) | (1,417) | (2,392) |
| Provision for long-term employee benefits as at 30 September 2015 | 37,598 | 458 | 38,056 |
| Included in profit or loss: | | | |
| Current service cost | 5,357 | 2,981 | 8,338 |
| Interest cost | 1,683 | 608 | 2,291 |
| Included in other comprehensive income: | | | |
| Actuarial (gain) loss arising from | | | |
| Demographic assumptions changes | 3,595 | - | 3,595 |
| Financial assumptions changes | 2,011 | - | 2,011 |
| Experience adjustments | 446 | - | 446 |
| Benefit paid during the year | (8,291) | (562) | (8,853) |
| Provision for long-term employee benefits as at 30 September 2016 | 42,399 | 3,485 | 45,884 |

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

(Unit: Thousand Baht)

| | 2016 | 2015 |
|---|--------|-------|
| Cost of sales | 7,855 | 2,681 |
| Selling and administrative expenses | 2,774 | 1,754 |
| Total expenses recognised in profit or loss | 10,629 | 4,435 |

The Company expects to pay Baht 8 million of long-term employee benefits during the next year (2015: Baht 9 million).

As at 30 September 2016, the weighted average duration of the liabilities for long-term employee benefit is 18 years (2015: 19 years).

Significant actuarial assumptions are summarised below:

| | 2016 | 2015 |
|--|---------------|---------------|
| | (% per annum) | (% per annum) |
| Discount rate | 2.7 | 4.4 |
| Salary increase rate | 0.0 - 6.5 | 0.0 - 7.0 |
| Employee turnover rate (depending on age of employees) | 0.0 - 20.0 | 0.0 - 20.0 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 30 September 2016 are summarised below:

(Unit: Thousand Baht)

| | <u>Increase (decrease)</u> |
|-------------------------------------|----------------------------|
| Discount rate | |
| Increase by 1% | (4,653) |
| Decrease by 1% | 5,621 |
| Salary increase rate | |
| Increase by 1% | 5,390 |
| Decrease by 1% | (4,573) |
| Employees turnover rate | |
| Increase by 20% of base in each age | (5,278) |
| Decrease by 20% of base in each age | 6,783 |

19. Provisions

These provisions are provisions for product warranty which have movements during the years ended 30 September 2016 and 2015 summarised below.

| | (Unit: Thousand Baht) |
|---------------------------------|-----------------------|
| Balance as at 1 October 2014 | 15,901 |
| Increase during the year | 5,349 |
| Utilised | (749) |
| Reversal of provisions | <u>(3,869)</u> |
| Balance as at 30 September 2015 | 16,632 |
| Increase during the year | 5,048 |
| Utilised | (886) |
| Reversal of provisions | <u>(8,258)</u> |
| Balance as at 30 September 2016 | <u><u>12,536</u></u> |

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

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

21. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

| | 2016 | 2015 |
|--|-----------|-----------|
| Salaries and wages and other employee benefits | 498,145 | 515,154 |
| Depreciation | 148,206 | 140,504 |
| Amortisation | 8,041 | 10,007 |
| Loss on exchange | - | 7,725 |
| Warranty provisions | 5,048 | 5,349 |
| Rental expenses from operating lease agreements | 13,272 | 17,702 |
| Raw materials and consumables used | 1,340,580 | 1,371,367 |
| Changes in inventories of finished goods and work in process | 14,233 | 9,390 |
| Loss on reduction of inventories to net realisable value | 596 | 951 |

22. Income tax

Income tax expenses for the years ended 30 September 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

| | 2016 | 2015 |
|--|--------------|--------------|
| Current income tax: | | |
| Current income tax charge | 10,531 | 3,769 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (2,628) | (2,412) |
| Income tax expenses reported in the statement of comprehensive income | 7,903 | 1,357 |

The amounts of income tax relating to each component of other comprehensive income for the years ended 30 September 2016 and 2015 are as follows:

(Unit: Thousand Baht)

| | 2016 | 2015 |
|--|------|------|
| Deferred tax relating to loss on actuarial | 363 | - |

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

(Unit: Thousand Baht)

| | 2016 | 2015 |
|---|----------|----------|
| Accounting profit before tax | 145,098 | 145,801 |
| Applicable tax rate | 20% | 20% |
| Accounting profit before tax multiplied by income tax rate | 29,020 | 29,160 |
| Adjustment in respect of income tax of previous year | - | (2,336) |
| Effects of: | | |
| Promotional privileges (Note 23) | (21,941) | (28,308) |
| Non-deductible expenses | 1,319 | 1,204 |
| Additional expense deductions allowed | (195) | (140) |
| Others | (300) | 1,777 |
| Total | (21,117) | (25,467) |
| Income tax expenses reported in the statement of comprehensive income | 7,903 | 1,357 |

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

(Unit: Thousand Baht)

| | As at 30 September 2016 | As at 30 September 2015 |
|--|-------------------------------|-------------------------------|
| Deferred tax assets | | |
| Allowance for doubtful accounts | 8,057 | 8,192 |
| Allowance for diminution in value of inventories | 225 | 94 |
| Provision for long-term employee benefits | 2,753 | 1,142 |
| Warranty provisions | 752 | 499 |
| Accrued rebate | 1,795 | 755 |
| | 13,582 | 10,682 |
| Deferred tax liabilities | | |
| Accumulated depreciation - investment properties | 726 | 760 |
| Others | 1 | 58 |
| | 727 | 818 |
| Net | 12,855 | 9,864 |

23. Promotional privileges

The Company was granted investment promotional privileges by the Board of Investment under the Investment Promotion Act B.E. 2520. As at 30 September 2016, important tax privileges granted to the Company are summarised below.

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

The Company's operating revenues for the years ended 30 September 2016 and 2015, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

| | Promoted operations | | Non-promoted operations | | Total | |
|----------------|------------------------|------------------|----------------------------|----------------|------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Sales | | | | | | |
| Domestic sales | 1,793,946 | 2,305,064 | 748,748 | 369,557 | 2,542,694 | 2,674,621 |
| Exports sales | 37,852 | 37,654 | 143,623 | 115,845 | 181,475 | 153,499 |
| Total sales | <u>1,831,798</u> | <u>2,342,718</u> | <u>892,371</u> | <u>485,402</u> | <u>2,724,169</u> | <u>2,828,120</u> |

24. 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.

25. 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.

Geographic information

The Company operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2016, the Company has revenues from three major customer groups in amount of Baht 549 million, Baht 499 million and Baht 383 million (2015: Baht 537 million, Baht 469 million and Baht 432 million, respectively).

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 5 percent of basic salary. The fund, which is managed by AIA Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 8 million (2015: Baht 8 million) were recognised as expenses.

27. Dividends

| Dividends | Approved by | Total dividends (Thousand Baht) | Dividend per share (Baht) |
|--|---|------------------------------------|------------------------------|
| Dividends for the year ended 30 September 2014 | The Annual General Meeting of the Company's shareholders on 27 January 2015 | 129,900 | 0.50 |
| Interim dividends for the year ended 30 September 2015 | The Board of Directors Meeting of the Company on 12 May 2015 | 51,960 | 0.20 |
| Total dividends for year 2015 | | 181,860 | 0.70 |
| Dividends for the year ended 30 September 2015 | The Annual General Meeting of the Company's shareholders on 26 January 2016 | 77,940 | 0.30 |
| Interim dividends for the year ended 30 September 2016 | The Board of Directors Meeting of the Company on 10 May 2016 | 64,950 | 0.25 |
| Total dividends for year 2016 | | 142,890 | 0.55 |

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 30 September 2016, the Company had capital commitments of approximately Baht 11 million and USD 0.02 million (2015: Baht 14 million and USD 0.04 million), relating to the purchase of equipment.

28.2 Operating lease and service commitments

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

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

| | (Unit: Million Baht) | |
|-----------------------------|----------------------|------|
| Payable: | 2016 | 2015 |
| In up to 1 year | 38 | 38 |
| In over 1 and up to 5 years | 10 | 36 |

28.3 Long-term service commitments

The Company has entered into license and technical assistance agreement with an overseas related company for the use of a trademark and the receipt of information related to the manufacture and assembly of control cable of automobiles and motorcycles. Under the conditions of the license agreement, the Company is to pay the fee twice a year as stipulated in the agreement. The fees for the year ended 30 September 2016 amounting to approximately Baht 37 million (2015: Baht 44 million) were recognised as expenses.

28.4 Guarantees

As at 30 September 2016, there were outstanding bank guarantees of approximately Baht 3 million (2015: Baht 3 million and USD 0.04 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee electricity use, among others.

28.5 Litigation

Thai Customs conducted a post clearance audit at the Company, accused the Company of making incorrect tariff code declarations (with lower duty rates) in import entries between 2003 and 2006, and assessed duty and VAT shortfalls amounting to Baht 17.9 million. In October 2016, the Company is in the process of file an appeal with the Central Tax Court. However, the Company's legal advisor and management have assessed the case and believe that the Company is not liable for the duty shortfalls and surcharges because the Company correctly paid import duty in accordance with the Customs Tariffs Decree B.E. 2530. As at 30 September 2016, the Company therefore did not record a provision for the expense that may arise as a result of this litigation in the financial statements.

29. Financial instruments

29.1 Financial risk management

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

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

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

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

(Unit: Million Baht)

| As at 30 September 2016 | | | | | | |
|--|----------------------|-------------|------------------------|------------------------|---------|-------------------------|
| | Fixed interest rates | | Floating interest rate | Non - interest bearing | Total | Effective interest rate |
| | Within 1 year | 1 - 5 years | | | | |
| | | | | | | (% per annum) |
| <u>Financial assets</u> | | | | | | |
| Cash and cash equivalent | - | - | 499.2 | 7.7 | 506.9 | 0.05 - 0.500 |
| Current investments | 200.5 | - | - | - | 200.5 | 0.80 - 1.375 |
| Trade and other receivables | - | - | - | 488.3 | 488.3 | - |
| Long-term investment | - | - | - | 25.7 | 25.7 | - |
| | 200.5 | - | 499.2 | 521.7 | 1,221.4 | |
| <u>Financial liabilities</u> | | | | | | |
| Short-term loans from banks | - | - | 300.0 | - | 300.0 | 2.90 - 3.05 |
| Trade and other payables | - | - | - | 551.1 | 551.1 | - |
| Liabilities under finance lease agreements | 4.1 | 8.8 | - | - | 12.9 | 2.46 - 5.01 |
| Long-term loan from bank | 64.9 | 113.4 | - | - | 178.3 | 3.90 |
| | 69.0 | 122.2 | 300.0 | 551.1 | 1,042.3 | |

(Unit: Million Baht)

As at 30 September 2015

| | Fixed interest rates | | | | | Effective interest rate |
|--|----------------------|-------------|------------------------|------------------------|---------|-------------------------|
| | Within 1 year | 1 - 5 years | Floating interest rate | Non - interest bearing | Total | |
| | | | | | | (% per annum) |
| Financial assets | | | | | | |
| Cash and cash equivalent | - | - | 628.6 | 19.6 | 648.2 | 0.05 - 0.375 |
| Current investments | 0.1 | - | - | - | 0.1 | 0.80 - 0.875 |
| Trade and other receivables | - | - | - | 479.5 | 479.5 | - |
| Long-term investment | - | - | - | 25.7 | 25.7 | - |
| | 0.1 | - | 628.6 | 524.8 | 1,153.5 | |
| Financial liabilities | | | | | | |
| Short-term loans from banks | - | - | 500.0 | - | 500.0 | 2.95 - 3.45 |
| Trade and other payables | - | - | - | 552.1 | 552.1 | - |
| Liabilities under finance lease agreements | 4.4 | 11.5 | - | - | 15.9 | 2.46 - 4.76 |
| | 4.4 | 11.5 | 500.0 | 552.1 | 1,068.0 | |

Foreign currency risk

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

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

| Foreign currency | Financial assets as at 30 September | | Financial liabilities as at 30 September | | Average exchange rate as at 30 September | |
|------------------|-------------------------------------|-----------|--|-----------|--|-------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | 1.2 | 1.2 | 0.8 | 1.2 | 34.70 | 36.37 |
| Japanese yen | 2.8 | 5.3 | 124.4 | 133.0 | 0.34 | 0.30 |

Foreign exchange contracts outstanding are summarised below.

As at 30 September 2016

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

As at 30 September 2015

| Foreign currency | Bought amount | Contractual exchange bought rate | Contractual maturity date |
|------------------|---------------|------------------------------------|---------------------------|
| | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | 1.1 | 36.11 - 36.17 | March 2016 |
| Japanese yen | 20.0 | 0.30 | March 2016 |

29.2 Fair values of financial instruments

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

As at 30 September 2016, the Company had the assets that were disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|-------|
| Assets for which fair value are disclosed | | | | |
| Investment properties | - | 346 | - | 346 |

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

30. 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 2016, the Company's debt-to-equity ratio was 0.68:1 (2015: 0.69:1).

31. Event after the reporting period

The Meeting of the Company's Board of Directors, held on 22 November 2016, passed the resolution to propose the payment of a dividend for the year 2016 of Baht 0.50 per share. Since the Company's Board of Directors previously approved an interim dividend from income of the year 2016 of Baht 0.25 per share, the remaining dividend payment is Baht 0.25 per share, amounting to Baht 64.95 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 2016.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 November 2016.

Audit fee

1. Audit fee

| No. | Name of paying company | Auditor's name | Type of audit | Audit fee |
|-----------------|------------------------|-------------------|------------------|-----------|
| 1 | Thai Steel Cable PCL. | EY Office Limited | Accounting audit | 1,115,000 |
| 2 | | | BOI audit | 240,000 |
| Total audit fee | | | | 1,355,000 |

2. Non-audit fee

| No. | Name of paying company | Type of non-audit service | Service provider | Non-audit service fee | |
|---------------------|------------------------|--|--|--------------------------------------|---------------------------------|
| | | | | Amount paid in the accounting period | Amount to be paid in the future |
| 1 | Thai Steel Cable PCL. | Harmonized system code services consultant | Tax Pro Co., Ltd. | 309,278.35 | - |
| 2 | | Legal services consultant | Weerawong, Chinnavat & Peangpanor Ltd. | 2,763,347.48 | - |
| 3 | | Legal services consultant | Nitirathaphum Law Office Co., Ltd. | 90,882.00 | - |
| 4 | | BOI services consultant | Deerborn P.C. Co., Ltd. | 762,268.04 | - |
| 5 | | BOI services consultant | Bangkok International Audit Co., Ltd. | 440,000.00 | - |
| 6 | | Services consultant | VMS Services | 30,000.00 | - |
| 7 | | Services consultant | Pro Consultants Co., Ltd. | 15,395.19 | - |
| 8 | | Services consultant | Siam Council Customs And International Trade Services Ltd. | 363,000.00 | - |
| Total non-audit fee | | | | 4,774,171.06 | - |

3. Auditor

EY Office Limited

193/136 - 137, 33rd Floor, Lake Rajada Office Complex, Klongtoey, Bangkok 10110

Tel : (02) 264 9090

Fax : (02) 264 0789

| | | | |
|---------------|------------------|-----------------|----------|
| Mrs. Poonnard | Paocharoen, | CPA. (Thailand) | No. 5238 |
| Mr. Khitsada | Lerdwana, | CPA. (Thailand) | No. 4958 |
| Ms.Vissuta | Jariyathanakorn, | CPA. (Thailand) | No. 3853 |

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

Directors' Background

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|--|-----|--|--|---|
| 1. Mr. Sunsum Jurangkool Date of Appointment April 2, 2005 | 74 | Secondary School Training : IOD - None - | <u>Direct</u> 83,115,000 Shares (31.992%) <u>Indirect</u> - None - | Father of Mr. Thaveechat Jurangkool and Mr. Kornkrit Jurangkool |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|--|---|--|-------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 1978 - Present | Chairman, Chief Executive Officer, Authorized Director | Thai Steel Cable Pcl. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| Limited Company | | | | |
| 1972 - Present | Chairman, Director, Authorized Director | Summit Auto Seats Industry Co., Ltd. | Manufacture of automobile and motorcycle seat | |
| 1982 - Present | Chairman, Authorized Director | Complete Auto Parts Co.,Ltd. | Manufacturer of component parts for brake cable, clutch and accelerator cable | |
| 1986 - Present | Chairman, Director, Authorized Director | Summit Auto Body Industry Co., Ltd. | Manufacture of automobile body parts, mold and die | |
| 1987 - Present | Chairman, Authorized Director | Summit Electronic Components Co., Ltd. | Produce electronic parts | |
| 1988 - Present | Vice Chairman Director | Bangkok Eagle Wings Co., Ltd. | Press Part | |
| 1988 - Present | Director Authorized Director | Summit Steering Wheel Co., Ltd. | Manufacture and distribute steering wheel and transmission | |
| 1990 - Present | Chairman, Authorized Director | Summit Advanced Material Co., Ltd. | Import of steel sheet/coil, coil center | |
| 1991 - Present | Chairman, Director, Authorized Director | Summit Laemchabang Auto Body Work Co., Ltd. | Produce body parts and exhaust system equipment | |
| 1991 - Present | Chairman, Director, Authorized Director | Summit Corporation Co., Ltd. | Investment and shareholding in various business | |
| 1991 - Present | Chairman, Authorized Director | Summit Laemchabang Auto Seats Manufacturing Co., Ltd. | Manufacture of automobile seat frame and adjusting devices | |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|--|---|---|-------------------|
| Time | Position | Company | | |
| 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, Authorized Director | Summit Showa Manufacturing Co., Ltd. | Manufacturer shock absorbers, engine parts, transmission system, braking system, suspension system consciously or bearings. | |
| 1994 - Present | Chairman, Authorized Director | SNC Sound Proof Co., Ltd. | Manufacture and export of raw material for making of automobile sound proof part | |
| 1994 - Present | Chairman, Authorized Director | Thai Seat Belt Co., Ltd. | Manufacture and distribute of seat belts and seat belts cable | |
| 1995 - Present | Chairman, Authorized Director | STB Textiles Industry Co.,Ltd. | Manufacture of fabric for automobile use | |
| 1995 - Present | Chairman, Authorized Director | Eastern P.U. Foam Industry Co., Ltd. | Manufacture automobile seat foam | |
| 1995 - Present | Chairman, Authorized Director | Complete Auto Rubber Manufacturing Co., Ltd. | Manufacture rubber parts for automotive and electronic industry and other | |
| 1996 - Present | Chairman, Authorized Director | Summit Chugoku Seira Co., Ltd. | Manufacture welding nuts for automotive industry | |
| 1996 - Present | Chairman, 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 | Authorized Director | Summit Ansei Auto Parts Co., Ltd. | Produce car door lock and hood lock, tailgate, door lock loop. | |
| 1997 - Present | Chairman, Director, Authorized Director | Summit Engineering Center Co., Ltd. | Design & manufacture of various kinds of die and mold | |
| 1998 - Present | Chairman, Director, Authorized Director | Modern Products Industry Co., Ltd. | Manufacture of wood printing and coating of auto parts | |
| 1998 - Present | Director, Authorized Director | Summit Industry (Thailand) Co., Ltd. | Business rental | |
| 1999 - Present | Director , Authorized Director | Johnson Controls & Summit Interiors Co., Ltd. | Manufacture of automobile seat and interior parts | |
| 2002 - Present | Director | HSH Co., Ltd. | Investment and shareholding in various business | |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|---------------------------------------|--|---|----------------------|
| Time | Position | Company | | |
| 2002 - Present | Chairman, Authorized Director | Auto Interior Products Co.,Ltd. | Manufacture, import, export of automobile floor carpet and headrest | None |
| 2002 - Present | Chairman, | Summit Windmill Golf Club Co., Ltd. | Golf club service | |
| 2003 - Present | Vice Chairman, Authorized Director | Marubishi Summit Industry Vietnam Co., Ltd. | Manufacture automobile parts | |
| 2004 - Present | Director | JRK Auto Parts PVT. Ltd. | Produce automotive electronic parts | |
| 2004 - Present | Chairman, Authorized Director | Summit Otsuka Manufacturing Co., Ltd. | Produce car parking hand-break | |
| 2005 - Present | Chairman, Authorized Director | Summit Rieter Nittoku Sound ProofCo., Ltd. | Manufacture and export of automobile soundproof parts | |
| 2007 - Present | Chairman, Authorized Director | Summit Green Valley ChiangmaiGolf 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 | Director | Hiruta And Summit Co., Ltd. | Produce automotive parts | |
| 2008 - Present | Chairman, Authorized Director | Summit Auto Body Skill Development Center Co., Ltd. | Training service | |
| 2009 - Present | Director | Steel Alliance Service Center Co., Ltd. | Coil steel Slitter Steel | |
| 2013 - Present | Chairman | Summit Keylex (Thailand) Co., Ltd. | Produce vehicles parts and accessories. | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|---|-----|--|---|--|
| 2. Mr. Sarit Patanatmarueng Date of Appointment April 2, 2005 | 41 | M.A., Business Administration, New Hampshire College, USA Training: IOD - Director Certification Program (DCP 42/2004) Other : - Sustaining the family business 05/2010 - TLCA Executive Development Program (EDP12/2013) (SET) | <u>Direct</u> 9,640,400 Shares (3.711 %) <u>Indirect</u> - None - | Younger brother of Ms. Sirina Patanatmarueng |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|--|--|--|-------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 2004 - Present | Director, Managing Director, Authorized Director, Chairman of Risk Management Committee, Senior General Manager Business Operation Division (Acting) | Thai Steel Cable Pcl. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| Limited Company | | | | |
| 1996 - Present | Director, Authorized Director | Summit Chugoku Seira Co., Ltd. | Manufacture welding nuts for automotive industry | |
| 2004 - Present | Director, Authorized Director | Complete Auto Parts Co.,Ltd. | Manufacturer of component parts for brake cable, clutch, and accelerator cable | |
| 2004 - Present | Director, | Complete Auto Rubber Manufacturing Co., Ltd. | Manufacture rubber parts for automotive and electronic industry and other | |
| 2010 - 2013 (July) | Director, Authorized Director | P. Tooling Co.,Ltd. | Manufacturer of mold and related equipment. | |
| 2013 - Present | Director, Authorized Director | Boltun Corporation (Thailand) Co., Ltd. | Production of bolts for the car industry. | |
| 2016 - Present | Director, Authorized Director | Amata Summit Ready Built Co., Ltd. | Factory Lease / Rental Service | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|---|-----|--|--|--------------|
| 3. Mr. Makoto Teraura Date of Appointment April 2, 2005 | 78 | Mechanical Engineering, Faculty of Technology, Shizuoka University, Japan Training : IOD - None - | Direct - None - Indirect - None - | None |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|-----------------|----------------------------|--|-------------------|
| Time | Position | Company | | |
| Listed Company | | | | |
| 1981 - Present | Director | Thai Steel Cable Pcl. | Manufacturer of control cable for automobile/motorcycle and car window regulator | None |
| Limited Company | | | | |
| 1972 - Present | Director | TSK (Korea) Co., Ltd. | Manufacturer of control cable for automobile/motorcycle | |
| 1973 - Present | Director | Tajima TSK, Inc. | Manufacturer of car component | |
| 1973 - Present | Director | HI-LEX KANTO, Inc. | Manufacturer of control cable for automobile | |
| 1975 - Present | Chairman | HI-LEX Corporation | Manufacturer of control cable for automobile/motorcycle | |
| 1978 - Present | Audit Committee | PT. HI-LEX Indonesia | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| 1980 - Present | Director | Dae Dong System Co., Ltd. | Manufacturer of control cable for automobile | |
| 1981 - Present | Director | HI-LEX Saitama, Inc. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| 1985 - Present | Director | Izushi Cable, Inc. | Manufacturer of control cable for automobile | |
| 1989 - Present | Director | HI-LEX Controls Inc. | Manufacturer of car window regulator and rear slider | |
| 1989 - Present | Director | HI-LEX Shimane, Inc. | Manufacturer of control cable for automobile and car window regulator | |
| 1989 - Present | Audit Committee | PT. HI-LEX Parts Indonesia | Manufacturer of car component | |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|-----------------|--|--|-------------------|
| Time | Position | Company | | |
| 1992 - Present | Director | HI-LEX America Inc. | Manufacturer of control cable for automobile/motorcycle | None |
| 1992 - Present | Chairman | TSK of America Inc. | Holding company | |
| 1993 - Present | Director | HI-LEX Mexicana, S.A DE.C.V | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| 1995 - Present | Director | Chongqing HI-LEX Cable System Group Co., Ltd. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| 1999 - Present | Director | HI-LEX India Private Ltd. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| 1999 - Present | Director | HI-LEX Vietnam Co., Ltd. | Manufacturer of control cable for motorcycle | |
| 2000 - Present | Director | HI-LEX Cable System Co., Ltd. | Manufacturer of control cable for automobile and car window regulator | |
| 2002 - Present | Director | Guangzhou TSK Control Cable Co., Ltd. | Manufacturer of car component | |
| 2002 - Present | Director | Yantai TSK Cable System Co., Ltd. | Manufacturer of control cable for automobile and car window regulator | |
| 2003 - Present | Director | Dae Dong HI-LEX Inc. | Manufacturer of car window regulator and door module | |
| 2006 - Present | Director | HI-LEX Hungary Cable System Manufacturing LLC. | Manufacturer of control cable for automobile | |
| 2007 - Present | Director | Guangdong HI-LEX Cable System Co., Ltd. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| 2007 - Present | Director | Changchun HI-LEX Auto Cable Co., Ltd. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| 2008 - Present | Director | Daedong HI-LEX of America Inc. LLC. | Manufacturer of car window regulator and door module | |
| 2012 - Present | Director | Sun Medical Technology Research Corp. | Manufacturer of medical devices | |
| 2014 - Present | Audit Committee | PT. HI-LEX Cirebon | Manufacturer of control cable for automobile and car window regulator | |
| 2014 - Present | Director | Chongqing Evaheart Medical Device Co., Ltd. | Manufacturer of medical devices | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|--|-----|---|---|---------------------------------|
| 4. Mr. Thaveechat Jurangkool Date of Appointment April 2, 2005 | 44 | MBA., Finance, Webster University Training : IOD - Director Accreditation Program (DAP109/2014) | <u>Direct</u> 20,913,400 Shares (8.050%) <u>Indirect</u> - None - | Son of Mr. Sunsum Jurangkool |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|----------------------------------|---|--|----------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 2003 - Present | Director, Authorized Director | Thai Steel Cable Pcl. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| Limited Company | | | | |
| 1993 - Present | Director, Authorized Director | Summit Auto Body Industry Co., Ltd. | Manufacture of automobile body parts, mold and die | |
| 1995 - Present | Director, Authorized Director | Complete Auto Rubber Manufacturing Co., Ltd. | Manufacture rubber parts for automotive and electronic industry and other | |
| 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 | |
| 1998 - Present | Director, Authorized Director | Modern Products Industry Co., Ltd. | Manufacture of wood printing and coating of auto parts | |
| 1998 - Present | Director | Summit Industry (Thailand) Co., Ltd. | Business Rental | |
| 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 | |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|----------------------------------|---|---|-------------------|
| Time | Position | Company | | |
| 2002 - Present | Director, Authorized Director | Summit Advanced Material Co., Ltd. | Import of steel sheet/coil, coil center | None |
| 2002 - Present | Director, Authorized Director | Summit Engineering Center Co., Ltd. | Design & manufacture of various kinds of die and mold | |
| 2002 - Present | Director, Authorized Director | Auto Interior Products Co., Ltd. | Manufacture, import, export of automobile floor carpet and headrest | |
| 2002 - Present | Director, Authorized Director | Auto Advance Material Manufacturing Co., Ltd. | Manufacture dry mat, sound insulation, plastic sheet, synthetic fiber sheet, for automobile and motorcycle use | |
| 2002 - Present | Director, Authorized Director | Summit Windmill Golf Club Co., Ltd. | Golf club service | |
| 2002 - Present | Director, Authorized Director | STB Textiles Industry Co., Ltd. | Manufacture of fabric for automobile use | |
| 2002 - Present | Director, Authorized Director | Summit Steering Wheel Co., Ltd. | Manufacture and distribute steering wheel and transmission | |
| 2003 - Present | Director | Marubishi Summit Industry Vietnam Co., Ltd. | Manufacture automobile parts | |
| 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 | |
| 2007 - Present | Director, Authorized Director | Summit Green Valley Chiangmai Golf Club Co., Ltd. | Golf club service | |
| 2007 - Present | Director, Authorized Director | J-Max Monopoly Corporation Co., Ltd. | Purchase sell, and rent real estate property | |
| 2007 - Present | Director, Authorized Director | J-Max Property 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 | |
| 2008 - Present | Director, Authorized Director | Summit R&D Center Co., Ltd. | Automotive Product quality, capacity testing service, Calibration, Research and technology development, Design tools, Molds for automotive parts. | |
| 2013 - Present | Director Authorized Director | Boltun Corporation (Thailand) Co., Ltd. | Production of bolts for the car industry. | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|--|-----|---|---|------------------------------|
| 5. Mr. Kornkrit Jurangkool Date of Appointment November 13, 2008 | 38 | M.A., Technology Management Program, American Inter Continental University, Los Angeles, USA Training : IOD - Director Accreditation Program (DAP 77/2009) - RE-CU SENIOR (RE-38 / 2011) - TLCA Executive Development Program (9/2012) - TOISC : 2012 - Future Entrepreneurs Forum (FEF 1/2013) | <u>Direct</u> 4,000,000 Shares (1.540%) <u>Indirect</u> - None - | Son of Mr. Sunsum Jurangkool |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|---|---|--|-------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 2009 - Present | Director, Authorized Director | Thai Steel Cable Pcl. | Manufactureroof control cable for automobile/motorcycle and car window regulator | |
| Limited Company | | | | |
| 1996 - Present | President Director, Authorized Director | Summit Auto Tech Industry Co., Ltd. | Manufacture of exhaust muffler system and automotive parts | |
| 2004 - Present | Director, Authorized Director | Summit Otsuka Manufacturing Co., Ltd. | Produce car parking hand-break | |
| 2005 - Present | President Director, Authorized Director | Thai Auto Industry Co., Ltd. | Manufacture and sell pressed parts for automobile and motorcycle | |
| 2005 - Present | Director, Authorized Director | Summit Kurata Manufacturing Co., Ltd. | Produce steering columns, Neck axis drive. Including spare parts and accessories for all kinds of vehicles | |
| 2006 - Present | Director, Authorized Director | Summit Ansei Auto Parts Co., Ltd. | Produce car door lock and hood lock, tailgate, door lock loop | |
| 2007 - Present | Director, Authorized Director | Summit Green Valley Chiangmai Golf Club Co., Ltd. | Golf club service | |
| 2016 - Present | President Director, Authorized Director | Central Motor Wheel (Thailand) Co., Ltd. | Steel Wheel & Disc | |
| 2008 - Present | President Director, Authorized Director | Summit Advanced Material-Co., Ltd. | Import Coil, slit coil & sheet | |
| 2008 - Present | Director, Authorized Director | Summit Auto Body Skill Development Center Co., Ltd. | Training service | |
| 2008 - Present | Director, Authorized Director | Summit R&D Center Co., Ltd. | Research and technology development Service, Design tools, Molds for automotive parts & Maintenance | |
| 2009 - Present | Managing Director, Authorized Director | Summit Auto Body Industry Co., Ltd. | Manufacture of automobile body parts, mold and die | |
| 2009 - Present | Director, Authorized Director | Summit Auto Seats Industry Co., Ltd. | Manufacture of automobile and motorcycle seat | |
| 2009 - Present | Director, Managing Director Authorized Director | Summit Laemchabang Auto Body Work Co., Ltd. | Produce body parts and exhaust system equipment | |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|---|---|---|-------------------|
| Time | Position | Company | | |
| 2009 - Present | Director, Authorized Director | Summit Laemchabang Auto Seats Manufacturing Co., Ltd. | Manufacture of automobile seat frame and adjusting devices | None |
| 2009 - Present | Director, Authorized Director | Auto Advance Material Manufacturing Co., Ltd. | Manufacturedry mat, sound insulation, plastic sheet, synthetic fiber sheet, for automobile and motorcycle use | |
| 2009 - Present | Director, Authorized Director | Eastern P.U. Foam Industry Co., Ltd. | Manufacture automobile seat foam | |
| 2009 - Present | Director, Authorized Director | Summit Engineering Center Co., Ltd. | Design & manufacture of various kinds of die and mold | |
| 2009 - Present | Director, Authorized Director | Modern Products Industry Co.,Ltd. | Manufacture of wood printing and coating of auto parts | |
| 2009 - Present | Director, Authorized Director | Auto Interior Products Co., Ltd. | Manufacture, import, export of automobile floor carpet and headrest | |
| 2009 - Present | Director, Authorized Director | Summit Windmill Golf Club Co., Ltd. | Golf club service | |
| 2009 - Present | Director | Bangkok Eagle Wings Co., Ltd. | Press Part | |
| 2009 - Present | Director, Authorized Director | Complete Auto Rubber Manufacturing Co., Ltd. | Manufacture rubber parts for automotive and electronic industry | |
| 2009 - Present | President Director, Authorized Director | Summit Steering Wheel Co., Ltd. | Manufacture and distribute steering wheel and transmission | |
| 2009 - Present | Director | Hiruta And Summit Co., Ltd. | Produce automotive parts | |
| 2009 - Present | Director Authorized Director | Steel Alliance service center Co., Ltd. | Coil steel Slitter Steel | |
| 2010 - Present | Director, Authorized Director | Summit Showa Manufacturing Co., Ltd. | Manufacturer shock absorbers, engine parts, transmission system, braking system, suspension system consciously or bearings. | |
| 2010 - Present | Director, Authorized Director | Complete Auto Parts Co., Ltd | Manufacturer of component parts for brake cable, clutch and accelerator cable | |
| 2010 - Present | Director, Authorized Director | Thai Progress Rubber Co., Ltd. | Manufacturing rubber parts for automotive, electronics and other industries. | |
| 2013 - Present | Director Authorized Director | Summit Keylex (Thailand) Co., Ltd. | Produce vehicles parts and accessories. | |
| 2014 - Present | Director | Sankei Summit (Thailand) Co., Ltd. | Manufacturing and Sales Auto Parts | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|---|-----|--|--|--------------|
| 6. Mr. Kazuhiro Takeshita Date of Appointment May 9, 2013 | 61 | Mechanical Engineering, Ritsumeikan University, Japan Training : IOD - Director Accreditation Program (DAP108/2014) | <u>Direct</u> - None - <u>Indirect</u> - None - | None |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|--|-----------------------|--|-------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 2013 - Present | Director, Senior General Manager -R&D Division, Authorized Director | Thai Steel Cable Pcl. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| Limited Company | | | | |
| 2006 - 2010 | General Manager of Production planning Section at Head office | HI-LEX Corporation | Manufacturer of control cable for automobile/motorcycle | |
| 2010 - 2013 | General Manager of Purchasing Section at Head office. | | | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|---|-----|--|--|--------------|
| 7. Mr. Prinya Waiwatana Date of Appointment April 2, 2005 | 69 | B.A., Accounting, Chulalongkorn University Training : IOD - Director Accreditation Program (DAP 35/2005) - Audit Committee Program (ACP 9/2005) - Director Certification Program (DCP 72/2006) | Direct - None - Indirect - None - | None |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|--|------------------------|--|-------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| May 2016 - Present | Chairman of the Audit Committee, Chairman of the Corporate Governance Committee | Thai Steel Cable Pcl. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| 2005 - Present | Independent Director, Nomination and Remuneration Committee member | | | |
| 2005 - May 2016 | Audit Committee member, Corporate Governance 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 | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|---|-----|---|--|--------------|
| 8. Mr. Apinan Na Ranong Date of Appointment April 2, 2005 | 66 | B.A., Business Administration, Chiang Mai University Training : IOD - Director Accreditation Program (DAP 35/2005) - Audit Committee Program (ACP 9/2005) - Monitoring the System of Internal Control and Risk Management (MIR 2/2008) | <u>Direct</u> - None - <u>Indirect</u> - None - | None |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|---|--------------------------------------|--|-------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 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 - May 2016 | Nomination and Remuneration Committee member | | | |
| 2005 - Present | Independent Director, Audit Committee member, Corporate Governance Committee member | | | |
| 2008 - Present | Independent Director | Apex Development Pcl. | Organizer of real estate development project | |
| Limited Company | | | | |
| 1998 - Present | Director, President | Terrene Intertrade Co., Ltd. | Catering Business | |
| May - Present | Chairman of the Board of Directors | Amata Summit Reit Management Co.,Ltd | Managing the trust to invest in real estate. (As approved by the Securities and Exchange Commission of Thailand). | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|---|-----|--|--|--------------|
| 9. Mr. Chatchai Earsakul Date of Appointment May 17, 2010 | 61 | M.A., Economics of Planning & Policy, Northeastern University Training: IOD - Director Accreditation Program (DAP 84/2010) | <u>Direct</u> - None - <u>Indirect</u> - None - | None |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|---|---------------------------------|--|-------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 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 | |
| Limited Company | | | | |
| 2003 - 2007 | Advisor | Pacific Group Co.,Ltd. | Property development | |
| 2011 - Present | Director | Thanyakij Service Co., Ltd. | Warehouse and Dockyard | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|---|-----|--|--|--------------|
| 10. Mr. Veerawat Korphaibool Date of Appointment January 26, 2016 | 48 | M.B.A., Business Administration, University of New Haven, U.S.A Training : IOD - Director Accreditation Program, class 13/2004 - Director Certification Program, class 151/2011 - Financial Statements for Directors, class 14/2011 Training : EDP - TLCA Executive Development Program batch 12 | <u>Direct</u> - None - <u>Indirect</u> - None - | None |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|---|---------------------------------|--|-------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 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 | |
| 2000 - Present | Director | Thai Storage Battery PCL. | Manufacturer and distributor of batteries. | |
| 2013 - Present | Vice Chairman of BOD | | | |
| | Vice President - Marketing and Sales | | | |
| Limited Company | | | | |
| 2003 - Present | Director | 3K Products Co., Ltd. | Dealer of battery for vehicles, golf cart, lighting and motorcycle. | |
| 2010 - 2014 | Senior Vice President | | | |
| 2015 - Present | Chief Executive Officer | | | |
| 2000 - Present | Director | Thai Nonferrous Metal Co., Ltd. | Manufacturer of lead melting. | |
| 2008 - Present | Director | 3K Traction Battery Co., Ltd. | Manufacturer and distributor of metal. Sell and provide rentals and maintenance service of battery repair. | |
| 2010 - Present | Director | Power Plas Co., Ltd. | Manufacturer and distributor of all types of plastic. | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|--|-----|---|---|--|
| 11. Ms. Sirina Patanatmarueng Date of Appointment May 11, 2016 | 42 | M.A. Arts Chulalongkorn University Training: IOD - Company Secretary - Financial Statements for Directors (FSD 26/2014) - Director Certification Program (DCP 227/2016) Training: TLCA - Executive Development Program (EDP15/2014) | Direct 9,330,300 Shares (3.591%) Indirect - None - | Older sister of Mr. Sarit Patanatmarueng |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|---|---|--|-------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 2016 May - Present | Director, Authorized Director | Thai Steel Cable Pcl. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| 2002 - Present | Senior General Manager - Business Administration Division | | | |
| Limited Company | | | | |
| 2012 - Present | Director, Authorized Director | Boltun Corporation (Thailand) Co., Ltd. | Production of bolts for the car industry | |
| 2013 - Present | General Manager - Office Division | Summit Chugoku Seira Co., Ltd. | Manufacture welding nuts for automotive industry | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|-------------------------------|-----|--|--|--------------|
| 12. Mr. Suthon Prempre | 56 | B.A., Political Science, Ramkhamhaeng University M.B.A. Business Administration, Ramkhamhaeng University | <u>Direct</u> - None - <u>Indirect</u> - None - | None |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|---|-----------------------|--|----------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 1984 - Present | Senior General Manager - Production Division | Thai Steel Cable Pcl. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|--------------------------------|-----|---|--|--------------|
| 13. Mr. Sawat Sukaachin | 48 | Master Degree of Industrial Engineering, Chulalongkorn University | <u>Direct</u> - None - <u>Indirect</u> - None - | None |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|--|------------------------------|--|----------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 2015 August - Present | Senior General Manager - Procurement Division | Thai Steel Cable Pcl. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| 2011 - 2015 January | General Manager - Quality Division | Thai Steel Cable Pcl. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| Limited Company | | | | |
| 2015 (February - June) | Factory Director | Y.S.S (Thailand) Co.,Ltd. | Manufacture of Suspension product for Automotive and Motorcycle | |
| 1998 - 2011 | Plant operation Manager | Thai Yang Kitpaisan Co.,Ltd. | Manufacture of Automotive and Industrial Filters. | |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|---|-----|---|--|--------------|
| 14. Ms. Kasita Pitaksongkram Date of Appointment May 14, 2012 <u>Contact Address :</u> 19/5 Moo.3 Tambon Ban Suan, Amphoe Mueang, Province Chon Buri 20000 <u>Vested interest in agendas</u> - None - | 34 | M.A., Business Administration, Human Resource Management, Sripatum University <u>Training: IOD</u> - Company Secretary Program (CSP46/2012) - Company Reporting Program (CRP3/2012) - Board Reporting Program (BRP13/2014) - Anti-Corruption the Practical Guide (ACPG 21/2015) <u>Training: TLCA</u> - Fundamental Practice for Corporate Secretary (FPCS) <u>Training: SEC. SET</u> - Smart Disclosure Program (SDP) - SPC Straight Through System - 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 | <u>Direct</u> - None - <u>Indirect</u> - None - | None |

| Name | Age | Education | Shareholding (%) (As of September 30, 2016) | Relationship |
|--|-----|---|--|--------------|
| 14. Ms. Kasita Pitaksongkram (Continued) | | <u>Training: Others</u> - Global Mini MBA batch 78, 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.) | <u>Direct</u> - None - <u>Indirect</u> - None - | None |

| Work Experiences in Late 5 Years | | | Business | Record of Offense |
|----------------------------------|---|------------------------------------|--|-------------------|
| Time | Position | Company | | |
| Listed Company | | | | None |
| 2016 May - Present | 1. Secretary of Nomination and Remuneration Committee | Thai Steel Cable Pcl. | Manufacturer of control cable for automobile/motorcycle and car window regulator | |
| 2014 - Present | 2. Secretary of Corporate Governance Committee | | | |
| 2012 - Present | 3. Company Secretary | | | |
| | 4. Head of Compliance and Investor Relations department | | | |
| | 5. Assistant to Managing Director | | | |
| Limited Company | | | | |
| 2007 - 2008 | Assistant Manager Administration | Marui Industry (Thailand) Co.,Ltd. | Manufacturer of plastic automotive part | |
| 2005 - 2007 | Secretary of Production Manager | Cobra International Co., Ltd. | Manufacturer of OEM watersports equipment | |

A press conference / Newsletter regarding the financial position

In 2016, the Company prepared the newsletter that presents the financial position and published in Thunhoon Newspaper of November 23, 2016.

Report of Audit Committee

To: Shareholders of Thai Steel Cable Public Company Limited

The Audit Committee of Thai Steel Cable Public Company Limited has been appointed by the Board of Directors. The committee members comprises of 4 individuals whose qualifications fully conform to the Audit Committee Charter and statutory requirements of the Office of the Securities and Exchange Commission. Names of committee members and 2016 attendance are listed below:

| No. | Name of Directors | Designation | Total number of meetings | Meeting attendance |
|-----|----------------------------|---------------------------------|--------------------------|--------------------|
| 1 | Mr. Prinya Waiwatana* | Chairman of the Audit Committee | 5 | 5 |
| 2 | Mr. Apinan Na Ranong | Audit Committee | 5 | 5 |
| 3 | Mr. Chatchai Earsakul | Audit Committee | 5 | 5 |
| 4 | Mr. Veerawat Korphaibool** | Audit Committee | 2 | 2 |

* On February 10, 2016, the Chairman of Audit Committee resigned. Later, the Audit Committee No.4/2016, held on May 9, 2016, resolved to appoint Mr. Prinya Waiwatana, the Audit Committee, to be the Chairman of Audit Committee, effective from May 9, 2016, onward.

** Board of Directors meeting No. 3/2016 on February 9, 2016 resolved to appoint Mr. Veerawat Korphaibool, Independent Director, to be a committee in Sub Committee which are : Audit Committee, Nomination and Remuneration Committee, and Corporate Governance Committee, effective from February 10, 2016 onward. (Audit Committee meeting 2016: November 23, 2015, January 18, 2016, February 8, 2016, May 9, 2016 and August 5, 2016.)

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

In 2016 (the period from October 1, 2015 to September 30, 2016), the Audit Committee met 5 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 executive team every quarter;
2. Reviewing the Company's internal control system and internal audits was sufficient and effective by hiring an expert to conduct an internal investigation to determine. Moreover, the Internal Audit Department monitored the internal audit plan for the year that the Audit Committee considered and approved covering the important work and assigned to monitor the correction of defect

inspection report. The Committee saw that the Company's internal controls were adequate and appropriate to the nature of the business and no defects or weaknesses of the significant system of internal controls. Assets are properly maintained, including the disclosure in its entirety. In addition, the Committee reviewed the internal audit by considering the scope of missions, duties, responsibilities, man power force and independence of internal audit by setting the internal audit to report audit results to the Audit Committee and report on executive matter to the Managing Director that the internal audit of the Company was independent adequate and effective.

3. Reviewing of risk management of the company as a whole (Enterprise Risk Management: ERM), the Company is an indicator of risk, risk assessment from internal and external factors that consist of the strategic risk, the operational risk including the information technology risk, the financial risk and the compliance risk, risk management and track the progress of each agency to ensure that it could be done with the goal set. In the event that may affect the achievement of the organization, it could manage the risks to an acceptable level timely and report the risk management to the Audit Committee, who suggest to correct some risk management method and was of the opinion that the Company has adequate risk management systems and should be monitored in order to improve the effectiveness of risk management continuously.
4. Reviewing that the Company complied with the Securities and Exchange Commission, requirements of the Exchange Act or other laws relating to the business of the company, the Committee was of the opinion that there was no significant defects in terms of non-compliance with the law and regulations reviewed.
5. Reviewing the adequate of compliance with the Self-Evaluation Tool for Countering Bribery of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and also views that the answers to all indicators are accurate and sufficient. On July, 2016 the Company have been certified by Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Committee was of the opinion that the Company has sufficient measures to oppose and detect the corruption efficiency.
6. Reviewing and commented on the transaction of business related or items that may have a conflict of interest, compliance with the Code of Conduct and Ethics of the Committee, executives and staff. There was no items posed as conflict of interest. The Company disclosed in this matter correctly, as well as to comply with the Code of Ethics set appropriately
7. Considering the selection of auditor and remuneration to the Board of Directors for approval at the AGM, the Audit Committee considered the performance of the external auditor in the past year, including knowledge specialization and independence and submitted to the Board for approval at the AGM by appointing Mr. Khitsada Lerdwana and / or Ms. Vissuta Jariyathanakorn and / or Ms. Poonnard Paچارoen of the EY Office Co., Ltd. as auditors for 2017 (the period from October 1, 2016 - September 30, 2017) with the audit fee in total of 1,130,000 Baht (excluding monitoring of compliance with the terms of the Investment Promotion Act for 240,000 baht)

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



Mr. Prinya Waiwatana
Chairman of Audit Committee

Report of Corporate Governance Committee

To: Shareholders of Thai Steel Cable Public Company Limited

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

In 2016, the Corporate Governance Committee compliance with charter of the Corporate Governance Committee's completely and regularly reported to the Board of Directors as appropriate.

In the meeting, the Corporate Governance Committee made a report, expressed their opinions, and gave recommendations independently. By continuous promoting and monitoring the progress of the development of good corporate governance and social responsibility. The corporate governance handbook is updated in the Corporate Governance meeting No.3/2016 on September 13, 2016 which consists of business ethics (Code of Conducts) including guidelines, especially anti-corruption policy, others suggestion that improve and develop the corporate governance of the company.

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

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

* Board of Directors meeting No. 3/2016 on February 9, 2016 resolved to appoint Mr. Veerawat Korphaibool, Independent Director, to be a committee in Sub Committee which are: Audit Committee, Nomination and Remuneration Committee, and Corporate Governance Committee, effective from February 10, 2016 onward. (Corporate Governance Committee meeting 2016: October 13, 2015, May 3, 2016, September 13, 2016.)



Mr. Prinya Waiwatana
Chairman of Corporate Governance Committee

TSC Philosophy

Well-balance of work and life

Maximum value to all stakeholders

People and organization that grow together

Moving forward at all time

Promote good society

ปรัชญา

สร้างสมดุลระหว่างการทำงานและชีวิต

สร้างมูลค่าสูงสุดให้กับผู้เกี่ยวข้องทั้งหมด

คนและองค์กรที่เติบโตไปพร้อมกัน

ก้าวไปข้างหน้าอย่างไม่หยุดยั้ง

ร่วมสรรค์สร้างสังคมที่ดี

Value คุณค่า

People คน

Society สังคม

Environment สิ่งแวดล้อม

Ethic จริยธรรม

Knowledge ความรู้

Quality คุณภาพ



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