



รายงานประจำปี
2554
Annual Report
2011

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



วิสัยทัศน์ / VISION

เป็นผู้ผลิตสายควบคุมยานยนต์ระดับโลก

To be world class automotive control cable manufacturer.



วิสัยทัศน์ / VISION

- ด้านการตลาด - มุ่งสู่ตลาดโลก

Market - Expand to the world market

- ด้านการวิจัยและพัฒนาผลิตภัณฑ์ - มุ่งสู่การเป็นผู้ออกแบบระดับโลก

R&D - To be the world class cable designer

- ด้านองค์กร - มุ่งสู่ความเป็นองค์กรแห่งการเรียนรู้

Organization - To be the learning organization

- ด้านผลิตภัณฑ์ - พัฒนาสินค้าให้มีคุณภาพระดับโลก

Product - To be product of world standard quality

ปรัชญา

สร้างสมดุลระหว่างการทำงานและชีวิต สร้างมูลค่าสูงสุดให้กับ
ผู้เกี่ยวข้องทั้งหมด คนและองค์กรที่เติบโตไปพร้อมกันก้าวไปข้างหน้า
อย่างไม่หยุดยั้ง ร่วมสรรค์สร้างสังคมที่ดี

คุณค่า > คน > สังคม > สิ่งแวดล้อม
จริยธรรม > ความรู้ > คุณภาพ



TCS 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

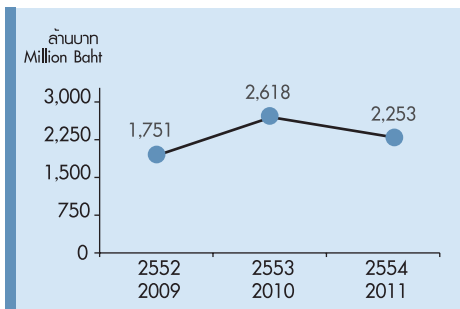
Value > People > Society > Environment
Ethic > Knowledge > Quality

Contents

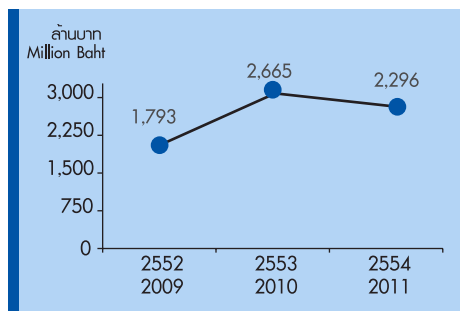
Financial Highlights	3
Message from Chairman of the Board of Directors	4
Message from Vice Chairman	5
Message from Managing Director	6
Board of Director and Audit Committee	7
Executives	8
Organization Chart	9
Corporate Background and Major Developments	10
General Corporate Information	12
Nature of Business	13
Industrial Trends and Competitive Situation in the Future	14
Risk Factors	15
Shareholding Structure and Management	19
Directors' Background	27
Corporate Governance	36
Connected Transactions	44
Report of the Board of Director's Responsibility to the Financial Reports	46
Report of the Audit Committee	47
Explanation and Analysis of Financial Status and Operating Performance	48
Financial Statements	51
Remuneration of Auditor	73

จุดเด่นทางการเงิน

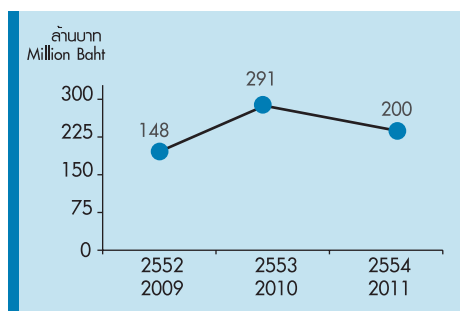
รายได้จากการขาย / Revenues From Sales



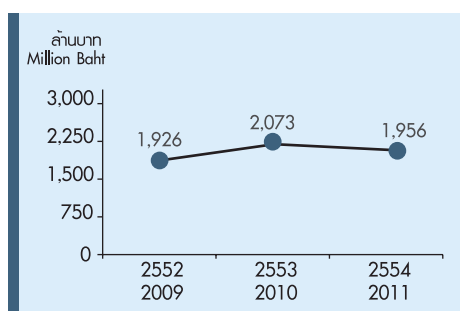
รายได้ทั้งหมด / Total Revenues



กำไรสุทธิ / Net Earnings



สินทรัพย์รวม / Total Assets



(หน่วย : ล้านบาท / Unit : Million Bath)

งบการเงินของบริษัท ณ 31 ธันวาคม

Financial Statement as of December 31st

ผลการดำเนินงาน

Operating Performance

	2552 2009	2553 2010	2554 2011
รายได้จากการขาย Revenues from sales	1,751	2,618	2,253
รายได้ทั้งหมด Total Revenues	1,793	2,665	2,296
ค่าใช้จ่ายรวม Total Expenses	1,638	2,358	2,081
กำไรก่อนต้นทุนทางการเงินและภาษีเงินได้ Earnings Before Finance Costs and Income Tax	155	307	215
กำไรสุทธิ Net Earnings	148	291	200

ฐานะทางการเงิน

Financial Situation

สินทรัพย์หมุนเวียน Current Assets	972	1,176	1,003
สินทรัพย์รวม Total Assets	1,926	2,073	1,956
หนี้สินรวม Total Liabilities	425	506	421
ส่วนของผู้ถือหุ้น Shareholders' Equity	1,501	1,567	1,535

ข้อมูลต่อหุ้น (หน่วย : บาท)

Per Share Data (Unit : Baht)

กำไรสุทธิต่อหุ้น Earnings per Share (EPS)	0.57	1.12	0.77
เงินปันผลต่อหุ้น Dividend per Share	0.50	0.80	0.80
มูลค่าตามบัญชีต่อหุ้น Book Value per Share	5.78	6.03	5.91

อัตราส่วนทางการเงิน (หน่วย : %)

Financial Ratios (Unit : %)

อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น (เท่า) Debt/Equity Ratio	0.28	0.32	0.27
อัตรากำไรสุทธิต่อรายได้รวม Net Earning Margin	8	11	9
อัตราผลตอบแทนต่อส่วนผู้ถือหุ้น Return on Equity (ROE)	10	19	13
อัตราผลตอบแทนจากสินทรัพย์รวม Return on Asset (ROA)	8	14	10

Message from Chairman of the Board of Directors

In 2011, the world witnessed many significant events, such as tsunami in Japan, public debt crisis in European countries or U.S. economic recovery, and significant events in Thailand included election administration and forming of a new cabinet, floods in the south early in the year and the major flood late last year. All these cited events were incidents which negatively affected global economy and Thai economy as well. Therefore, it may be said that we should not focus only on Thai economy.

In 2012, much expansion in the world's economy will come from Asia, mainly China, India and Asean countries. Notably, in constantly growing automotive industries, Thailand is still recognized as a prominent manufacturer in the region because we are a production base of one-ton pickup and eco cars exported to various countries throughout the world. Moreover, investment projects aimed at producing new vehicle models still continue. Thus, Thailand will become an even more prominent country in the world's automotive industries.

Lastly, I would like to express my gratitude to the management and every staff for efforts and dedication throughout last year. I am grateful to every shareholder, customer and trade partner as well as various agencies for your trust, confidence, encouragement and supports. Finally, I would like to assure you that we will maintain good operating performance and efficient management while keeping them above current levels for utmost benefits.



(Mr. Sansurn Jurangkool)
Chairman of the Board of Directors

Message from Vice Chairman

In 2011, Thailand's economy was hampered by tsunami incident in Japan early in the year and floods in Thailand late in the year. These incidents are considered one of the worst crises that pounded Thai economy and caused contraction in the automobile industry. However, the Company persevered and resolved to improve overall management until we eventually overcame these crises and achieved satisfactory operating performance.

The year 2012 is the year that the Company is focusing on improvement in preparation for changing business conditions within the next few years when the ASEAN Economic Community (AEC) will be formed in 2015. Thereafter, markets in Asean region will become a single market. This is very challenging indeed. However, the Company has not been complacent and recognized the importance of surveillance and has been monitoring potential changes which might negatively affect operating results. Moreover, the Company will not cease mobilizing available resources to seek, develop and expand businesses in order to establish a path for stable growth built on a more suitable, efficient basis with focuses on good corporate governance and corporate social responsibilities.

I would like to express my gratitude to every shareholder for your confidence in the management team and the Company for so many years. Moreover, I would also like to thank and praise the Company's management and staff for their unwavering and strong determination.



(Mr. Chutong Pattanatmareung)
Vice Chairman

Message from Managing Director

The year 2011 was the year that evidently demonstrated how robust Thailand's automobile industry was. Despite adverse impacts from tsunami incident in Japan and floods in Thailand, overall volume of automobile production declined just slightly.

In 2012, the automobile industry will expand substantially, stemming from confidence in the potential of the Thai automobile industry. As a result, there has been investment in production of new vehicle models which have been rolled out in the market continuously. The Company has strived to achieve international quality standards as guided by the new vision "world-class automotive control cable manufacturer" and thus expanded its operation by investing in plant expansion to meet constantly growing production volume.

Lastly, I would like to express my gratitude to all benefactors, particularly shareholders and customers, who have provided great supports to the Company. Moreover, I also would like to give encouragement to every TSC staff for further achievement in their works.



(Mr. Sarit Pattanatmareung)
Managing Director

คณะกรรมการบริษัทและคณะกรรมการตรวจสอบ

1



2



3



4



5



6



7



8



9



10



11



1 นายสรเสรีญ จุฬางกูร
Mr. Sunsurin Jurangkool
ประธานกรรมการ

4 นายมากาโต เทราอุรา
Mr. Makoto Teraura
กรรมการ

7 นายคะซึโยชิ โอซากิ
Mr. Katsuyoshi Ogaki
กรรมการ

10 นายปริญญญา ไหววัฒนา
Mr. Prinya Waiwatana
กรรมการอิสระ และ
กรรมการตรวจสอบ

2 นายชูทอง พัฒนะเมลิ้ง
Mr. Choothong Patanatmarueng
รองประธานกรรมการ

5 นายทวีจักร จุฬางกูร
Mr. Thaveechat Jurangkool
กรรมการ

8 นายกี วสุวัต
Mr. Kavee Vasuvat
กรรมการอิสระ และ
ประธานกรรมการตรวจสอบ

11 นายฉัตรชัย เอียสกุล
Mr. Chatchai Earsakul
กรรมการอิสระ และ
กรรมการตรวจสอบ

3 นายสริต พัฒนะเมลิ้ง
Mr. Sarit Patanatmarueng
กรรมการ และกรรมการผู้จัดการ

6 นายกรกฤษ จุฬางกูร
Mr. Kornkrit Jurangkool
กรรมการ

9 นายอภิรักษ์ ณ ระนอง
Mr. Apinan Na Ranong
กรรมการอิสระ และ
กรรมการตรวจสอบ

คณะผู้บริหาร

1



2



3



4



5



6



7



1 นายสรสรเสริญ จุฬางกูร
Mr. Sunsurin Jurangkool
ประธานเจ้าหน้าที่บริหาร

2 นายชูทอง พัฒนะเมลิ้ง
Mr. Choothong Patanatmarueng
รองประธานเจ้าหน้าที่บริหาร

3 นายสริต พัฒนะเมลิ้ง
Mr. Sarit Patanatmarueng
กรรมการผู้จัดการ

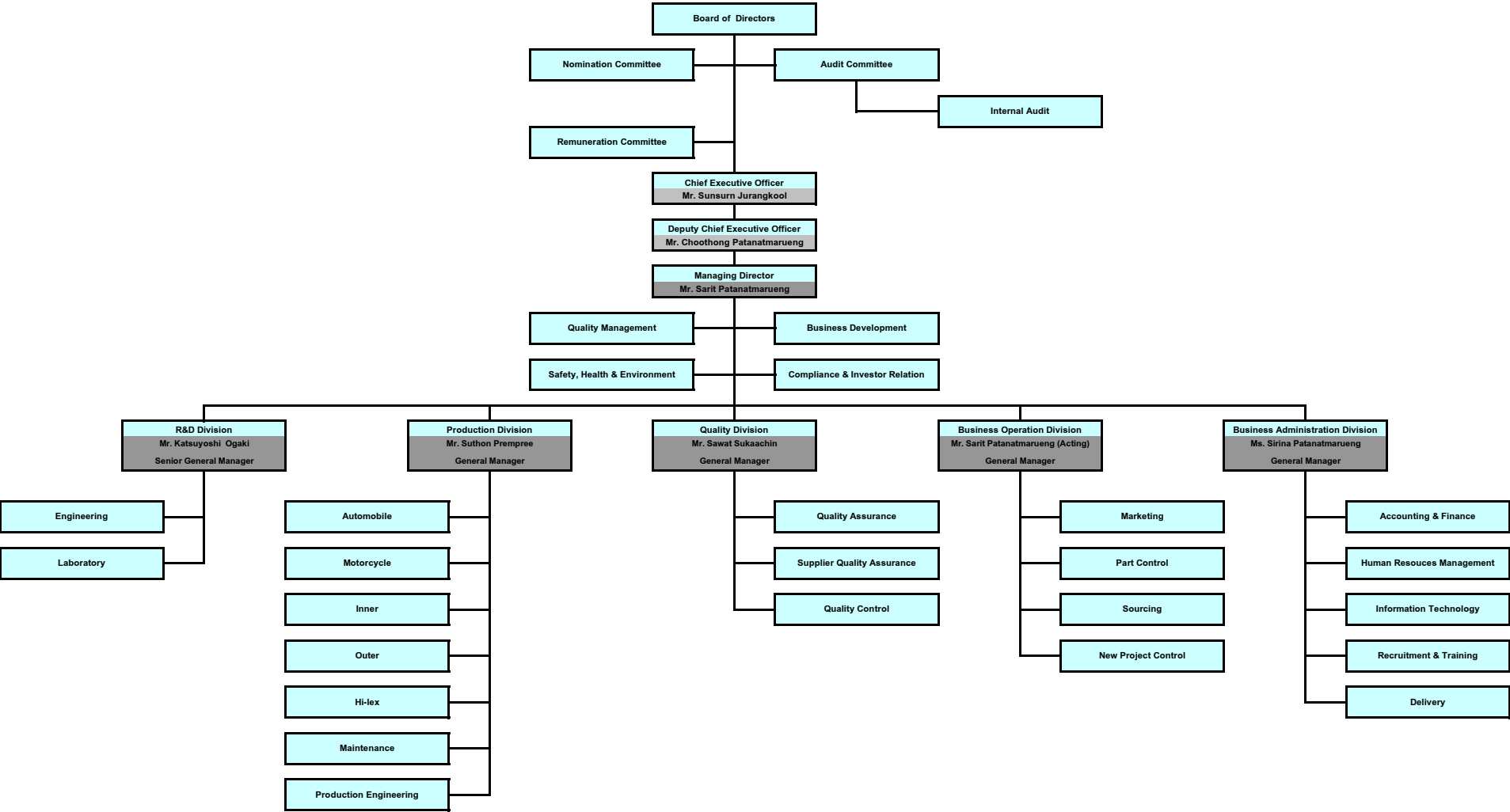
4 นายคะซึโยชิ โองากิ
Mr. Katsuyoshi Ogaki
ผู้จัดการทั่วไปอาวุโส
(ส่วนงานวิจัยและพัฒนา)

5 นายสวัสดิ์ สุขะอาจิณ
Mr. Sawat Sukaachin
ผู้จัดการทั่วไป
(ส่วนงานคุณภาพ)

6 นายสุทนต์ เปรมปรี
Mr. Suthon Prempre
ผู้จัดการทั่วไป
(ส่วนงานผลิต)

7 นางสาวสิริณา พัฒนะเมลิ้ง
Ms. Sirina Patanatmarueng
ผู้จัดการทั่วไป
(ส่วนงานบริหารธุรกิจ)

Organization Chart as of January 31, 2012



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. Sunsurin 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.

Key changes and developments

- 2006 - Relocated production facilities and head office from Samutprakarn province to Amata Nakorn Industrial Estate in Chonburi province.
- 2007 - Received two BOI investment promotion certificates, including:
Certificate 1: Promotional incentives for relocation of the existing facilities
Certificate 2: Promotional incentives for plant expansion project
- Received Q1 Award from AutoAlliance (AAT). This award is presented to parts manufacturer with outstanding quality management.
- 2008 - Received Quality Control Cycle (QCC) Award from Thai Hino Co-Operation Club. This award recognizes quality control improvement through waste reduction in production process.
- Received the first prize of Toyota Production System (TPS) Award in the category of Group Sub Leader for the second consecutive year from Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd. This award recognizes cost reduction from optimum utilization through resource management.
- Set up a product testing center certified by experts of HI-LEX Corporation.
- 2009 - Received Quality Award the Satisfies 2009 from Mitsubishi Motors (Thailand) Co., Ltd.
- Received "Gold Certificate TCC Safety Activity of Level A" Award from Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd.
- Received Thank You Award from Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd. The award is presented to companies that have expertise in the Toyota Production System (TPS) and provide consultation to other companies on system development until achieving a successful outcome.
- Received D 2009 Delivery Award from Honda Group. This award is presented to parts manufacturers with outstanding delivery records on annual basis.
- Utilized SAP program for management of the entire production process, ranging from production planning and product delivery to collection.
- Provided testing services of control cables and various parts to parts manufacturers of the Company.
- 2010 - Received Award of Quality for quality achievement from Mitsubishi Motors (Thailand) Co., Ltd.
- Officially received a certificate of laboratory quality standards from HI-LEX Corporation, thus enabling the Company to expand the provision of testing services to HI-LEX affiliates worldwide. Moreover, the Company also prepared to apply for ISO/IEC 17025 certification to guarantee its laboratory's technical capabilities according to international standards and to improve its capabilities to test window regulator sets.
- Received three awards from the Productivity Facilitator 2010 project organized by the Thailand Productivity Institute, including outstanding management, outstanding company in the auto parts industry and outstanding productivity facilitator.

- 2011 - Received Bronze Award for outstanding supplier from Hino Motors Manufacturing (Thailand) Ltd.
- Received 2010 QCD Improvement Supplier Award for outstanding quality, cost and delivery improvement and development from an individual group of Isuzu parts manufacturers.
 - Received Supplier Evaluation Score in Delivery Award for the most outstanding job delivery during 2008 - 2010 from Isuzu Motors Thailand Co.,Ltd.

General Corporate Information

Registered company	Thai Steel Cable Public Company Limited Company registration number 0107548000145
Registered capital	268,500,000 Baht (comprising 268,500,000 ordinary shares with a par value of 1 Baht per share)
Paid-up capital	259,800,000 Baht
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 centres. Output is also exported to oversea markets.
Head Office	Amata Nakorn Industrial Estate, 700/737 Moo 1, Tambol Panthong, Amphur Panthong, Chonburi Province, 20160. Telephone: (038) 447 200 - 21
Webpage	http://www.thaisteelcable.com

Nature of Business

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, tachometre cables, and accelerator cables
- 2) Window regulators using cable for all types of automobile

The products are distributed to leading automobile and motorcycle manufacturers, as well as spare parts centres and retail traders, both domestically and abroad. The products are distributed under the **TSC** trademark and the trademarks of HI-LEX Corporation, namely **HI-LEX CORPORATION** and “HI-LEX”. The Company remunerates HI-LEX Corporation for the use of these trademarks under the conditions of a licensing and technical assistance agreement and is applicable to products sold under the trademark of the Company itself, or of HI-LEX Corporation. The Company’s products have therefore gained strong acceptance from automobile and motorcycle manufacturers in Thailand for its quality, pricing, as well as before and after-sales services.

At end of 2011, the Company owned leading market shares of control cables in Thailand. The major customers are prominent automobile manufacturers of Japan and USA. Moreover, the Company also gained trust in being the major supplier of window regulators for Honda Automobile (Thailand).

Revenue structure

Product line	2009		2010		2011	
	Revenue Million Bt.	Ratio (%)	Revenue Million Bt.	Ratio (%)	Revenue Million Bt.	Ratio (%)
Revenue from domestic sales	1,672	93	2,551	95	2,127	93
- automobile control cables	969	54	1,586	59	1,320	58
- motorcycle control cables	399	22	544	20	495	22
- automobile window regulators	295	16	416	16	304	13
- others	9	1	5	-	8	-
Revenue from overseas sales	79	5	67	3	125	5
- automobile control cables	10	1	15	1	14	1
- motorcycle control cables	2	-	6	-	37	1
- automobile window regulators	23	1	-	-	-	-
- others	44	3	46	2	75	3
Other income						
- others	41	2	47	2	43	2
Total revenues	1,792	100	2,665	100	2,296	100

Industrial Trends and Competitive Situation in the Future

In 2011, the Thai economy was hampered by tsunami incident in Japan early in the year and floods in Thailand late in the year. These events are considered one of the worst crises that pounded the Thai economy and caused contraction in the automobile industry. Last year the production output of automobiles totaled 1,457,795 units, down 11% from the previous year, and the production output of motorcycles totaled 2,043,039 units, up 1%.

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 (%)
2009	999,378	447,318	552,060	(28)	1,634,113	1,518,833	115,280	(14)
2010	1,645,304	894,690	750,614	65	2,024,599	1,868,911	155,688	24
2011	1,457,795	733,950	723,845	(11)	2,043,039	1,821,875	221,164	1

Source: Federation of Thai Industries


In 2012, much expansion in the world's economy will come from Asia, mainly China, India and Asean countries. Notably, in constantly growing automotive industries, Thailand is still recognized as a prominent manufacturer in the region. It is expected that the total automobile production will rise to 2.0 million units, surging 38% from last year. Due to confidence in the potential of Thai automobile industry, investment on production of new vehicle models which will be rolled out in the market will continue, thus ensuring that Thailand will become an even more prominent country in the world's automotive industries.

Nevertheless, there are still several factors which will adversely affect the vehicle industry of Thailand, such as Thai baht appreciation, oil prices, economic health of key trade partners that may have negative repercussions on Thai exports, a high inflation rate which may induce local interest rate hike, credit approval decisions of the financial sector, and so forth. Therefore, it is imperative that proprietors in the vehicle industry must pursue capacity-building of their production and personnel, thus enabling them to compete effectively in the global arena.

Risk Factors

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

- **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 renew 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 three decades. 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.

- **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.

- **Risks from fluctuation of raw material prices**

In 2011, 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.

- **Risks from foreign exchange rate fluctuation**

In 2011, the Company procured imported raw materials and components, accounting for around 45% 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 576 million Baht. Thus, the Company faced risks from foreign exchange rate fluctuation if exchange rates have gone up.

However, the Company was granted a line of credit under a forward exchange contract from a financial institution. Such credit facility will help the Company reduce risks from foreign exchange rate fluctuation where necessary and appropriate.

- **Risks from reliance on major customers**

At present, the Company has seven key customers, five of which are major automobile manufacturers and two of which are major motorcycle manufacturers. Combined sales value to these major customers accounted for around 77% of the Company's revenue in 2011. 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 33 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.

- **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**

At present, the Company has three major shareholder groups, that is, Jurangkool family, Pattanatmareung family and HI-LEX Corporation, which hold a combined share of around 79% of the Company's registered and paid-up capital. Consequently, they can control almost all resolutions passed at shareholders' meetings. As a result, other shareholders may be unable to gather sufficient votes to ensure checks and balances of any matter proposed by majority shareholders. In some cases, the interest of majority shareholders may conflict with the interest of the Company or other shareholders. Moreover, majority shareholders also have management control in the Company, holding 7 out of 11 director seats in the Board of Directors. Hence, there is a risk that majority shareholders may exercise absolute management control and manage the Company in a way that might conflict with the interest of the Company and/or minority shareholders, which may adversely affect the Company's business.

However, the Company has a total of four Independent Directors who do not have any interest in the Company. Consequently, they can dutifully examine the performance of company executives and sufficiently safeguard the interest of minority shareholders. The Company also commissions external auditors to jointly examine conducts of various departments in cooperation with the internal control department, which reports directly to the Audit Committee. Any recommendation of auditors will be used to improve the internal control system so that the internal control department can operate more efficiently.

Consequently, it is very unlikely that such risk will happen.

- **Risks from warranty claims**

The Company is responsible for the provision of product quality guarantee and must be accountable to its customers. In parts buy-sell 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 automobile or motorcycle 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

- **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.

However, since the vehicle industry is presently regarded as a vital industry of the country and the government has a definite policy to promote Thailand as an auto production hub of Asia, it is thus less likely that the vehicle industry will slip into a downturn. Consequently, risks arising from the Company's reliance on automobile and motorcycle industries will be mitigated.

- **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 over 33 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.

Shareholding Structure and Management

• Major shareholders

The major shareholders of the Company as of February 29, 2012 are presented as below.

No.	Name	Paid-up capital 259,800,000 Baht	
		Number of shares	% of shares held
1	The Jurangkool Group	104,416,800	40.19
2	HI-LEX Corporation	70,000,000	26.94
3	The Patanatmarueng Group	31,248,900	12.03
4	Thai NVDR Company Limited	13,117,300	5.05
5	Mr. Sagha Veeravathaganon	8,000,000	3.08
6	Mr. Chaitat Chaipipatsuke	6,500,000	2.50
7	Mr. Dumrong Kulthanapong	6,000,000	2.31
8	Citibank Nominees Singapore PTE Ltd.- Thai Focused Equity Fund Ltd.	2,337,400	0.90
9	Ms. Waraporn Songpracha	2,105,400	0.81
10	Mr. Paisal Chartpitak	1,500,000	0.58
11	Other	14,574,300	5.61
	Total	259,800,000	100

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

- Mr. Sunsurin Jurangkool holds 83,115,000 shares, or 31.99% of paid up capital
- Mr. Thaveechat Jurangkool holds 17,109,300 shares, or 6.59% 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) The top 10 major shareholders of HI-LEX Corporation are :

1. Teraura Investment Co., Ltd. 19.83%
2. JP Morgan Chase Bank 4.64%
3. Teraura Scholarship Foundation 4.06%
4. Nippon Life Insurance Company 3.66%
5. Japan Trustee Services Bank, Ltd. 3.44%
6. State Street Bank and Trust Company 3.23%
7. BBH For Fidelity Low-Priced Stock Fund 3.13%
8. Melon Bank Treaty Clients Omnibus 3.02%
9. Honda Motor Co., Ltd. 2.22%
10. Bank of Tokyo-Mitsubishi UFJ, Ltd. 2.19%

(Data as of October 31, 2011)

- 3) The Patanatmarueng Group comprises 5 shareholders of the same family name and related individuals as follows :

- Mr. Choothong Patanatmarueng	holds 16,997,400 shares, or 6.54% of paid up capital
- Mrs. Orasa Patanatmarueng	holds 12,000,000 shares, or 4.62% of paid up capital
- Mr. Santi Patanatmarueng	holds 1,641,200 shares, or 0.63% of paid up capital
- Mr. Sarit Patanatmarueng	holds 460,200 shares, or 0.18% of paid up capital
- Ms. Sirina Patanatmarueng	holds 150,100 shares, or 0.06% of paid up capital

Management

(1) Management structure

The Company's management structure comprises four committees, namely the Board of Directors, the Audit Committee, the Nomination Committee and the Remuneration Committee. The details of this structure are outlined as follows.

1. The Board of Directors

The Board of Directors as per the certification of the Ministry of Commerce dated January 11, 2012 shows that there are 11 Directors comprises of:

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

The Board of Directors comprises highly qualified individuals with knowledge, capabilities and experiences that benefit the Company, as follows.

No.	Name of Directors	Designation
1	Mr. Sunsum Jurangkool	Chairman of the Board of Directors
2	Mr. Choothong Patanatmarueng	Vice Chairman
3	Mr. Sarit Patanatmarueng	Director
4	Mr. Makoto Teraura	Director
5	Mr. Thaveechat Jurangkool	Director
6	Mr. Kornkrit Jurangkool	Director
7	Mr. Katsuyoshi Ogaki	Director
8	Mr. Kavee Vasuvat	Independent Director
9	Mr. Apinan Na Ranong	Independent Director
10	Mr. Prinya Waiwatana	Independent Director
11	Mr. Chatchai Earsakul	Independent Director

The Board of Directors appointed Ms. Visakorn Unphon as Company Secretary and Secretary to the Board of Directors and Company Secretary in accordance with the Securities and Exchange Act (Issue 4) B.E. 2551 (2008) and corporate governance principles. The main responsibilities include:

1. Provide board members with basic advice on legal provisions, rules and regulations, and relevant guidelines.
2. Ensure that the Company complies with legal requirements, the Company's regulations, relevant regulations and good governance principles.
3. Organize shareholders meetings and Board of Directors meetings as stipulated by the law and regulations and monitor proper compliance on regular basis.
4. Prepare and keep records of minutes of meeting and coordinate with others to comply with resolutions passed by the Board of Directors and shareholders meetings efficiently.
5. Oversee disclosure of various information and reports in accordance with the provisions of the Stock Exchange of Thailand, the Securities and Exchange Commission and other regulatory agencies.

6. Liaise and communicate with shareholders and relevant regulatory agencies. Shareholders can ask questions or request for information at (038) 447 200-21 ext.411 or send questions to Email: visakorn.u@thaisteelcable.com
7. Encourage attendance in various training courses and provide information which may contribute to the performance of the duties of a new Director.
8. Other tasks assigned by the Board of Directors.

Directors with signatory authority

Either one of Mr. Sunsum Jurangkool; Mr. Thaveechat Jurangkool; or Mr. Kornkrit Jurangkool signs with either Mr. Choothong Patanatmarueng; Mr. Sarit Patanatmarueng; or Mr. Katsuyoshi Ogaki and affix the Company seal. Otherwise, Mr. Choothong Patanatmarueng or Mr. Sarit Patanatmarueng signs with Mr. Katsuyoshi Ogaki and affix the Company seal.

Scope and authority of the Board of Directors

1. Comply with the laws, company objectives, and company regulations, including resolutions of Shareholder Meetings, with honesty, integrity and caution in protecting the Company's interests, as well as for the ultimate benefit of shareholders.
2. Consideration of qualified candidates who do not have prohibited characteristics as specified by the Public Company Act of B.E. 2535 (1992), securities and stock exchange laws, as well as the relevant announcements, regulations and/or rules in the event that a Directorial position becomes vacant for any other reason than completion of tenure.
3. Selection of candidates proposed by the Nomination Committee for the position of Independent Directors, based on a consideration of qualifications and no prohibited characteristics as specified by the Public Company Act of B.E. 2535 (1992), securities and stock exchange laws, as well as the relevant announcements, regulations and/or rules. Selected candidates are proposed at the Board of Directors' Meeting and/or Shareholder Meetings for appointment as Independent Directors of the Company accordingly.
4. Consideration of the appointment of the Audit Committee, in accordance with the qualifications as specified by the securities and stock exchange laws, as well as the relevant announcements, regulations and/or rules of the Stock Exchange of Thailand.
5. Appointment of management, from candidates proposed by the Nomination Committee, including the consideration of appointment of the Managing Director. Determination of the scope of authorities, duties and responsibilities of the Managing Director, as well as the delegation of authority to the Managing Director to conduct operations on behalf of the Company in relation to normal corporate business activities.
6. Review and authorization of the Company's management structure, as well as the nomination of the Executive Committee, selected from members of the Board of Directors. Determination of the scope, authorities and responsibilities of the Executive Committee.
7. The Board of Directors has the authority to consider the determination and amendment of Directors with signatory rights in entering into binding obligations on behalf of the Company.
8. Appoint or delegate authority to one or several Directors, or other individuals, to conduct any activity on behalf of the Board of Directors as deemed appropriate. This right may be revoked, changed or amended as required.
9. Authorization of the Company's dividend payment policies and policy guidelines for investment in subsidiaries, affiliates and connected companies.
10. Authorization of interim dividend payments to shareholders, if it is deemed the Company has sufficient profitability to do so, including informing shareholders of such at the following Shareholders' Meeting.
11. Authorization of other significant matters, such as corporate governance policies, related party transactions, connected transactions and the acquisition or divestiture of assets of a public listed company in accordance with the Announcements, Regulations or Codes relating to the Stock Exchange of Thailand.
12. Consideration of other matters required by law to be passed by the resolutions of Shareholder Meetings.

Qualifications of “Independent Director”

1. Shareholding must not exceed 0.5% of total voting shares of the Company, major shareholders, persons with controlling interest or juristic persons that may have conflict of interest. This also takes into account shareholding of person who is associated with independent director.
2. Currently not a board member or never worked as a board member, temporary staff, employee, consultant received regular salary or person with controlling interest, major shareholder, person with controlling interest or juristic person that may have conflict of interest, except such person has been relieved of such conditions not less than two years.
3. Must not be a person who is related through kinship or legitimate registration as a father, mother, spouse, sibling, and child as well as spouse of a child of management executive or major shareholder, person with controlling interest or person who will be nominated as an executive or person with controlling interest of the Company.
4. Must not have business relationship with the Company, major shareholders, person with controlling interest or juristic person that may have conflict of interest in a way that may impede his/her autonomous discretion. In addition, independent director must not be a major shareholder, board member or management executive who has business ties with the Company.
5. Must not be auditor of the Company, major shareholder, and person with controlling interest of the Company or juristic person that may have conflict of interest. In addition, independent director must not be a major shareholder, board member, management executive of an audit company which has auditor of the Company, major shareholder or person with controlling interest or juristic person that may have conflict of interest.
6. Must not be a person who provides any professional services, including legal counseling or financial consulting services, which receives annual service fee over two million baht from the Company, major shareholder, person with controlling interest or juristic person that may have conflict of interest.
7. Must not be a board member who is appointed to be a representative of board member of the Company, major shareholder, or shareholder who is associated with a major shareholder.
8. Must not have any other attributes that may prevent him/her from freely expressing opinions about the Company’s operation.

The qualifications of “independent director” prescribed by the Company are more stringent than minimum qualifications of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in respect of shareholding. The Company’s independent director shall not hold more than 0.5% of total voting shares. Among all four independent directors, one of them is an automobile industry expert and other three directors are competent management experts.

2. Audit Committee

The Meeting of the Board of Directors No. 5/2010 held on November 15, 2010 resolved to re-appoint the Audit Committee to resume their office for a term of 3 years each. Directors are independent and qualified as specified by the law pertaining to requirement of Stock Exchange Commission (SEC) and Stock Market of Thailand (SET) and all independent directors.

No.	Name of Directors	Designation
1	Mr. Kavee Vasuvat	Chairman of the Audit Committee
2	Mr. Apinan Na Ranong	Audit Committee
3	Mr. Prinya Waiwatana*	Audit Committee
4	Mr. Chatchai Earsakul	Audit Committee

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

Ms. Pensiri Petchgunphoom serves as Secretary to the Audit Committee.

The Board of Directors Meeting No. 4/2009 held on November 12, 2009 passed a resolution to approve the Audit Committee's charters which conform to the guideline set forth by the SEC Office and the Stock Exchange of Thailand which has been announced and effective since July 1, 2008. Under this guideline, qualifications of audit committee member are stipulated as follows:

Qualifications "Audit Committee Member"

1. Must not hold shares in the Company or connected companies and persons.
2. Must not participate in management and must not be temporary staff, employee, consultant paid with a salary, other consultant of the Company, subsidiaries, affiliates or connected companies.
3. Must not have any benefit or vested interest, directly or indirectly, in the Company, subsidiaries, affiliates or major shareholders of the Company.
4. Must not be a close relative or must not have any other relationship with one of the management executives or major shareholders of the Company, connected companies or juristic person that may have conflict of interest. In addition, audit committee member must not be appointed to act as a representative to protect vested interest of board members and major shareholders, which may entail lack of independence.
5. Must perform duties in expressing his/her opinion or reporting operating performance autonomously as designated by the Board of Directors.

3. Nomination Committee

The Meeting of the Board of Directors No. 5/2011 held on November 10, 2011 resolved to appoint the Nomination Committee to resume their office for another term of 3 year each. The Committee comprises 3 Directors as follows.

No.	Name of Directors	Designation
1	Mr. Thaveechat Jurangkool	Chairman of the Nomination Committee
2	Mr. Sarit Patanatmarueng	Nomination Committee
3	Mr. Kornkrit Jurangkool	Nomination Committee

Ms. Sirina Patanatmarueng serves as Secretary to the Nomination Committee.

Scope and authority of the Nomination Committee

Consideration and proposal of individuals with suitable qualifications for submission to the Board of Directors prior to appointment as Directors by the Shareholders' Meeting.

4. Remuneration Committee

The Meeting of the Board of Directors No. 5/2011 held on November 10, 2011 resolved to appoint the Remuneration Committee to resume their office for another term of 3 year each. The Committee comprises 3 Directors as follows.

No.	Name of Directors	Designation
1	Mr. Kavee Vasuvat	Chairman of the Remuneration Committee
2	Mr. Apinan Na Ranong	Remuneration Committee
3	Mr. Prinya Waiwatana	Remuneration Committee

Ms. Sirina Patanatmarueng serves as Secretary to the Remuneration Committee.

Scope and authority of the Remuneration Committee

Review of policies relating to remuneration and benefits for the Board of Directors, Audit Directors, Nomination Committee and Remuneration Committee for proposal to the Board of Directors and consideration by the Shareholders' Meetings of such policies.

Executives

As of January 16, 2012, the Company has 7 Executives as follows.

No.	Name of Executives		Designation
1	Mr. Sunsum	Jurangkool	Chief Executive Officer
2	Mr. Choothong	Patanatmarueng	Deputy Chief Executive Officer
3	Mr. Sarit	Patanatmarueng	Managing Director and Acting General Manager (Business Operations Division)
4	Mr. Katsuyoshi	Ogaki	Senior General Manager (Research & Development Division)
6	Mr. Suthon	Prempre	General Manager (Production Division)
5	Mr. Sawat	Sukaachin	Senior General Manager (Quality Division)
7	Ms. Sirina	Patanatmarueng	General Manager (Business Administration Division)

Scope and authority of the Managing Director

The Managing Director has the duty to perform tasks as assigned by the Board of Directors, with deference to the rules and regulations of the Company. However, such assignment must not allow the Managing Director to approve transactions that either himself or parties with a potential conflict of interest or benefit or any other conflicts with the Company and its subsidiaries. Approval for such transactions must be given by the Meeting of the Board of Directors and/or the Meeting of Shareholders (as may be the case) in line with the regulations of the Company or relevant laws. The exception is approval for items that constitute the normal business of the firm, with a clearly defined scope. The scope of authority for this designation may be summarized as follows.

1. Responsible for the general management of the Company, including for production, sales and other activities constituting the normal business.
2. Coordinate with the Internal Audit Department concerning accounting matters and disbursement-payment of money that does not meet the policies of the Company.
3. Act as a signatory on behalf of the Company with regard to recruitment and employment.
4. Consider budget in conjunction with the Board of Directors.
5. Review documents or contracts pertaining to the normal business operations of the Company; provide recommendations and suggestions in such matters.
6. Conduct any other activity as assigned by the Board of Directors' resolutions.

(2) Nomination of Directors and Executives

The nomination of Directors of the Board, the Managing Director, and other Committee members are selected and screened by the Nomination Committee, prior to proposal to the Board of Directors and/or the Shareholders' Meeting. The process defers to Company policies and takes into account candidates' qualifications, knowledge, skills and their ability to allocate sufficient time for employment with the Company.

In accordance with Company regulations, the Board of Directors must comprise at least 5 members, but not exceed 12. At least half Directors are required to be residents of Thailand. The Directors may or not be Shareholders in the Company.

The Shareholders' Meeting selects and appoints Directors in accordance with the guidelines and methods as follows

- Each Shareholder has a vote equivalent to one vote per share.
- Each Shareholder may use all his votes to appoint one or more individuals as Directors, but may not divide his votes with any other persons.

- Candidate receiving the most votes in successively descending order will be appointed as Directors according to the number of Directors required, or to be voted for, on that particular occasion. In the event that there is a tie between candidates in the next tier, which would exceed the number of Directors required, the Chairman of the Meeting will cast the deciding vote.
- At every Annual Meeting of Ordinary Shareholders, a number of one in three (1/3) of the total number of Directors at that time will vacate their offices. If the number may not be divisible by three, the number of Directors to vacate their posts will be the figure closest to the value of one in three (1/3). Directors who vacate their offices may be re-elected to assume their seats. Directors who are obliged to vacate their offices in the first or second year following the Company registration will be decided by a ballot. In successive years, the longest-serving Directors will vacate their offices.
- The Shareholders' Meeting may pass a resolution to remove a Director from office before completion of the Director's term with a vote of not less than three in four (3/4) of the number of shareholders in attendance with voting rights and a collective number of votes of at least one half of the shares held by Shareholders in attendance and with voting rights.

(3) Remuneration of Directors and Executives in 2011

The Board of Directors deliberated to prescribe fair and reasonable director's remuneration commensurate with his or her 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. Therefore, the Company requested for approval of director's remuneration from the shareholders' meeting within a budget of five million baht as detailed below:

- Meeting allowance (for each meeting attended) is the same as the 2010 rate.
 - Chairman of the Board of Directors 35,000 baht
 - Directors and committee members 25,000 baht
- A bonus is paid to directors at a rate of 1.50% of total dividend payout based on the 2010 operating results.

1. Remuneration

Details of remuneration of each director in 2011 are as follows:

Name	Remuneration Committee in cash (Baht)					
	Board of Directors (Baht)	Audit Committee (Baht)	Remuneration Committee (Baht)	Nomination Committee (Baht)	Pension (Baht)	Total net (Baht)
1. Mr. Sunsurin Jurangkool	175,000	-	-	-	283,418	458,418
2. Mr. Choothong Patanatmarueng	125,000	-	-	-	283,418	408,418
3. Mr. Sarit Patanatmarueng	125,000	-	-	25,000	283,418	433,418
4. Mr. Makoto Teraura	-	-	-	-	283,418	283,418
5. Mr. Thaveechat Jurangkool	125,000	-	-	25,000	283,418	433,418
6. Mr. Kornkrit Jurangkool	125,000	-	-	25,000	283,418	433,418
7. Mr. Katsuyoshi Ogaki	125,000	-	-	-	283,418	408,418
8. Mr. Kavee Vasuvat	125,000	100,000	25,000	-	283,418	533,418
9. Mr. Apinan Na Ranong	125,000	100,000	25,000	-	283,418	533,418
10. Mr. Prinya Waiwatana	125,000	100,000	25,000	-	283,418	533,418
11. Mr. Chatchai Earsakul*	125,000	100,000	-	-	283,418	508,418
Total	1,300,000	400,000	75,000	75,000	3,117,598	4,967,598

Total amount of remuneration packages paid to senior management of the Company:

Remuneration	2010 Amount (mil. baht)	2011 Amount (mil. baht)
Salaries, bonus etc.	67.38 (for 7 executives)	77.53 (for 8 executives)*

Note: *In 2011 with the executive resigned of August 2011

2. Other remuneration

- none -

(4) Supervision of insider information issues

The Company has measures to protect conflicts of interest with the adoption of a Code of Conflict of Interest, which covers the use of insider information, trading of Company securities, related party transactions and connected transactions. The Company communicates to employees about these on ongoing basis. The Board of Directors, Executives and employees have a duty to strictly comply with the said Code. In the event that actions are found that contravene this policy, this must be reported to the supervisor, Human Resources Management Department, or the Audit Committee, as appropriate.

(5) Company dividend payment policy

The Company set forth dividend payment policy of not less than 25% of net profit after deduction of all categories of reserves as specified in the Company regulations; in accordance with Law; and barring any other circumstances wherein the payment of dividends will not affect the normal operations of the business in a significant manner.

Directors' Background

First name - Last name	Age	Education	Shares holding (%) (As of February 29, 2012)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
1. Mr.Sunsum Jurangkool	70	Secondary School	83,115,000 Shares (31.99%)	Father of Mr. Thaveechat Jurangkool and Mr. Kornkrit Jurangkool	1978 - Present	Chairman, Chief Executive Officer, Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1991 - Present	Chairman, Director, Authorized Director	Summit Corporation Co., Ltd.	Investment and shareholding in various business	
					1972 - Present	Chairman, Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat	
					1986 - Present	Chairman, Director, Authorized Director	Summit Auto Body Industry Co., Ltd.	Manufacture of automobile body parts, mold and die	
					1991 - Present	Chairman, Director, Authorized Director	Summit Laemchabang Auto Body Work Co., Ltd.	Produce body parts and exhaust system equipment	
					1991 - Present	Chairman, Authorized Director	Summit Laemchabang Auto Seats Manufacturing Co., Ltd.	Manufacture of automobile seat frame and adjusting devices	
					1991 - Present	Chairman, Authorized Director	Auto Advance Material Manufacturing Co., Ltd.	Manufacture dry mat, sound insulation, plastic sheet, synthetic fiber sheet, for automobile and motorcycle use	
					1995 - Present	Chairman, Authorized Director	Eastern P.U. Foam Industry Co., Ltd.	Manufacture automobile seat foam	
					1996 - Present	Chairman, Authorized Director	Summit Auto Tech Industry Co., Ltd.	Manufacture of exhaust muffler system	
					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	
					2002 - Present	Chairman, Authorized Director	Auto Interior Products Co., Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					1974 - Present	Chairman, Authorized Director	Thai Auto Industry Co., Ltd.	Manufacture and sell pressed parts for automobile and motorcycle	
					1982 - Present	Chairman, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch and accelerator cable	
					1987 - Present	Chairman, Authorized Director	Summit Electronic Components Co., Ltd.	Produce electronic parts	
					1988 - Present	Vice Chairman	Bangkok Eagle Wings Co., Ltd.	Press Part	
					1988 - Present	Chairman, Director, Authorized Director	Summit Steering Wheel Co.,Ltd.	Manufacture and distribute steering wheel and transmission	
					1990 - Present	Chairman, Director, Authorized Director	Summit Advanced Material Co., Ltd.	Import of steel sheet/coil, coil center	
					1993 - Present	Chairman, Authorized Director	Summit Showa Manufacturing Co., Ltd.	Produce choke absorbers	
					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	

First name - Last name	Age	Education	Shares holding (%) (As of February 29, 2012)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					1995 - Present	Chairman, Authorized Director	STB Textiles Industry Co., Ltd.	Manufacture of fabric for automobile use	
					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, Director, Authorized Director	Summit Kurata Manufacturing Co., Ltd.	Produce steering columns	
					1997 - Present	Chairman, Authorized Director	Summit Ansei Auto Parts Co., Ltd.	Produce car door lock and hood lock	
					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	
					2002 - Present	Chairman, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf club service	
					2003 - Present	Director	Hayama Intertrade Co., Ltd.	Sale floor carpet	
					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 Haiya (Thailand) Co., Ltd.	Produce and maintain machine and production equipment	
					2004 - Present	Chairman, Authorized Director	Summit Otsuka Manufacturing Co., Ltd.	Produce car parking hand-break	
					2005 - Present	Chairman, Authorized Director	Summit Rieter Nittoku Sound Proof Co., Ltd.	Manufacture and export of automobile soundproof parts	
					2006 - Present	Chairman, Authorized Director	Summit Fujikiko Kurata Manufacturing Co., Ltd.	Produce steering columns	
					2006 - Present	Chairman, Authorized Director	Top Flight Electronic & Automotive Co., Ltd.	Produce automotive electronic parts	
					2007 – Present	Chairman, Authorized Director	Summit Ongreen media Co., Ltd.	Produce printing	
					2007 - Present	Chairman, Authorized Director	Summit Green Valley Chiangmai Golf Club Co., Ltd.	Golf club service	
					2007 - Present	Chairman, Authorized Director	Casma Racing Co., Ltd.	Produce automotive electronic parts	
					2008 - Present	Chairman, Authorized Director	Summit R&D Center Co., Ltd.	Product quality and capacity testing service	
					2008 - Present	Director	Hiruta Asteer Summit Co., Ltd.	Produce automotive parts	
					2008 - Present	Chairman, Authorized Director	Summit Auto Body Skill Development Center Co., Ltd.	Training service	
					2009 – Present	Chairman, Authorized Director	Central Motor Wheel (Thailand) Co., Ltd.	Produce medium wheel	
					2009 – Present	Director	Steel Alliance service center Co., Ltd.	Coil steel	

First name - Last name	Age	Education	Shares holding (%) (As of February 29, 2012)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
2. Mr. Choothong Patanatmarueng	68	M.A., Political Science, Ramkhamhaeng University Training: IOD - Director Accreditation Program (DAP 35/2005)	16,997,400 Shares (6.54%)	Father of Mr. Sarit Patanatmarueng and Ms. Sirina Patanatmarueng	1978 - Present	Vice Chairman, Deputy Chief Executive Officer, Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1982 - Present	President, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch, and accelerator cable	
					1995 - Present	President, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry and other	
					1996 - Present	President, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
					1988 - Present	Executive Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture and distribute steering wheel and transmission	
					2004 - Present	President, Authorized Director	Amata Summit Ready Built Co., Ltd.	Factory Lease/Rental Service	
3. Mr. Sarit Patanatmarueng	37	M.A., Business Administration, New Hampshire College, USA Training: IOD - Director Certification Program (DCP 42/2004)	460,200 Shares (0.18%)	Son of Mr. Choothong Patanatmarueng	2004 – Present	Director, Managing Director, Nomination Committee, Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2010 – Present	Director, Authorized Director	P. Tooling Co., Ltd.	Manufacturer of mold and related equipment.	
					2004 – Present	Director, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch, and accelerator cable	
					2004 – Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry and other	
					1996 – Present	Director, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
4. Mr. Makoto Teraura	74	Mechanical Engineering, Faculty of Technology, Shizuoka University, Japan	None	None	1981 - Present	Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1995 - Present	Director	Chongqing HI-LEX Cable System Group Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2003 - Present	Director	Dae Dong HI-LEX Inc.(Korea)	Manufacturer of car window regulator and door module	
					1980 - Present	Director	Dae Dong System Co., Ltd.	Manufacturer of control cable for automobile	
					2002 - Present	Director	Guangzhou TSK Control Cable Co., Ltd.	Manufacturer of car component	
					2000 - Present	Director	HI-LEX Cable System Co., Ltd.	Manufacturer of control cable for automobile and car window regulator	
					1989 - Present	Director	HI-LEX Controls Inc.	Manufacturer of car window regulator and rear slider	

First name - Last name	Age	Education	Shares holding (%) (As of February 29, 2012)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					1975 - Present	Chairman	HI-LEX Corporation	Manufacturer of control cable for automobile/motorcycle	
					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	
					1985 - Present	Director	Izushi Cable, Inc.	Manufacturer of control cable for automobile	
					1973 - Present	Director	HI-LEX KANTO, Inc.	Manufacturer of control cable for automobile	
					1981 - Present	Director	HI-LEX Saitama, Inc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					1989 - Present	Director	HI-LEX Shimane, Inc.	Manufacturer of control cable for automobile and car window regulator	
					1978 - Present	Audit Committee	PT. HI-LEX Indonesia	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					1989 - Present	Audit Committee	PT. HI-LEX Parts Indonesia	Manufacturer of car component	
					1973 - Present	Director	Tajima TSK, Inc.	Manufacturer of car component	
					1972 - Present	Director	TSK (Korea) Co., Ltd.	Manufacturer of control cable for automobile/motorcycle	
					2002 - Present	Director	Yantai TSK Cable System Co., Ltd.	Manufacturer of control cable for automobile and car window regulator	
					1992 - Present	Director	HI-LEX America Inc.	Manufacturer of control cable for automobile/motorcycle	
					2008 - Present	Director	Daedong HI-LEX of America Inc. LLC.	Manufacturer of car window regulator and door module	
					1993 - Present	Director	HI-LEX Mexicana, S.A DE.C.V	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2000 - Present	Director	HI-LEX Cable System Co., Ltd (Europe)	Manufacturer of control cable for automobile and car window regulator	
					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	

First name - Last name	Age	Education	Shares holding (%) (As of February 29, 2012)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
5. Mr. Thaveechat Jurangkool	40	MBA., Finance, Webster University	17,109,300 Shares (6.59%)	Son of Mr. Sunsum Jurangkool	2003 - Present	Director, Chairman of the Nomination Committee, Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1993 - Present	Director, Authorized Director	Summit Auto Body Industry Co., Ltd.	Manufacture of automobile body parts, mold and die	
					1994 - Present	Director, Authorized Director	SNC Sound Proof Co., Ltd.	Manufacture and export of raw material for making of automobile sound proof part	
					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 Auto Tech Industry Co., Ltd.	Manufacture of exhaust muffler system	
					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	
					2002 - Present	Director, Authorized Director	Summit Advanced Material Co., Ltd.	Import of steel sheet/coil, coil center	
					2002 - Present	Director, Authorized Director	Summit Engineering Center Co., Ltd.	Design & manufacture of various kinds of die and mold	
					2002 - Present	Director, Authorized Director	Auto Interior Products Co., Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					2002 - Present	Director, Authorized Director	Auto Advance Material Manufacturing Co., Ltd.	Manufacture dry mat, sound insulation, plastic sheet, synthetic fiber sheet, for automobile and motorcycle use	
					2002 - Present	Director, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf club service	
					2002 - Present	Director	Thai Seat Belt Co., Ltd.	Manufacture and distribute of seat belts and seat belts cable	
					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	

First name - Last name	Age	Education	Shares holding (%) (As of February 29, 2012)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					2003 - Present	Director	Marubishi Summit Industry Vietnam Co., Ltd.	Manufacture automobile parts	
					2003 - Present	Director, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch, and accelerator cable	
					2004 - Present	Director, Authorized Director	Summit Otsuka Manufacturing Co., Ltd.	Produce car parking hand-break	
					2004 - Present	Director, Authorized Director	Summit Haiya (Thailand) Co., Ltd.	Produce and maintain machine and production equipment	
					2004 - Present	Director	JRK Auto Parts PVT. Ltd.	Produce automotive electronic parts	
					2006 - Present	Director, Authorized Director	Top Flight Electronic & Automotive Co., Ltd.	Produce automotive electronic parts	
					2006 - Present	Director, Authorized Director	Summit Fujikiko Kurata Manufacturing Co., Ltd.	Produce steering columns	
					2007 - Present	Director, Authorized Director	Summit On Green Media Co., Ltd.	Printing service	
					2007 - Present	Director, Authorized Director	Summit Green Valley Chiangmai Golf Club Co., Ltd.	Golf club service	
					2007 - Present	Director, Authorized Director	Casma Racing Co., Ltd.	Produce automotive electronic parts	
					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.	Product quality and capacity testing service	
					2009 - Present	Director	Steel Alliance service center Co., Ltd.	Coil steel	
6. Mr. Kornkrit Jurangkool	34	M.A., Technology Management Program, American Inter Continental University, Los Angeles, USA Training: IOD - Director Accreditation Program (DAP 77/2009)	4,000,000 Shares (1.54%)	Son of Mr. Sunurn Jurangkool	2009 - Present	Director, Nomination Committee, Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2009 - Present	Director, Managing Director Authorized Director	Summit Corporation Co., Ltd.	Investment and shareholding in various business	
					2009 - Present	Director, 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	

First name - Last name	Age	Education	Shares holding (%) (As of February 29, 2012)	Relationship	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	
					2009 - Present	Director, Authorized Director	Auto Advance Material Manufacturing Co., Ltd.	Manufacture dry mat, sound insulation plastic sheet, synthetic fiber sheet, for automobile and motorcycle use	
					2009 - Present	Director, Authorized Director	Eastern P.U. Foam Industry Co., Ltd.	Manufacture automobile seat foam	
					2009 - Present	Director, Authorized Director	Summit Engineering Center Co., Ltd.	Design & manufacture of various kinds of die and mold	
					2009 - Present	Director, Authorized Director	Modern Products Industry Co.,Ltd.	Manufacture of wood printing and coating of auto parts	
					1996 - Present	Director, Authorized Director	Summit Auto Tech Industry Co., Ltd.	Manufacture of exhaust muffler system	
					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 and other	
					2009 - Present	Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture and distribute steering wheel and transmission	
					2008 - Present	Director, Authorized Director	Summit Advanced Material Co., Ltd.	Import of steel sheet/coil, coil center	
					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.	Product quality and capacity testing service	
					2007 - Present	Director, Authorized Director	Summit On Green Media Co., Ltd.	Printing service	
					2007 - Present	Director, Authorized Director	Summit Green Valley Chiangmai Golf Club Co., Ltd.	Golf club service	
					2007 - Present	Director, Authorized Director	Casma Racing Co., Ltd.	Produce automotive electronic parts	
					2007 - Present	Director,	Thai Seat Belt Co., Ltd.	Manufacture and distribute of seat belts and seat belts cable	
					2006 - Present	Director, Authorized Director	Summit Ansei Auto Parts Co., Ltd.	Produce car door lock and hood lock	
					2006 - Present	Director, Authorized Director	Summit Fujikiko Kurata Manufacturing Co., Ltd.	Produce steering columns	
					2005 - Present	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	

First name - Last name	Age	Education	Shares holding (%) (As of February 29, 2012)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					2004 - Present	Director, Authorized Director	Summit Otsuka Manufacturing Co., Ltd.	Produce car parking hand-break	
					2004 - Present	Director, Authorized Director	Summit Haiya (Thailand) Co., Ltd.	Produce and maintain machine and production equipment	
					2009 - Present	Director	Hiruta Asteer Summit Co., Ltd.	Produce automotive parts	
					2009 – Present	Director,	Steel Alliance service center Co., Ltd.	Coil steel	
7. Mr. Katsuyoshi Ogaki	61	Machine and Technology Course, Higashiyodo Technical High School, Japan <u>Training:</u> IOD - Director Accreditation Program (DAP 74/2008)	None	None	2008 - Present	Director, Senior General Manager (R&D Division), Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2006 – 2007	Chairman	Guangzhou TSK Control Cable Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2005 – 2006	Vice Chairman	Chongqing HI-LEX Cable System Group Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2001 – 2005	Team Leader of Quality Assurance Group	HI-LEX Corporation	Manufacturer of control cable for automobile/motorcycle	
8. Mr. Kavee Vasuvat	77	B.A., Engineering Electric Power, Royal Melbourne Institute of Technology (RMIT), Australia <u>Training:</u> IOD - Director Accreditation Program (DAP 23/2004) - Director Certification Program (DCP 58/2005) - Audit Committee Program (ACP 10/2005) - Monitoring the System of Internal Control and Risk Management (MIR 2/2008) - Role of the Compensation Committee (RCC 6/2008)	None	None	2005 - Present	Independent Director, Chairman of the Audit Committee, Chairman of the Remu- neration Committee	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					Present	Honorable Chairman	Automotive Industry Club, Federation Thai Industries		
					Present	Advisor	Society of Automotive Engineers Thailand		
					2000 - Present	Independent Director, Audit Committee	Thai Rung Union Car Plc.	Parts manufacturer, modify and assemble motor vehicles	

First name - Last name	Age	Education	Shares holding (%) (As of February 29, 2012)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
9. Mr. Apinan Na Ranong	62	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)	None	None	2005 – Present	Independent Director, Audit Committee, Remuneration Committee	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1998 – Present	Director, President	Terrene Intertrade Co., Ltd.	Catering Business	
					2008 – Present	Independent Director	Apex Development Plc.	Organizer of real estate development project	
10. Mr. Prinya Waiwatana	65	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) - Monitoring the System of Internal Control and Risk Management (MIR 2/2008) - Role of the Compensation Committee (RCC 10/2010)	None	None	2005 – Present	Independent Director, Audit Committee, Remuneration Committee	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2010 – Present	Independent Director	AIRA Capital Plc.	Holding Company	
					2010 – Present	Independent Director	Samart Corporation Plc.	Technology / Communication	
					2006 – Present	Partner and Manager	P & Associate	Accounting and taxation consulting service	
11. Mr. Chatchai Earsakul	57	M.A., Economics of Planning & Policy, Northeastern University Training: IOD - Director Accreditation Program (DAP 84/2010)	None	None	2010 – Present	Independent Director, Audit Committee	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2003 – 2007	Advisor	Pacific Group Co., Ltd.	Property development	

Corporate Governance

The Company performs administration in accordance with good governance guideline by recognizing the importance of and accountability to shareholders and stakeholders of the Company with full commitment and cooperation from all concerned parties, including the Board of Directors, management and every employee. Such efforts positively contributed to the results of corporate governance assessment conducted by various organizations and agencies.

- In the 2011 Corporate Governance Survey of listed companies conducted by the Thai Institute of Directors (IOD), the Company received a rating of “very good.”
- In the 2011 Quality of Annual General Meeting Survey conducted by the Thai Investors Association, the Company received a rating of “excellent and exemplary.” Out of a total of 416 companies, the Company was one of 64 companies which received full 100 points. This rating signifies an improvement from the previous rating of “very good.”

Corporate governance policy: The Board of Directors has put emphasis on good governance to build confidence among shareholders, investors and concerned parties by adhering to the listed company’s conducts guideline which conforms to the guidance of the Stock Exchange of Thailand regarding good governance practices. This guideline comprises five principles which shaped up the Company’s good governance practices in 2011 as follows:

1. Shareholder’s rights and equitable treatment (Principle 1, 2)

The Company is always concerned with honoring the rights of shareholders and equitable treatment of all shareholders, irrespective of whether they are basic statutory rights, profit-sharing right, rights in shareholder’s meeting, right to express opinions, right to participate in the Company’s decision-making on important matters. Moreover, the Company also treats shareholders beyond the statutory rights, such as dissemination of information via the Company’s webpage www.thaisteelcable.com under the heading “Investor Relation”. Furthermore, shareholders are also given opportunities to propose an agenda of general shareholders’ meeting and nominate candidates before director’s election is held and share opinions and recommendations. No shareholder proposed additional agenda item and nominated any individual for a director post. A summary is presented below:

1. Information in invitation letter for attendance in shareholders’ meeting includes date/time, venue, and meeting agenda as well as all relevant information required for passing a resolution at the meeting which will be provided to shareholders ahead of time such as director’s appointment, remuneration’s review, auditor’s appointment, stipulation of audit fee, and dividend payment. For each agenda item, relevant facts and rationales are presented to shareholders together with the Board of Directors’ comments for deliberation.

According to attendance criteria and procedure of the shareholders’ meeting, the Company nominates two independent directors who are a member of the Audit Committee and a member of the Remuneration Committee as proxies of shareholders. The proxy form is a standard form on which comments about vote casting for each agenda item can be written.

2. Delivery of invitation letter and accompanying documents: To allow shareholders to study relevant information in both Thai and English versions (for foreign shareholders), the Company publishes announcements via SET news to inform shareholders that they can learn this information in the Company’s webpage at least one month in advance. Such information is exactly the same as the information presented in a document form. The invitation letter and support documents will be delivered to shareholders 14 days before the meeting date.

3. Shareholders can download various information from the Company's webpage (www.thaisteelcable.com) such as financial data, the Company's information, and information about the meeting. The webpage can serve the needs of shareholders and interested persons who want to study some information about the Company. To inquire additional information, they can also send an email to visakorn.u@thaisteelcable.com.
4. Allowing shareholders to propose an agenda item and qualified person's names for nomination as directors five months in advance of the meeting: Shareholders can learn from SET news that announces availability of such information in the Company's webpage. In this regard, relevant criteria and procedure are described such as a single shareholder or a number of shareholders with combined shares at least 100,000 shares or 0.03% of the paid-up capital. There are detailed information required for consideration, explicit criteria for decision whether to table or not table proposed agenda item, and other information regarding where and when to submit this proposal. In this regard, an informal proposal can be sent via email and later the original proposal must be delivered via registered mail to the Company Secretary. Upon receiving detailed information, the Board of Directors will deliberate on such matter as set out in the process. However, in the past nobody proposed any additional agenda item.
5. Shareholders' meeting: The Company held one 2011 Annual General Shareholders' Meeting on 29 April 2011.
 - The meeting date was not set on an extra holiday or a public holiday. The meeting time was not set too early in the morning or too late in the evening, so convenient transportation was ascertained.
 - The cutoff date of the shareholders list was set to ensure that shareholders would have more time to review meeting documents or support information before the meeting date.
 - Staff were deployed to facilitate, advise and open registration service two hours before the meeting.
 - If a shareholder cannot attend the meeting, he or she may assign three proxies but only one proxy is permitted to attend. Alternatively, a shareholder may assign two independent directors, who are an audit committee member and a remuneration committee member, as a proxy.
 - Before the meeting started, the Chairman of the Board of Directors assigned the Company Secretary as assistant to the chairman to facilitate the proceeding of the meeting. The secretary informed shareholders of the meeting rule and voting procedure.
 - Shareholders were allowed to comment and ask questions. Important questions and answers were noted. The meeting time was sufficiently allocated for thorough inquiries by shareholders as well as explanation and presentation of relevant information by the Company's directors and various committees. In addition, shareholders also had opportunities to send questions or other vital information of the Company in advance since the meeting notification was sent to shareholders. Questions and such information may be sent to visakorn.u@thaisteelcable.com or faxed to (038) 185 034 or mailed to the Company's address.
 - During vote casting, ballots were used for every agenda item so that votes could be counted expeditiously. Ballots would be stored only for the case where shareholders disagreed or abstained. To observe best practices of shareholders' meeting, ballots collected from all attending shareholders and proxies were collected after the meeting was adjourned. Furthermore, voting to elect committee members was cast for each individual director.

The Company does not have a policy to derogate the rights of shareholders by abruptly distributing extra documents containing crucial information, not adding an agenda item or changing vital information that differs from documents delivered to shareholders, not restricting the right to attend meeting of tardy shareholders by giving them voting or ballot casting right in certain agenda which are being considered and vote casting has not been underway. Moreover, video and audio recording of meeting can always be examined.

6. Shareholders' minutes of meeting shows the list of directors who attend or fail to attend the meeting. In the 2011 Annual General Shareholder's Meeting, the Chairman of the Company, committee chairpersons, and top executives were all present to meet with and answer any question from shareholders, offer pertinent explanation, summarize questions and answers or comments. Regarding vote casting and ballot counting method, in case there are dissenting votes, the number of favorable and dissenting votes or abstention will be recorded in the minutes of meeting accurately and completely and the meeting report will be publicized on the Company's webpage for shareholders' scrutiny.
7. To support corporate governance in 2012, the Company stipulates an approach for development of a director manual which will be used as a guideline for support and promotion of compliance within a relevant legal framework and the Company's regulation.
8. The Company has measures in place to prevent any director, management executive, and employee from unscrupulously benefiting from insider information for their own interest or other people (details in Management Structure).
9. The Company discloses verifiable shareholding structure in clear and transparent manners.

2. Recognition of the roles of stakeholders (Principle 3)

The Company respects the rights of various stakeholder groups both inside the Company, such as employee and management, and other groups outside the Company, such as customers, employees, shareholders, business partners, creditors, environment, communities, and the society, thus entailing good cooperation between the Company and these stakeholders. Such robust relationships will contribute to the Company's operation and boost up confidence that they have with the Company, thus strengthening the Company's secured position and competitiveness and assuring its long-term success.

1. Shareholder

The Company is committed to business operation which yields good operating results, stable growth, and competitiveness by taking into account of present and future risk factors in order to increase shareholder value over a long term. The Company must dutifully operate its business by disclosing information in transparent and equitable manners and endeavor to protect its assets and preserve its reputation.

2. Employee

The Company recognizes that employees and management staff as driving forces for its future growth. Therefore, the Company treats all employees equitably and offers suitable remuneration for them. Aside from that, the Company also provides various welfares to employees such as company bus, uniform, annual physical checkup, nursing room, accident insurance, health insurance, provident fund, and so forth. Moreover, the Company also encourages employees to expand their knowledge and capacities by ensuring that employees are trained and receive supplemental knowledge relevant to their assigned tasks. Moreover, the Company also selects employees to participate in formulation of the organization's targets with top management so that employees will recognize that their own values are cherished by the Company, contributing to alignment of operational directions and organizational goals.

3. Community and society

The Company is utterly concerned with quality of life and environment in surrounding communities so that the Company's operation will be accepted and can thrive in the society sustainably. It can be observed that the Company strictly complies with laws and regulations of relevant authorities such as the Department of Industrial Works, Ministry of Industry, Pollution Control Department, and so on. In this regard, the Company imposes stringent regulations requiring that employees working in the plant must wear protective gears such as safety helmet, glove, ear plug, and dust mask. Moreover, the Company also deals with environmental management in systematic manners and organizes public donations on an ongoing basis.

4. Customer

The Company is committed to improve efficiency of service delivery to achieve highest customer satisfaction and operates under a policy that always protects customer's interests. In this regard, the Company has an aim and always trains every employee to recognize the values of and cherish the integrity principle pertinent to pricing and service quality as well as honesty in disposition of agreement and negotiation.

5. Creditor

The Company strictly abides by contractual terms, duly performs its duties, and is accountable and transparent to its creditors.

6. Competitor

The Company operates within a fair competition framework, follows competition guidelines, and does not adopt deceitful practices to destroy competitors.

7. Business partners

The Company prescribed code of ethics, code of conduct and conflict of interest, whereby it will not demand from, receive or pay any trade-related benefit from or to business partners and will maintain confidentiality to ensure that business relation with business partners will be suitable, efficient and fair in accordance with corporate governance principles.

In 2011, the Board of Directors prescribed a communication policy applied to independent directors, allowing contacts be made via regular mail or email in order to provide a tip-off or lodge a complaint about illegal conduct or a breach of the code of conduct, improper financial reporting or deficient internal control system so that various stakeholders can participate in safeguarding the Company's interest more efficiently. Such complaint can be lodged with independent directors and the chairman of the Audit Committee, and the identity of information sources will be kept confidential.

3. **Disclosure of information and transparency (Principle 4)**

The Company recognizes the importance of disclosure of its financial and non-financial information accurately, completely, regularly, timely, and transparently. In addition, such information should be easily accessible, equitable, and credible as follows:

1. Disclose relevant news and information as well as annual report via the Stock Exchange of Thailand's channel and the Company's webpage. In the past year, the Company had never been reprimanded by the Securities and Exchange Commission or Stock Exchange of Thailand for violation of information disclosure guidelines.
2. The Company publishes the director's responsibilities to financial statement along with the auditor report in annual report. Such report contains contents which conform to accounting principles and financial reporting that presents accurate, complete, and factual information in compliance with accounting standards. This report is signed by both Chairman of the Board of Director and Managing Director.

3. The Company's management structure comprises four committees, including the Board of Directors, Audit Committee, Nomination Committee, and Remuneration Committee (details in Management Structure). In 2011, the following committee members attended each committee's meetings:

		Attendance / Total number of meetings			
Name of Directors		Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
1. Mr. Sunsum	Jurangkool	5/5	-	-	-
2. Mr. Choothong	Patanatmarueng	5/5	-	-	-
3. Mr. Sarit	Patanatmarueng	5/5	-	1/1	-
4. Mr. Makoto	Teraura	0/5	-	-	-
5. Mr. Thaveechat	Jurangkool	5/5	-	1/1	-
6. Mr. Kornkrit	Jurangkool	5/5	-	1/1	-
7. Mr. Katsuyoshi	Ogaki	5/5	-	-	-
8. Mr. Kavee	Vasuvat	5/5	4/4	-	1/1
9. Mr. Apinan	Na Ranong	5/5	4/4	-	1/1
10. Mr. Prinya	Waiwatana	5/5	4/4	-	1/1
11. Mr. Chatchai	Earsakul	5/5	4/4	-	-

4. The Company is utterly concerned with disclosure of relevant information to investors so that investors can receive accurate, transparent, and thorough information. The Compliance and Investor Relation Department is assigned to act as a company representative responsible for communication, provision of information services, and dissemination of news and information about the Company's activities to institutions, investors, shareholders, analysts, general public and relevant authorities.

To obtain various information about the Company, operating performance, financial statements and information reports submitted to the Stock Exchange of Thailand, which include current and past information, interested person can read and/or download such information from the investor page of www.thaisteelcable.com which provides these information in both Thai and English.

Investors and concerned parties who have any inquiry and would like to obtain information about the Company can contact the Compliance and Investor Relation Department.

- Ms. Visakorn Unphon Tel: (038) 447 200 - 21 ext. 411
Email: visakorn.u@thaisteelcable.com

5. The Company disclosed scope of responsibilities and mandates of the Board of Directors and various committees in the annual information disclosure form (see details under the Management Structure section).

6. Share trading report

According to the code of conduct, the Company has a policy to avoid/refrain from trading its shares one month before disclosing the information to the general public and to notify the Board of Directors and every company executive about the notification of the Office of the Securities and Exchange Commission (SEC) pertaining to Section 59 of the Securities and Exchange Act B.E. 2535 that requires reporting of shareholding of themselves, their spouses of such shares, a copy of such report must be sent to the Company's secretary as an evidence. In the past, the Company never had any incident where any director or company executive used inside information for their own or others' undue personal gain and underage children to the SEC within 30 days after being elected as a director and appointed as a company executive. Moreover, each time there is any change in shareholding

Directors and management executives filed changes in share ownership report with the Office of the Securities and Exchange Commission in compliance with Section 59 whenever share ownership changed. The Company Secretary is responsible for compiling information and reporting to the Board of Directors under the agenda item “report on share ownership.”

4. Responsibility of the Board of Directors (Principle 5)

1. The Company recognizes the importance of good governance so as to increase transparency and build confidence among employees, customers, shareholders, stakeholders, and the whole society as well as domestic and foreign investors. The Board of Directors Meeting No. 1/2005 held on April 2, 2005 approved a written good governance policy for strict compliance. This policy is divided into three chapters, that is, Code of Business Ethics, Code of Conduct, and Code of Conflict of Interest.
2. According to the Company’s regulation, it is stipulated that one in three (1/3) of the total number of Directors at each annual general shareholder’s meeting will vacate their offices. If the number may not be divisible by three, the number of Directors to vacate their posts will be the figure closest to the value of one in three (1/3). Therefore, each director’s term lasts approximately three years.
3. The Company set up three sub-committees, including Audit Committee, Nomination Committee, and Remuneration Committee, and prescribed their duties and responsibilities (see details under Management Structure). To promote transparency and independence, most committee members are independent members. Moreover, to ensure that these committees are truly autonomous while carrying out their duties, the board chairman does not take up the position of committee chairman and member.
4. The Board of Directors collectively formulates the Company’s vision, mission, strategies, targets, business plan, and budget as well as maintains its independence and supervises the management to operate in line with business plan under a predetermined budget in order to optimize benefits for the organization, stakeholders, and shareholders. Moreover, the Board also implements an internal control system, an audit system, and efficient risk management measures and constantly monitors these matters in board meeting.
5. The Company stipulates performance evaluation containing two parts, that is, key performance indicators (KPIs) and competency. This system will help employees recognize and understand operational strategies and approaches which will achieve the organization’s strategic targets such as goal, mission, and performance measurement.
6. The Company creates and maintains an internal control system and regularly reviews efficiency of the internal control system in relation to financial control, operating performance, and corporate governance in compliance with pertinent legal provisions and regulations, protection and maintenance of assets, and risk management. In this regard, the Company commissioned Dharmniti Auditing Co., Ltd. to audit business conducts of various functions and ensure that the operations conform to the guidelines set out in an approved annual audit plan and the Internal Audit Department is assigned to monitor improvement results. The internal audit report will be informed directly to the Audit Committee.

Based on the 2011 internal audit report prepared by Dharmniti Auditing Co., Ltd., no significant discrepancies were found. The Company had an adequate, prudent internal control system and properly complied with the regulations and laws of relevant authorities. Moreover, its properties were protected from being used unscrupulously by management staff and employees.

7. Regarding conflict of interest (see details under Management Structure – Article 4 Use of Internal Data), the Board of Directors informs board members and management executives to prepare a list of their own interest and interest of connected persons in accordance with the provision of the concerned agency. It is required that the Company must be notified of such list within 15 days after the initial request and every time changes occur. Such report will be used by the Company Secretary as information and tool to ensure that board members and management executives carry out their duties with integrity. The Company

Secretary sends a copy of this report to the Chairman of the Company and the Audit Committee's chairperson for acknowledgment.

8. The Company holds board meetings and informs each board member of upcoming meeting in advance. In 2011, a total of five board meetings were convened. In each board meeting, the Board of Directors, Board Chairman, Managing Director and the Secretary jointly review meeting agenda to ensure that vital matters are included in the agenda and each board member can table matters in meeting agenda autonomously.

The Company Secretary delivers meeting documents to directors in advance. The document has been prepared concisely as possible. However, if there is any matter which cannot be disclosed in writing or if it is disclosed in advance, it may adversely affect the Company, the Board can bring up and discuss such matter at meeting and the Chairman will allocate sufficient time for such discussion. Directors are keen on every issue brought to their attention in meeting, including any corporate governance issue. For any issue which still lacks sufficient information, directors can always request additional information from the Company Secretary.

Minutes of meeting of the Board of Directors contains essential information such as meeting date, time when meeting is called and adjourned, a list of directors who attend the meeting and are not present, summary of proposed matters, summary of debated issues and observation notes, the Board's resolution and director's comments, rapporteur's name, name of a person who endorses the report. The Company keeps minutes of meeting of all board meetings in good order. Such record can be readily searched but cannot be altered without the Board's consent.

9. Regarding remuneration of directors, a policy and criteria for director's remuneration are clearly stipulated and motioned for approval by shareholders each year in accordance with transparency and auditing principles. Moreover, it is assured that remuneration is at a suitable level and sufficient enough to motivate and retain quality directors as required.
10. Regarding the policy concerning tenure of the Company's directors in other companies, the Company does not have any stipulation applicable to the case where each director holds a position in other companies. This is because such matter does not affect director's competency and expertise, provided that such director can fully devote his/her time for the Company in regard to policy formulation, consultation on problem-solving in business operation within the scope of power and duties of the Company's director.
11. In case a new director is appointed, the Company Secretary is responsible for preparing summary documents that cover business characteristics, organizational structure, operation, rules and regulations, vital policies as well as guideline on board member's conducts, provisions of the Stock Exchange of Thailand and the SEC Office in order to ensure that a new director can fully perform his/her duties as director of a listed company.

- 12.The Company recognizes the importance of the development of directors' knowledge. Therefore, the Company supports and facilitates the organization of training and educational programs for directors, whereby the Company's secretary was assigned to coordinate with directors, informing them of various training programs. In the past, directors regularly attended various courses of the Thai Institute of Directors Association.
- 13.Roles and responsibilities and scope of responsibilities of the Company Secretary are described under Management Structure.

Connected Transactions

(1) Connected transactions with parties having potential conflict of interest in the past year

During the year, the Company had connected transactions with associated companies, wherein the purchase/sale price of products and services to such associated businesses was calculated at comparable prices adopted with outsiders. Furthermore, the various trading conditions for the transactions constituted normal business practice. These transactions with associated companies are disclosed in Item 25 of the Notes to the Financial Statements for year ended December 31, 2011.

(2) Necessity and justification for connected transactions

The connected transactions as per Item (1) above have been reviewed by the Company's Audit Committee. The Audit Directors are of the opinion that the trading of products and services, including the acquisition of related assets, represent normal business activities of the Company. They are also deemed to be justified and necessary for the Company's operations. Prior to entering into connected transactions, the highest benefit to the Company is a primary consideration. The conditions of the transaction are determined in a manner that constitutes normal business practice and defers to prevalent market pricing.

(3) Measures or procedures for the Authorization of connected transactions

In the event of connected transactions, or the Company cooperates with parties with a potential conflict of interest, or have vested interests, or possible future conflict of interest, the Audit Committee will provide its opinion on the necessity and justification of the transaction with regard to pricing. The Audit Committee will also review whether the various conditions for the transaction defer to normal business practice within the industry, whereby price comparisons are made with outside parties or market rates. If the Audit Committee does not possess sufficient expertise to review the transaction, the Company will assign an independent expert to express an opinion on the said transaction. The information is then utilized in the decision making process by the Board of Directors, the Audit Committee or Shareholders, as relevant. Directors with vested interests in the matter refrain from voting on the transaction. Furthermore, details of the connected transaction are disclosed in the Notes to the Financial Statements, which have been duly reviewed or audited by the Company's auditors.

(4) Policies or trends relating to future connected transactions

With regard to connected transactions which may occur in the future, the Company will defer to Laws relating to securities and the Stock Exchange, regulations, announcements or orders of the Stock Exchange of Thailand. The Company will also comply with accounting standards concerning information disclosures of connected individuals or businesses, as specified by the Association of Thai Accountants.

In the event of transactions that arise as part of normal business operations, such as contract manufacturing; the purchase of products and raw materials; and product sales, which will occur on a regular basis in the future, the Company has specified operational guidelines to ensure compliance with general trading conditions. The reference benchmarks adopted are reasonable, fair prices and conditions; justifiability; and accountability in accordance with the guidelines for transactions categorized as normal practice, as determined by the Audit Committee.

However, if transactions do not fall under the category of normal business activities, the Company will assign the Audit Committee to express their opinion on the suitability of the transaction. If the Audit Committee does not possess the required expertise to review the particular transaction, the Company will appoint a specialist with the requisite knowledge, such as an independent asset evaluator, to provide an opinion. The opinion of such experts will be used in the decision making process of the Board of Directors or Shareholders, as may be the case. This ensures that the transaction in question does not transfer, or redistribute, the interests between the Company or the Company's Shareholders, but is rather a transaction that takes into account the greatest benefit to all Shareholders.

Report of the Board of Directors'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 United Auditing PKF 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 December 31, 2011. 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

Report of the Audit Committee

The Audit Committee of Thai Steel Cable Public Company Limited was appointed by the Board of Directors. There are four audit committee members whose qualifications meet the Audit Committee's charters which are consistent with the provision of the Office of Securities and Exchange Commission. The names of committee members are as follows:

- | | |
|-------------------------|---------------------------------|
| ■ Mr. Kavee Vasuvat | Chairman of the Audit Committee |
| ■ Mr. Apinan Na Ranong | Audit Committee Member |
| ■ Mr. Prinya Waiwatana | Audit Committee Member |
| ■ Mr. Chatchai Earsakul | Audit Committee Member |

The Audit Committee performs its duties within the scope, duties, and responsibilities as designated by the Board of Directors which fully accord with the stipulation of the Stock Exchange of Thailand's notifications.

In 2011, the Audit Committee held four meetings. Every committee member had perfect attendance for all committee meetings. Sometimes the Audit Committee attended meetings with top management. In essence, the Audit Committee's performance can be summarized as follows:

1. Reviewed quarterly and annual financial statements to ensure that the Company's financial statements were made accurately and reliably. The Audit Committee agreed with the auditors that the essence of these financial statements was accurate as deemed appropriate according to the generally accepted accounting standards. In addition, the Audit Committee and the auditors convened in one meeting which was not attended by the management on quarterly basis.
2. Reviewed to ensure that the Company maintains a suitable, adequate, and efficient internal control system. In this regard, internal audit experts were commissioned to conduct assessment and internal auditors also conducted internal audit of core operating systems in accordance with the annual audit plan which was reviewed and approved by the Audit Committee. In addition, they were also assigned to keep track of rectification of the discrepancies described in the audit report. It was discerned that the Company's internal control system was adequate and suitable with the nature of the business and no significant shortcomings or weaknesses were found. Property maintenance was carried out properly and full information disclosure was observed.

Furthermore, the Audit Committee reviewed the internal audit system by examining the tasks, scope of operation, roles and responsibilities, head counts and the independence of the internal audit unit. The internal audit unit was thereby required to submit audit reports to the Audit Committee and present management reports to the Managing Director. It was discerned that the Company's internal audit was conducted independently, adequately and effectively.

3. Reviewed risk management. In this regard, the Company conducted operational risk management activities, whereby various operating units identified the risks, assessed risks stemming from internal and external factors, conducted risk management and monitored each unit's progress to ensure that they could perform and achieved prescribed targets. If there were incidents which might hamper the organization's efforts to achieve its objectives, such risk could be managed and contained within an acceptable level in time. In this regard, the Audit Committee observed that the Company has a suitable, adequate and effective risk management system.

4. Reviewed to ensure that the Company complied with securities and stock exchange laws, SET provisions, or other laws which are pertinent to its business operation. It was discerned that no significant shortcomings were found in regard to non-compliance with relevant laws and provisions.
5. Reviewed and commented the execution of connected items or items which might pose conflict of interest. It was discerned that there were no items that posed conflict of interest and the Company disclosed relevant information accurately and thoroughly.
6. Considered and proposed selection of auditors and audit fee to the Board of Directors for approval by the shareholders' meeting. The Audit Committee scrutinized performance of the auditors last year as well as their knowledge, expertise, and independence. Then, the Audit Committee recommended the Board of Directors to request the shareholders' meeting to approve the appointment of Mrs. Janyaporn Techamontrikul and/or Ms. Pranee Phon-ngam of United Auditing PKF Limited as the auditors for the year 2012 (accounting period: 1 January - 30 September 2012). Total audit fee is 440,000 Baht.

In conclusion, the Audit Committee fully performed its duties as stipulated in the charters of the Audit Committee which was approved by the Board of Directors. In the Audit Committee's opinion, the Company has had accurate and robust reporting of financial data and operational data and also has had suitable and effective internal control system, internal audit, and risk management. In addition, the Company also properly complied with the laws and provisions and fulfilled obligations; connected items were executed properly; the operation was conducted in conformity with the corporate governance system adequately, transparently and reliably. Finally, the Audit Committee also examined the auditors' independence for appointment and submitted a proposal of audit fee.



(Kavee Vasuvat)
Chairman of the Audit Committee

Explanation and Analysis of Financial Status and Operating Performance

Operating performance

In 2011, the Company's total assets, liabilities, and shareholders' equity amounted to 1,956, 421 and 1,535 million Baht respectively. Comparing the operating performance in 2011 with the same period in 2010, total revenue amounted to 2,296 and 2,665 million Baht respectively, a decrease of 369 million Baht or down 14% and net profit totaled 200 and 291 million Baht respectively, yielding net profit margin of 9% and 11% respectively. Details are as follows:

- **Revenue**

In 2011, total revenue amounted to 2,296 million Baht, a decrease of 369 million Baht or down by 14%. While domestic sales decreased 424 million Baht, export sales grew 58 million Baht and other income dropped 3 million Baht. Details are as follows:

- Revenue from automobile control cable sales totaled 1,334 million Baht, a decrease of 267 million Baht or down 17%.
- Revenue from motorcycle control cable sales totaled 532 million Baht, a decrease of 18 million Baht or down 3%.
- Revenue from window regulator sales totaled 304 million Baht, a decrease of 112 million Baht or down 27%.
- Other income amounted to 43 million Baht, a decrease of 4 million Baht. This decline was primarily attributed to lower sale of assets and product samples.

- **Cost of goods sold and selling and administrative expenses per total revenue**

- In 2011 and 2010, the cost of goods totaled 1,778 and 2,061 million Baht respectively, and the cost of goods to total revenue ratio was equal to 77% and 77% respectively.
- In 2011 and 2010, selling and administrative expenses totaled 303 and 297 million Baht, and the selling and administrative expenses to total revenue ratio was equal to 13% and 11% respectively. An increase of 2% was attributed to employee-related expenses.

- **Financial status**

- Assets**

As of December 31, 2011, the Company's total assets amounted to 1,956 million Baht, a decrease of 117 million Baht or down 6%. Details are as follows:

- Current assets totaled 1,003 million Baht, a decrease of 173 million Baht or down 15%. This decrease was attributed to dwindling cash and bank deposit and accounts receivable which declined 192 and 222 million Baht respectively, whereby in 2011 the Company's poorer operating performance resulted in decreased collection of accounts receivable compared to 2010. Moreover, while accounts receivable decreased, inventory rose.
- Non-current assets totaled 952 million Baht, an increase of 56 million Baht or up 6%. This is mainly due to purchase of fixed assets.

- **Liabilities**

In 2011, total liabilities amounted to 421 million Baht, a decrease of 85 million Baht or down 17%. This decrease was mainly attributed to dwindling current liabilities.

- **Shareholders' equity**

In 2011, total shareholders' equity amounted to 1,535 million Baht, a decrease of 32 million Baht or down 2%. This is because in 2011 the Company generated a net profit of 200 million Baht and dividend payout amounted to 208 million Baht.

The book value per share in 2011 stood at 5.91 Baht per share, an increase of 0.12 Baht per share (in 2010, it was 6.03 Baht per share). The debt to equity (D/E ratio) in 2011 and 2010 was 0.27 and 0.32 times respectively. This is due to the fact that total liabilities and shareholders' equity rose by 17% and 2% respectively.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF THAI STEEL CABLE PUBLIC COMPANY LIMITED

We have audited the statements of financial position of Thai Steel Cable Public Company Limited as at December 31, 2011 and 2010, the related statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our 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 December 31, 2011 and 2010, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Notes 3 to the financial statements in 2011, the Company adopted the new and revised Thai Financial Reporting Standards issued by the Notification of Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards. In preparation and presentation of these financial statements. The financial statements for the year ended December 31, 2010, presented herein for comparison, are presented in the new format and changing account policy by retroactive adjusted to conform to the presentation of the financial statements for the year ended December 31, 2011.



Dr. Junyaporn Techamontrikul
Certified Public Accountant No. 6720
United Auditing PKF Limited

Bangkok
February 23, 2011

THAI STEEL CABLE PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011 AND 2010

		('Baht)	
		2011	2010
ASSETS			"After adjustment"
Current assets	Note		
Cash and cash equivalents	7	98,155,297.20	282,515,605.75
Temporary investment	8	112,782,385.19	120,068,680.44
Accounts and other receivables	9	238,549,463.08	461,027,096.02
Inventories	10	513,977,380.46	287,456,342.73
Other current assets		40,012,893.28	25,758,507.23
Total current assets		<u>1,003,477,419.21</u>	<u>1,176,826,232.17</u>
Non-current assets			
Long - term investments	25.1	25,704,000.00	25,704,000.00
Investment property - net	11	139,897,816.54	147,719,271.08
Property, plant and equipment - net	12	764,804,460.71	700,061,186.52
Intangible assets - net	13	21,232,623.92	21,892,446.16
Other non - current assets		739,241.59	965,474.59
Total non - current assets		<u>952,378,142.76</u>	<u>896,342,378.35</u>
Total assets		<u>1,955,855,561.97</u>	<u>2,073,168,610.52</u>

Notes to the financial statements form an integral part of these financial statements

THAI STEEL CABLE PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2011 AND 2010

		('Baht)	
		2011	2010
LIABILITIES AND EQUITY			"After adjustment"
Current liabilities	Note		
Overdrafts from financial institution	14	745,181.60	-
Accounts and other payables	15	296,115,820.03	415,189,939.31
Asset payable		18,231,271.56	10,109,425.35
Hire-purchase payable due within 1 y	16	3,757,639.17	1,780,847.88
Accrued expenses		29,666,593.29	39,610,803.97
Other current liabilities		21,510,111.97	24,861,824.48
Total current liabilities		<u>370,026,617.62</u>	<u>491,552,840.99</u>
Non - current liabilities			
Post-employment benefits obligation	17	21,762,036.16	-
Hire-purchase payable	16	5,869,932.93	1,529,333.40
Provision of liabilities	18	15,131,977.14	13,414,693.15
Other non-current liabilities		8,252,091.69	-
Total non - current liabilities		<u>51,016,037.92</u>	<u>14,944,026.55</u>
Total liabilities		<u>421,042,655.54</u>	<u>506,496,867.54</u>

Notes to the financial statements form an integral part of these financial statements

THAI STEEL CABLE PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2011 AND 2010

		('Baht)	
		2011	2010
LIABILITIES AND EQUITY (Continued)			"After adjustment"
Equity	Note		
Share capital			
Authorized share capital			
268,500,000 ordinary shares of Baht 1.00 ea		268,500,000.00	268,500,000.00
Issued & paid-up share capital			
259,800,000 ordinary shares of Baht 1.00 ea		259,800,000.00	259,800,000.00
Premium on share capital		464,870,184.55	464,870,184.55
Retained earnings			
Appropriated			
Legal reserve	20	26,850,000.00	26,850,000.00
Unappropriated		783,292,721.88	815,151,558.43
Total equity		1,534,812,906.43	1,566,671,742.98
Total liabilities and equity		1,955,855,561.97	2,073,168,610.52

Notes to the financial statements form an integral part of these financial statements

THAI STEEL CABLE PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

			('Baht)
	Note	2011	2010 "After adjustment"
Revenues			
Revenues from sales		2,252,614,063.75	2,618,074,320.01
Other incomes		43,415,364.20	46,876,372.93
Total revenues		2,296,029,427.95	2,664,950,692.94
Expenses	22		
Cost of goods sold		1,777,817,477.82	2,061,239,560.48
Selling expenses		53,246,799.01	73,641,832.95
Administrative expenses		190,159,070.18	160,618,560.79
Directors and managements' remuneration	24	59,441,598.00	62,424,000.00
Total expenses		2,080,664,945.01	2,357,923,954.22
Profit before finance costs and income tax		215,364,482.94	307,026,738.72
Finance costs		(1,369,329.99)	(200,365.28)
Profit before income tax		213,995,152.95	306,826,373.44
Income tax	23	(13,806,280.50)	(15,746,378.48)
Profit for the periods		200,188,872.45	291,079,994.96
Other comprehensive income - net of income tax		-	-
Total comprehensive income for the periods		200,188,872.45	291,079,994.96
Earnings per share			
Basic earnings per share		0.77	1.12
Weighted average number of ordinary shares (shares)		259,800,000	259,800,000

Notes to the financial statements form an integral part of these financial statements

THAI STEEL CABLE PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

					('Baht)
		Issued & paid-up share capital	Premium on share capital	Retained earnings Appropriated Legal reserve	Total equity
	Note			Unappropriated	
Beginning balances as at January 1, 2010 - as previous report		259,800,000.00	464,870,184.55	26,850,000.00	749,415,605.42
Effect from change in accounting policy :					1,500,935,789.97
Depreciation of investment property	3.3	-	-	-	(17,504,041.95)
Beginning balances as at January 1, 2010 - as restated		259,800,000.00	464,870,184.55	26,850,000.00	731,911,563.47
Total comprehensive income for the periods		-	-	-	291,079,994.96
Dividend	21	-	-	-	(207,840,000.00)
Ending balances as at December 31, 2010		259,800,000.00	464,870,184.55	26,850,000.00	815,151,558.43
Beginning balances as at January 1, 2011 - as previous report		259,800,000.00	464,870,184.55	26,850,000.00	839,580,719.15
Effect from change in accounting policy :					1,591,100,903.70
Depreciation of investment property	3.3	-	-	-	(24,429,160.72)
		259,800,000.00	464,870,184.55	26,850,000.00	815,151,558.43
Post-employment benefits obligation	3.2	-	-	-	(24,207,709.00)
Beginning balances as at January 1, 2011 - as restated		259,800,000.00	464,870,184.55	26,850,000.00	790,943,849.43
Total comprehensive income for the periods		-	-	-	200,188,872.45
Dividend	21	-	-	-	(207,840,000.00)
Ending balances as at December 31, 2011		259,800,000.00	464,870,184.55	26,850,000.00	783,292,721.88

Notes to the financial statements form an integral part of these financial statements

THAI STEEL CABLE PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

		('Baht)
	2011	2010 "After adjustment"
Cash flows from operating activities		
Net profit before income tax	213,995,152.95	306,826,373.44
Item to reconcile net profit to net cash flows from operating activities		
Depreciation of assets	77,001,396.48	75,342,829.92
Depreciation of investment property	7,914,454.54	8,014,663.77
Amortization intangible asset	5,694,415.24	3,342,814.34
(Gain) loss from sale assets	(33,836.08)	(2,335,043.22)
Loss from write off fixed assets	18,779.75	534,117.45
Post-employment benefits obligation	2,437,777.00	-
Provision of liabilities	4,477,184.63	3,975,099.76
Unrealized (gain) loss on exchange rate	44,297.92	(822,406.87)
Interest income	(5,426,001.51)	(1,634,281.25)
Interest expenses	1,369,329.99	200,365.28
	307,492,950.91	393,444,532.62
(Increase) decrease in accounts and other receivables	223,319,310.43	(71,000,823.62)
(Increase) decrease in inventories	(226,521,037.73)	(43,175,053.12)
(Increase) decrease in other current assets	(14,447,915.90)	(17,169,599.54)
(Increase) decrease in other non-current assets	226,233.00	(720,000.00)
Increase (decrease) in accounts and other payables	(119,960,094.69)	44,187,065.49
Increase (decrease) in asset payable	-	(4,920,541.15)
Increase (decrease) in accrued expenses	(6,667,804.72)	11,378,345.58
Increase (decrease) in other current liabilities	(3,351,712.51)	10,599,355.20
Increase (decrease) in provision of liabilities	(2,759,900.64)	-
Increase (decrease) in post-employment benefits obligation	(4,883,449.84)	-
Increase (decrease) in other non-current liabilities	8,252,091.69	-
Cash received from operating	160,698,670.00	322,623,281.46

Notes to the financial statements form an integral part of these financial statements

THAI STEEL CABLE PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

		('Baht)
	2011	2010
		"After adjustment"
Cash received from interest income	5,186,170.87	1,594,930.28
Cash payment for interest expenses	(1,369,329.99)	(200,365.28)
Cash payment for income tax	(17,107,554.46)	(9,159,265.44)
Net cash provided by (used in) operating activities	147,407,956.42	314,858,581.02
Cash flows from investing activities		
(Increase) decrease in temporary investment	7,286,295.25	(55,068,680.44)
Cash payment for purchase fixed assets	(125,436,302.59)	(54,489,608.66)
Cash payment for purchase intangible assets	(5,034,593.00)	(3,433,025.00)
Cash received from sale fixed assets	1,159,175.83	11,008,014.18
Net cash provided by (used in) investing activities	(122,025,424.51)	(101,983,299.92)
Cash flows from financing activities		
Increase (decrease) in overdrafts from financial institution	745,181.60	-
Cash payment for hire-purchase payable	(2,672,890.06)	(1,942,830.55)
Cash payment for dividend	(207,815,132.00)	(207,759,401.90)
Net cash provided by (used in) financing activities	(209,742,840.46)	(209,702,232.45)
Net increase in cash and cash equivalents	(184,360,308.55)	3,173,048.65
Cash and cash equivalents at beginning of the period	282,515,605.75	279,342,557.10
Cash and cash equivalents at end of the period	98,155,297.20	282,515,605.75

Notes to the financial statements form an integral part of these financial statements

THAI STEEL CABLE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

1. Company operations

Thai Steel Cable Public Company Limited (“The Company”) is a public limited company listed on the Stock Exchange of Thailand. The head office is located at 700/737 Moo 1 Tambol Panthong, Amphur Panthong, Chonburi. Its main business is manufacturing break line, clutch line, speed line, parts and equipments for vehicles, motorcycles and bicycles.

2. Basis of prepared and presentation of the financial statements

The financial statements are prepared in conformity with accounting standards and practices generally accepted accounting in Thailand. The format financial statement presentation is compliance with Thai Accounting Standard No.1 (revised 2009) “Presentation of Financial Statement”, which is effective for financial statements for the accounting periods beginning on or after January 1, 2011 onwards and prepared in accordance with the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial Statements B.E. 2554”.

The financial statements for the year ended December 31, 2010, presented herein for comparison, are presented in the new format to conform to the presentation of the financial statements for the year ended December 31, 2011.

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

3. Adoption of new and revised Thai Financial Reporting Standards

For the year ended December 31, 2011, the Company have adopted the new and revised Thai Financial Reporting Standards issued by The Federation of Accounting Professions which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards. This adoption does not have significant impact to Company financial statements, except the following Thai Accounting Standards:

3.1 TAS No.1 (revised 2009) “Presentation of Financial Statements”

This accounting standard has changed the requirements about the presentation in the financial statements. Therefore, it affected the reclassification for the financial statement for the year ended December 31, 2010, present for comparison, to conform to the financial statements for the year ended December 31, 2011 (see note 2.1).

3.2 TAS No.19 “Employee Benefits”

For the year ended December 31, 2011, the Company adopted the Thai Accounting Standard No. 19 “Employee Benefits” (see note 17) by calculating the post-employment benefits obligation under the Thai Labor Protection Act based on actuarial assumptions using Projected Unit Credit Method at the end of reporting period. The Company selected to recognize past service cost and interest cost by adjusting the retained earnings as at January 1, 2011, which is in compliance with the traditional provision of such standard.

Effect from using those accounting policy to the financial statement as at January 1, 2011, are as follows:

Statements of financial position	('Baht)
Increase in post-employment benefits obligation	24,207,709.00
Decrease in retained earnings	24,207,709.00

3.3 TAS No.40 “Investment Property”

For the year ended December 31, 2011, the Company firstly adopted the Thai Accounting Standard No. 40 “Investment Property”, therefore, non-operating property which do not calculated depreciation and review impairment as at December 31, 2010, presented herein for comparison, are presented in the investment property and recorded depreciation started from the date that Company stop to calculate depreciation until January 1, 2011. Effect from using those accounting policy, the Company has retroactive adjusted the financial statement as if the Company has recorded such depreciation for investment following the new accounting policy continuously. Therefore, the financial statements which present for comparison are presented in accordance with new accounting policy. The effect of changing in accounting policy are as follows:

(‘Baht)

	As at December 31, 2011		
	Before adjustment	After adjustment	Increase (decrease)
Statements of financial position			
Investment property - net	172,148,431.80	147,719,271.08	(24,429,160.72)
Retained earnings	839,580,719.15	815,151,558.43	(24,429,160.72)
For the year ended December 31, 2011			
	Before adjustment	After adjustment	Increase (decrease)
Statements of comprehensive income			
Administrative expenses	153,693,442.02	160,618,560.79	6,925,118.77
Total comprehensive income for the period	298,005,113.73	291,079,994.96	(6,925,118.77)
Basic earnings per share (Baht)	1.15	1.12	(0.03)

Accumulative effects from the change in accounting policy from the past until the beginning of the accounting for the year 2011 and 2010 have to be adjusted to retained earnings brought forward as at January 1, 2011 and 2010, in the amount of Baht 24.43 million and Baht 17.50 million respectively.

4. New and revised Thai Financial Reporting Standards announced but not effective

The Federation of Accounting Professions has issued the Notifications regarding the Thai Financial Reporting Standards which will become effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards as follows:

Thai Accounting Standards

TAS 12 Income Taxes

TAS 20 Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates

Thai Accounting Standards Interpretation

TSI 10 Government Assistance - No Specific Relation to Operating Activities

TSI 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

TSI 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company’s management anticipates to adopt the accounting standards and accounting standards interpretation that affect to the Company’s financial statements when they become effective. The management are now evaluating the impact to financial statement for the year those accounting standards will be started.

5. Summary of significant accounting policies

- 5.1 The Company recognizes the revenue from sales when goods and right are delivered. Other revenues and expenses are recognized on accrual basis.

5.2 Cash and cash equivalents is cash on hand and at financial institution, not include cash at financial institution due over 3 months and cash at financial institution that is used for collateral.

5.3 Accounts receivable is carried at anticipated realizable value. Allowance for doubtful accounts is provided to cover the estimated losses that may be incurred in the collections. The allowance is valued in relation to the current financial status of each account receivables.

5.4 Inventories are stated at cost base on weighted average moving for monthly method, or net realizable value whichever is lower. Net realizable value estimated from selling price in normal business conditions less cost of completion and necessary cost for selling.

5.5 Investment

5.5.1 Fixed deposit stated at cost.

5.5.2 Investment in debt that nearly expire in one year and holding until determine. Debt are stated at amortized cost less impairment (if any). The Company amortized premium/discount debt value following effective interest rate. The amount that was amortized shown by the adjustment with income interest.

5.5.3 Long term investment is the money that invest in non listed equity, The Company classify as general investment, which are stated at cost less impairment (if any).

5.6 Land are presented at cost, building and equipment are present at cost deduct accumulated depreciation and allowance for impairment (if any). Depreciation is calculated by the straight – line method, base on the estimated useful life of assets as follows:

Land improvement	20	Years
Buildings and structures	20	Years
Building improvement	20	Years
Machinery and equipments	5, 10	Years
Tools	5, 10	Years
Molds	5, 10	Years
Office equipments	3, 5, 10	Years
Furniture and fixtures	5, 10	Years
Vehicles	10	Years

5.7 Investment property

Land are presented at cost, building office are presented at cost less accumulated depreciation and allowance for impairment (if any). Depreciation is calculated by the straight - line method, base on the estimated useful life of investment property as follows:

Land improvement	20	Years
Buildings and structures	20	Years
Building improvement	20	Years

5.8 Intangible assets are stated at cost, less accumulated amortized and impairment (if any). Amortization is recognized as expenses in the statements of income, base on the useful life of assets as follows:

Software license	10	Years
Software	3	Years

5.9 Lease

5.9.1 Financial Leases

Leases of assets, where the Company has transferred all the risks and rewards of ownership and intend to buy assets when the end of period of lease contract, are classification as finance leases. Financial leases are capitalizing at the inception of the lease record with liabilities occur from lease payment in the future, by not include interest expense which are financial cost. Financial cost are recorded as expenses according to the proportion of the liabilities balance outstanding.

5.9.2 Operating Leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the leasers are classified as operating leases. Lease payments under an operating lease are recognized as expenses in the statements of income.

5.10 Employee benefits

5.10.1 Short-term employee benefits

- Provident fund

The Company has registered a provident fund in accordance with the Provident Fund Act B.E. 2530 (1987). Under the plan, the Company and employees contribute to the fund, and the Company's contribution to the provident fund are recorded in the occurred accounting period as expenses in the statements of income.

- Workmen's compensation fund

The Company's contribution to the workmen's compensation fund are recorded in the occurred accounting period, and recorded as expenses in the statements of income.

5.10.2 Long - term employee benefits

The Company provide for post-employment benefits obligation, payable to employees under the Thai Labor Protection Act. The liability of employee benefits is the present value of the defined benefit obligation which is calculated by using the actuarial technique. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other. Actuarial gains or losses will be recognized in the statements of comprehensive income in the accounting period to which they are related. The costs associated with providing these benefits are charged to the profit and loss so as to spread the cost over the employment period.

5.11 The Company recognized the income tax to be paid as expense during the accounting period by tax rate at the balance sheet dated.

5.12 Foreign currency transactions are recorded in the following exchange rates as follows:

- Transactions throughout the year are converted into Baht at the rates of transactions date.
- Assets and liabilities at the end of the year are converted into Baht at the reference exchange rate established by the Bank of Thailand prevailing at the balance sheet dated.
- Gain or loss on exchange rate are recognized as revenues or expenses in the statement of income.

5.13 Basic earnings per share calculated by dividing net profit for each year by the weighted average number of ordinary shares at the end of the each year.

5.14 Estimated liabilities

Estimated liabilities are recognized as liabilities in the balance sheet when it is probable that an obligation has been incurred as a result of a past event, it is possible that an economic benefits will be required to settle the obligation and the amount of the obligation can be reasonably estimated. The company has recorded estimation of liability from quality guarantee of product by past statistical data of warranty claim.

5.15 Critical judgment of management accounting policies and estimation

Preparation of financial statements in conformity with generally accepted accounting principles require management to make estimation and assumptions about book value critical amounts of assets and liabilities that are not apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may be differ from those estimation. The significant areas that management need to use their judgment and estimation that will affect on the amounts and disclosures are as follows:

5.15.1 Useful life for building and equipment

The Company review useful life of building and equipment at the end of each year.

5.15.2 Impairment of asset

The carrying amounts of the bank's assets are reviewed at each balance sheet dated to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

5.15.3 Allowance for intangible assets

The intangible assets consist of software, which tested for impairment using a fair value method of discounted cash flows on an annual basis.

5.15.4 Fair value of financial instruments

In assessment fair value of financial instruments that are not trading in the market and can not search for active market, the management use judgment for estimating fair value of financial instrument calculated by criterion assessment value that has been accepted. The variable has calculated from comparing with other variables in the market, by considering from the liquidity, the relation data and changing of value of long-term financing instruments.

6. Supplement cash flows information

In 2011, the Company bought computer in the amount of Baht 5.86 million by making financial leases contract in the amount of Baht 6.94 million. The Company bought lamp and energy saving devices in the amount of Baht 3.56 million by making financial leases contract in the amount of Baht 4.13 million. This transaction was not related to cash flows in investing activities and financing activities.

In 2010, the Company bought computer in the amount of Baht 2.10 million by making financial leases contract in the amount of Baht 2.48 million. This transaction was not related to cash flows in investing activities and financing activities.

7. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2011 and 2010 are as follows:

	2011	2010
		('Baht)
Cash	214,840.50	117,104.50
Saving account	75,822,315.62	136,583,188.46
Current account	22,118,141.08	145,815,312.79
Total	<u>98,155,297.20</u>	<u>282,515,605.75</u>

8. Temporary investment

As at December 31, 2011 and 2010, the Company invests in fixed deposit 3 months and 6 months in the amount of Baht 112.78 million and Baht 120.07 million, respectively, with interest rate at 1.87 - 3.00% per annum and 0.50 - 1.00% per annum respectively.

9. Accounts and other receivables

Accounts and other receivables as at December 31, 2011 and 2010 are as follows:

	2011	2010 ('Baht)
Accounts receivable - related company	26,480,217.11	36,583,842.99
Accounts receivable - other company	210,850,452.42	409,217,233.61
Total account receivable	237,330,669.53	445,801,076.60
Other receivable	1,218,793.55	15,226,019.42
Total accounts and other receivables	238,549,463.08	461,027,096.02

Outstanding accounts receivable as at December 31, 2011 and 2010 can be analyzed as follows:

	2011	2010 ('Baht)
0 -3 months	234,834,044.73	445,721,172.96
3 -6 months	1,887,380.87	34,717.27
6 -12 months	609,243.93	45,186.37
Total	237,330,669.53	445,801,076.60

10. Inventories

Inventories as at December 31, 2011 and 2010 are as follows:

	2011	2010 ('Baht)
Finished goods	94,614,628.77	60,149,965.09
Component part	51,515,627.87	34,185,066.13
Raw material	335,527,438.22	165,079,925.85
Raw material in transit	32,319,685.60	28,041,385.66
Total	513,977,380.46	287,456,342.73

11. Investment property - net

Investment property has movement transaction as follows:

	Balance as at December 31, 2010	Additions	Sale or Disposals	2011 ('Baht) Balance as at December 31, 2011
Cost				
Land and improvement	93,510,200.01	-	-	93,510,200.01
Buildings and structures	137,611,595.37	-	-	137,611,595.37
Building improvement	24,172,323.14	93,000.00	-	24,265,323.14
Total cost	255,294,118.52	93,000.00	-	255,387,118.52
Accumulated depreciation				
Improvement	(3,604,567.49)	(189,120.78)	-	(3,793,688.27)
Buildings and structures	(87,966,168.55)	(6,880,579.47)	-	(94,846,748.02)
Building improvement	(16,004,111.40)	(844,754.29)	-	(16,848,865.69)
Total accumulated depreciation	(107,574,847.44)	(7,914,454.54)	-	(115,489,301.98)
Investment property - net	147,719,271.08	(7,821,454.54)	-	139,897,816.54
Depreciation of the assets for the years	8,014,663.77			7,914,454.54

Investment property consisted of land and building of existing office that are not in use. It is stated at cost, less accumulated depreciation. The fair value information for the investment property as at December 31, 2011 in the amount of Baht 326.50 million.

12. Property, plant and equipment - net

Property, plant and equipment has movement transaction as follows:

	Balance as at December 31, 2010	Additions	Disposals	Others	(Baht) Balance as at December 31, 2011
Cost					
Lands and land improvement	140,922,008.98	-	-	-	140,922,008.98
Buildings and structures	263,095,198.58	-	-	-	263,095,198.58
Office buildings	81,150,153.42	-	-	-	81,150,153.42
Building-factory improvement	14,259,121.44	596,025.00	-	1,725,055.00	16,580,201.44
Machineries and equipments	478,220,280.55	41,686,382.11	(757,307.10)	25,955,528.15	545,104,883.71
Tools	75,056,785.95	7,299,944.32	(1,766,421.94)	2,710,733.43	83,301,041.76
Molds	44,902,637.30	24,131,671.66	(454,100.00)	-	68,580,208.96
Office equipments	62,823,358.52	10,679,603.89	(3,734,119.53)	909,050.00	70,677,892.88
Office equipments under financial lease	5,711,600.00	5,836,400.00	-	(456,900.00)	11,091,100.00
Furniture and fixtures	5,671,019.48	355,709.40	-	-	6,026,728.88
Vehicles	37,454,000.00	-	(1,605,000.00)	-	35,849,000.00
Assets under installation	21,341,871.36	52,303,053.79	-	(30,843,466.58)	42,801,458.57
Total cost	<u>1,230,608,035.58</u>	<u>142,888,790.17</u>	<u>(8,316,948.57)</u>	<u>-</u>	<u>1,365,179,877.18</u>
Accumulated depreciation					
Land improvement	(3,632.88)	(6,500.00)	-	-	(10,132.88)
Buildings and structures	(52,580,829.05)	(13,154,759.94)	-	-	(65,735,588.99)
Office buildings	(16,217,429.29)	(4,057,507.68)	-	-	(20,274,936.97)
Building improvement	(1,850,996.44)	(803,542.27)	-	-	(2,654,538.71)
Machineries and equipments	(320,821,134.98)	(31,926,284.90)	518,400.99	-	(352,229,018.89)
Tools	(51,759,611.71)	(8,921,073.89)	1,721,800.81	-	(58,958,884.79)
Molds	(30,581,641.06)	(4,568,194.52)	444,742.12	-	(34,705,093.46)
Office equipments	(34,374,161.65)	(6,789,650.82)	3,576,772.80	(379,113.97)	(37,966,153.64)
Office equipments under financial lease	(2,702,705.84)	(2,463,393.72)	-	379,113.97	(4,786,985.59)
Furniture and fixtures	(2,136,083.61)	(607,302.44)	-	-	(2,743,386.05)
Vehicles	(17,518,622.55)	(3,703,186.30)	911,112.35	-	(20,310,696.50)
Total accumulated depreciation	<u>(530,546,849.06)</u>	<u>(77,001,396.48)</u>	<u>7,172,829.07</u>	<u>-</u>	<u>(600,375,416.47)</u>
Property, plant and equipment-net	<u>700,061,186.52</u>	<u>65,887,393.69</u>	<u>(1,144,119.50)</u>	<u>-</u>	<u>764,804,460.71</u>
Depreciation of the assets for the years	<u>75,342,829.92</u>				<u>77,001,396.48</u>

Asset with deduct all depreciation but can be used has book value before less accumulated depreciation as at December 31, 2011 and 2010, in the amount of Baht 237.02 million and Baht 204.46 million respectively.

13. Intangible assets - net

Intangible assets has movement transaction as follows:

	Net balance as at December 31, 2010	Additions	Total	Amortized	(Baht) Net balance as at December 31, 2011
Computer program	21,892,446.16	5,034,593.00	26,927,039.16	(5,694,415.24)	21,232,623.92
Total	<u>21,892,446.16</u>	<u>5,034,593.00</u>	<u>26,927,039.16</u>	<u>(5,694,415.24)</u>	<u>21,232,623.92</u>
Amortized for the years	<u>3,342,814.34</u>				<u>5,694,415.24</u>

14. Overdrafts from the financial institution

The Company has entered into overdraft agreement with several local financial institution in the amount of Baht 60 million with the interest rate of MOR per annum. These loans are unsecured. The balance as at December 31, 2011 are in the amount of Baht 0.75 million and as at December 31, 2010, the Company do not used that loan.

15. Accounts and other payables

Accounts and other payables as at December 31, 2011 and 2010 are as follows:

	2011	2010
		('Baht)
Accounts payable - related company	74,730,814.95	64,614,557.74
Accounts payable - other company	203,829,972.06	313,462,268.64
Notes payable	-	6,733,121.50
Total accounts payable	278,560,787.01	384,809,947.88
Other payables	17,555,033.02	30,379,991.43
Total accounts and other payables	296,115,820.03	415,189,939.31

16. Hire-purchase payable

Hire-purchase payable as at December 31, 2011 and 2010 are as follows:

	Due within 1 year		Due over 1 year but not over 5 years	
	2011	2010	2011	2010
				('Baht)
Hire-purchase payable	4,565,966.37	1,780,847.88	6,582,735.17	1,529,333.40
Less deferred interest expenses	(581,709.35)	-	(480,404.19)	-
Less deferred input vat	(226,617.85)	-	(232,398.05)	-
Net	3,757,639.17	1,780,847.88	5,869,932.93	1,529,333.40

17. Post-employment benefits obligation

The Company has post-employment benefits obligation plans under the Thai Labor Protection Act which is considered as unfunded defined benefit plans.

The amount of expense recognized in statements of comprehensive income in post-employment benefits obligation plan are as follows:

	For the years ended December 31,	
	2011	2010
		('Baht)
Current service costs	1,708,535.00	-
Interest cost	729,242.00	-
Total	2,437,777.00	-

Movements in present value of post-employment benefits obligation plan are as follows:

	As at December 31,	
	2011	2010
		('Baht)
Beginning balance present value of post-employee benefits obligation	-	-
Add Adjust from changing accounting policy (see note 3.2)	24,207,709.00	-
Beginning balance present value of post-employee benefits obligation - after adjustment	24,207,709.00	-
Add Current service costs	1,708,535.00	-
Add Interest cost	729,242.00	-
	26,645,486.00	-
Less Payment for post-employee benefits obligation	(4,883,449.84)	-
Ending balance present value of post-employee benefits obligation	21,762,036.16	-

The actuarial assumptions used to calculate the defined benefits obligations as at December 31, 2011 are as follows:

Financial assumptions

Discount rate	4.10 %
Long-term inflation rate	3 %
Long-term salary increase rate	7 %
Turnover rates	8-20 % by aging range
Retirement age	60 years

18. Provision of liability

Provision of liability as at December 31, 2011 and 2010 are as follows:

	2011	(‘Baht) 2010
Beginning provision of liability - quality guarantee	13,414,693.15	9,439,593.39
<u>Plus</u> Increase provision of liability - quality guarantee	4,477,184.63	3,975,099.76
	<u>17,891,877.78</u>	<u>13,414,693.15</u>
<u>Less</u> Decrease provision of liability - quality guarantee	(2,759,900.64)	-
Ending provision of liability - quality guarantee	<u>15,131,977.14</u>	<u>13,414,693.15</u>

19. Capital management

Company’s objective in company asset management is to maintain corporation continually operation ability to make return on equity holder and gains profit to other stock holder and to maintain proper equity structure to reduce asset of equity or adjust equity structure. Company may adjust dividend payment policy to equity holder, returning asset to equity holder, the issuing of new equity, or sell asset to reduce debt burden.

20. Legal reserve

Under the provisions of the Limited Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund, until the reserve fund reaches no less than 10% of the authorized share capital. Such reserve fund is not available for distribution as dividend.

21. Dividend

Annual Ordinary Shareholders’ Meeting 2011 held on April 29, 2011, approved to pay dividend to shareholders in the amount of Baht 0.50 per share in amount of Baht 129.90 million and the board of directors’ meeting No. 4/2011 held on August 15, 2011 approved to pay interim dividends to the shareholders at Baht 0.30 per share in the amount of Baht 77.94 million, the dividend totaling of Baht 207.84 million. The Company was paid in May 2011 and September 2011.

Annual Ordinary Shareholders’ Meeting 2010 held on April 29, 2010, approved to pay dividend to shareholders in the amount of Baht 0.50 per share in amount of Baht 129.90 million and the board of directors’ meeting No. 4/2010 held on August 16, 2010 approved to pay interim dividends to the shareholders at Baht 0.30 per share in the amount of Baht 77.94 million, the dividend totaling of Baht 207.84 million. The Company was paid in May 2010 and September 2010.

22. Expenses by nature

Expenses by nature for the years ended December 31, 2011 and 2010, that occurred from important expenses are as follow:

	2011	2010
		(‘Baht)
Changing finish goods and work in process	(51,795,225.42)	(16,750,636.58)
Raw material and supply used	1,457,958,098.66	1,744,916,043.47
Staff expenses	283,625,083.20	243,209,214.15
Depreciation and amortization	90,610,265.54	86,700,308.03
Royalty	29,926,243.11	39,517,275.59

23. Income tax

The Company has been granted by the Board of Investment to transform the head office for manufacturing vehicles controls line and automobile window regulator. The Company has exemption from payment of corporate income tax from the promoted business. In 2011 and 2010, the Company has part of net profit from non-promoted business, that the Company has considered to be expense follow revenue code.

24. Directors and managements’ remuneration

24.1 Directors’ remuneration are benefits payment to directors of the Company in section 90 of the Public Company Limited Act, by excluding salary and related benefits that pay to directors who are also an executive of the Company.

24.2 The management’s benefits in cash are salary, bonus, vehicles expenses and provident funds paid to the Company’s management under Notification of the Capital Market Commission No. Tor Jor 24/2009 “Requirement about directors and managements remuneration of the Company issued securities” dated July 20, 2009.

24.3 For the years ended December 31, 2011 and 2010. The management’s benefits paid to management according to the TAS 24 (revised 2009) “Related Party Disclosures” are as follows:

	For the years ended December 31,	
	2011	2010
		(‘Baht)
Short-term employee benefit	59,441,598.00	62,424,000.00
Post retirement benefits	247,791.00	-
Total	59,689,389.00	62,424,000.00

25. Related party transactions

Related party transactions consists of:

25.1 Long-term investment

Long-term investment as at December 31, 2011 and 2010 as follows:

			Issued and Paid - up		Shareholding		Cost Method	
			Share Capital		(%)			
			2011	2010	2011	2010	2011	2010
General Investment								
Hi-Lex Vietnam Co., Ltd.	Manufacturing	Shareholder	USD	USD	6.30	6.30	25,704,000.00	25,704,000.00
	Composition of		11,150,000	11,150,000				
	Motor vehicle							
Total							25,704,000.00	25,704,000.00

25.2 Related party transaction

A portion of the company's assets, liabilities, revenues, and expenses arose from transactions with affiliated and related company. These Company are directly and indirectly related through common shareholders and/or directors. These transactions are in normal trading conditions as follows:

	Nature of Relationship	(Million Baht)	
		As at December 31, 2011	2010
Balances			
Related parties			
Accounts receivable			
Summit Autoseats Industry Co., Ltd.	Common shareholder and director	0.84	0.99
Summit Autobody Industry Co., Ltd.	Common shareholder and director	0.72	6.05
Summit Laemchabang Autoseat Manufacturing Co., Ltd.	Common shareholder and director	1.59	1.43
Summit Anse Autopart Co., Ltd.	Common shareholder and director	2.38	2.82
Summit Osuka Manufacturing Co., Ltd.	Common shareholder and director	1.86	3.31
Johnson Controls and Summit Interiors Co., Ltd.	Common shareholder and director	5.26	4.12
Hi-Lex Vietnam Co., Ltd.	Affiliated company,	3.56	3.83
	Common shareholder and director		
PT. Hi – Lex Indonesia	Common shareholder and director	0.69	4.70
Hi-Lex India Private Limited	Common shareholder and director	0.73	1.07
Hi-Lex Corporation	Shareholder	0.76	2.74
Armstrong Auto Parts SDN.BHD.	Common shareholder	7.32	4.90
Guangdong Hi-Lex Cable System Co., Ltd. (Formerly : Guangzhou TSK Control Cable Co., Ltd.)	Common shareholder and director	-	0.03
Hi-Lex Hangary KFT	Common shareholder and director	1.17	0.65
	Nature of Relationship	(Million Baht)	
		As at December 31, 2011	2010
Balances			
Related parties			
Other receivables			
Yantai TSK Cable Sytem Co., Ltd.	Common shareholder and director	-	1.50
Accounts payable			
Complete Autopart Co., Ltd.	Common shareholder and director	5.23	8.35
Complete Autorubber Manufacturing Co., Ltd.	Common shareholder and director	6.84	4.47
Summit Chugoku Seira Co., Ltd.	Common shareholder and director	0.25	0.38
Hi-Lex Vietnam Co., Ltd.	Affiliated company,	7.75	8.06
	Common shareholder and director		
Hi-Lex Corporation	Shareholder	54.16	40.51
Yantai TSK Cable Sytem Co., Ltd.	Common shareholder and director	3.37	2.46
TSK (Korea) Co., Ltd.	Common shareholder and director	3.64	-
Chongqing Hi-Lex Control Cable System Co., Ltd.	Common shareholder and director	-	0.16
Hi-Lex America	Common shareholder and director	0.14	0.21
Accrued royalty			
Hi-Lex Corporation	Shareholder	13.40	20.28
Assets payable			
Complete Autorubber Manufacturing Co., Ltd.	Common shareholder and director	1.68	-

		(Million Baht)	
		For the year ended	
		December 31,	
	Nature of Relationship	2011	2010
Revenues and expenses			
Related parties			
Revenue from sales			
Summit Autoseats Industry Co., Ltd.	Common shareholder and director	3.76	5.47
Summit Autobody Industry Co., Ltd.	Common shareholder and director	16.77	22.56
Summit Laemchabang Autoseats Manufacturing Co., Ltd.	Common shareholder and director	5.84	5.78
Summit Anse Autopart Co., Ltd.	Common shareholder and director	12.57	18.01
Summit Osuka Manufacturing Co., Ltd.	Common shareholder and director	16.39	18.46
Johnson Controls and Summit Interiors Co., Ltd.	Common shareholder and director	19.92	15.73
Hi-Lex Vietnam Co., Ltd.	Affiliated company, Common shareholder and director	19.26	20.30
Hi-Lex India Private Limited	Common shareholder and director	5.01	1.94
PT. Hi-Lex Indonesia	Common shareholder and director	19.27	20.63
Hi-Lex Corporation	Shareholder	5.53	5.31
Armstrong Auto Parts SDN. BHD.	Common shareholder	18.06	11.91
Hi-Lex Hangary KFT	Common shareholder and director	4.99	2.68
Hi-Lex Cable System	Common shareholder	-	1.94

		(Million Baht)	
		For the year ended	
		December 31,	
	Nature of Relationship	2011	2010
Revenues and expenses			
Related parties			
Revenue from claim			
Hi-Lex Corporation	Shareholder	0.11	2.53
Purchase raw material			
Complete Autopart Co., Ltd.	Common shareholder and director	25.77	21.60
Complete Autorubber Manufacturing Co., Ltd.	Common shareholder and director	23.84	13.71
Thai Auto Industry Co., Ltd.	Common shareholder and director	0.03	0.04
Summit Chugoku Seira Co., Ltd.	Common shareholder and director	2.02	2.19
PT. Hi-Lex Indonesia	Common shareholder and director	0.30	-
Hi-Lex Corporation	Shareholder	629.61	404.27
TSK (Korea) Co., Ltd.	Common shareholder and director	8.44	0.18
Hi-Lex America	Common shareholder and director	0.77	-
Hi-Lex Vietnam Co., Ltd.	Affiliated company, Common shareholder and director	128.65	34.72
Yantai TSK Cable Sytem Co., Ltd.	Common shareholder and director	36.26	4.79
Chongqing Hi-Lex Control Cable System Co., Ltd.	Common shareholder and director	1.17	1.11
Purchase fixed asset			
Complete Autorubber Manufacturing Co., Ltd.	Common shareholder and director	4.64	1.17
TSK (Korea) Co., Ltd.	Common shareholder and director	2.44	-
Hi-Lex Corporation	Shareholder	2.00	1.46
Royalty			
Hi-Lex Corporation	Shareholder	29.93	39.52

26. Business segment information

The Company has operated in only one business segment which is manufacturing component part of vehicle. The geographical has two segment in both domestic and export. The revenue of geographical segment less than 10% of total revenue so the company has not present business segment information.

27. Long - term contract

27.1 The Company has an agreement to pay royalty fee to the related companies without the end of period at 2% per year of domestic sales of goods, less the cost of raw materials purchase from those Companies. The Company is determined to pay the royalty fee twice a year, within 60 days after the end of June and December of each year.

27.2 As at December 31, 2011 and 2010, the Company has rental expenses to spend in future under financial lease contract following:

	2011	2010
		('Baht)
Due within 1 year	10,687,413.08	8,126,333.71
Over 1 year not over 5 years	14,922,784.17	15,857,730.86

28. Promotion privileges

The Company is granted promotion privileges to transform the head office for manufacturing vehicles controls line and automobile window regulation the privileges as follows:

- 28.1 Exemption from corporate income tax for profit derived from promoted activities for a period of seven years.
- 28.2 Permission to deduct loss occurring throughout promotional period from the net profit arising after a period of exemption from corporate income tax and not exceeding 5 years commencing from the expiry date in 28.1 above.
- 28.3 Exemption of income tax on dividends paid from the Company which has been promoted privileges throughout the corporate income tax exemption period.
- 28.4 Permission to bring money in foreign currency in or out from a Kingdom.

The Company must comply with conditions and restrictions provided in the promotional certificate for receiving those rights and benefits in 28.1 expired in year 2014.

29. Reporting to revenue of a promoted industry

Based on the announcement of the board of the investment no.14/1998 dated December 30, 1998 regarding revenues reporting of a promoted industry, the Company is required to report separately revenues for promoted and non-promoted business. The Company have revenue from sales and other revenues to promoted and non-promoted as follows:

	For the year ended December 31, 2011		
	Promoted business	Non-promoted business	Total
Revenue			
Revenue from sale	2,042,109,530.21	207,059,533.54	2,249,169,063.75
Interest revenue	-	5,426,001.51	5,426,001.51
Other revenue	5,269,886.10	36,164,476.59	41,434,362.69
Total	2,047,379,416.31	248,650,011.64	2,296,029,427.95

	For the year ended December 31, 2010		
	Promoted business	Non-promoted business	Total
Revenue			
Revenue from sale	2,423,507,883.90	194,566,436.11	2,618,074,320.01
Interest revenue	227,373.81	1,406,907.44	1,634,281.25
Other revenue	4,487,882.13	40,754,209.55	45,242,091.68
Total	<u>2,428,223,139.84</u>	<u>236,727,553.10</u>	<u>2,664,950,692.94</u>

30. Letters of guarantee

- 30.1 As at December 31, 2011 and 2010, the Company has obtained letters of guarantee issued by a local financial institution to the Provincial Electricity Authority and Metropolitan Power Board in the amount of Baht 2.40 million for each year, which use collateral together with financial institution.
- 30.2 As at December 31, 2010, the Company has obtained letters of guarantee issued by a local commercial bank to import duty payment in the amount of Baht 14.55 million.

31. Presentation and disclosure for financial instruments

31.1 Default risk

The Company expects that default risk occurred from off - balance sheet transactions are not material.

31.2 Accounts receivable risk

The Company has credit risk from accounts receivable, however, the Company has conservative policy in giving credits, and the company has variety customers, the Company does not expect to receive any material loss from receivable collections.

31.3 Foreign exchange rate risk

The Company is exposed to foreign exchange rate risk subject to purchase goods and assets. The Company has enter into forward contracts for protect currency exposure for high transaction. As at December 31, 2011 and 2010, the Company not has balance of foreign exchange contracts.

As at December 31, 2011 and 2010, the Company has currency financial assets and financial liabilities, as follows:

Currency	Financial assets		Financial liability	
	2011	2010	2011	2010
USD	760,356.69	529,952.62	972,554.17	798,281.70
YEN	1,896,631.09	11,577,405.20	148,750,561.00	129,019,791.01

31.4 Interest rate risk

The Company has interest rate risk relates primarily to its cash at banks, and temporary investment with interest. However, the Company's financial assets and liabilities bear floating interest rates of fixed rates, the interest rate risk is expected to be minimal.

31.5 Fair value of financial instruments

The Company uses the following methods and assumption in estimating market value or fair value of financial instruments

- Cash and cash equivalents, temporary investment and accounts receivable are financial assets, therefore book value are equal to the estimated fair value.
- Long-term investment has book value that are equal to the estimated fair value. The fair value calculated by estimated from net book value.

- Accounts payable, asset payables and other payables, book value are equal to the estimated fair value.
- As at December 31, 2011 and 2010, fair value of financial assets and liabilities are not materiality different from book value.

Moreover, the fair value is calculated by using the above method and assumptions. The actual fair value may be different from the estimated amount.

32. Transaction reclassification

As at December 31, 2011, the financial statements in 2010, was reclassified to conform with the presentation in the financial statements in 2011. The significant reclassification are as follows:

- Investment property consisted of land, buildings and structures and improvements in the amount of Baht 69.50 million and accumulated depreciation those transaction in the amount of Baht 8.31 million which shown in property, plant and equipment is shown including in investment property.
- Directors' remuneration of the Company which is shown in administrative expenses in the amount of Baht 59.46 million which shown including in directors and managements' remuneration.
- Other payable which shown including in other current liabilities in the amount of Baht 27.90 million are reclassified to shown including in account and other payable.
- Other receivable which shown including in other current assets in the amount of Baht 15.23 million are reclassified to shown including in account and other receivable.
- Mold deposit of the Company in the amount of Baht 14.66 million which shown including in property, plant and equipment are reclassified to shown including in other current assets.

33. Other

According the board of directors' meeting No. 2/2011 held on February 24, 2011 approved to changing accounting periods from ended December 31, to ended September 30. The Company asked to approve from Revenue Department and present to the Annual Ordinary Shareholders' Meeting for consideration. The Company has been

approved from Revenue Department on September 22, 2011, which started the beginning from January 1, 2012 and ended September 30, 2012. The Company is in the process to present to the next Annual Ordinary Shareholders' Meeting for approval.

34. Approving of the financial statements

The financial statements are approved by authorized directors of the Company held on February 27, 2012.

Remuneration of auditor

1. Audit fee

The Company disbursed audit fee to

- United Auditing PKF Co., Ltd. or other businesses related to the auditors and their affiliated audit company. Last year the audit fee amounted to 510,000 baht (five hundred and ten thousand baht).
- Accommodation and traveling expenses of the auditors amounted to 67,895 baht (Sixty-seven thousand eight hundred and ninety-five baht).

2. Non - audit fee

- Professional fee remitted for BOI auditing amounted to 50,000 baht.

It was noted that the auditors have worked as the Company's auditors for eight years during 2004 - 2011 and satisfactorily carried out their duties in the capacity of an auditor. The auditors did not have any relationship with or any stake in the Company, management executives, major shareholders, or any person affiliated with such individuals.

Corporate References

- | | |
|----------------------|---|
| 1) Company Registrar | Thailand Securities Depository Centre Co., Ltd.
62, Stock Exchange of Thailand Building
Ratchadapisek Road, Klongtoey, Bangkok 10110.
Tel. (02) 229 2800
Fax. (02) 359 1259 |
| 2) Auditor | Dr. Junyaporn Techamontrikul
Certified Public Accountant No. 6720
United Auditing PKF Limited
100 Rama IV Road, Samphanthawong, Bangkok 10100.
Tel. (02) 623 3300
Fax. (02) 623 3020 - 1 |



นโยบายคุณภาพ (Quality Policy)

ยกระดับประสิทธิภาพอย่างต่อเนื่อง เน้นเรื่องความพึงพอใจลูกค้า
การออกแบบการส่งมอบและราคา สูงคุณค่าพร้อมพัฒนาสู่สากล



Improve efficiency and continually, Emphasize the customer satisfaction in design; on-time delivery; reasonable price and aim to the international excellence.



บริษัท ไทยสตีลเคเบิล จำกัด (มหาชน)
นิคมอุตสาหกรรมอมตะนคร 700/737 หมู่ 1
ตำบลพานทอง อำเภอพานทอง จังหวัดชลบุรี 20160
โทรศัพท์ : (038) 447 200-21

Thai Steel Cable Public Company Limited
Amata Nakorn Industrial Estate, 700/737 Moo 1,
Tambol Panthong, Amphur Panthong, Chonburi, 20160
Tel : (038) 447 200-21 <http://www.thaisteelcable.com>