



รายงานประจำปี 2551

ANNUAL REPORT 2008



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

วิสัยทัศน์ / VISION

- > เป็นผู้ผลิตสายควบคุมยานยนต์อันดับหนึ่ง
ของเอเชียตะวันออกเฉียงใต้
- > To be No.1 Automotive control Cable
Manufacturer of South East Asia



ภารกิจ / MISSION

- > ขยายสู่ตลาดต่างประเทศ
- > จัดตั้งหน่วยออกแบบและวิจัยพัฒนา
- > ยกระดับประสิทธิภาพองค์กร
- > Expand to Foreign Market
- > Establish Design and R&D Capability
- > Upgrade Corporate Capability

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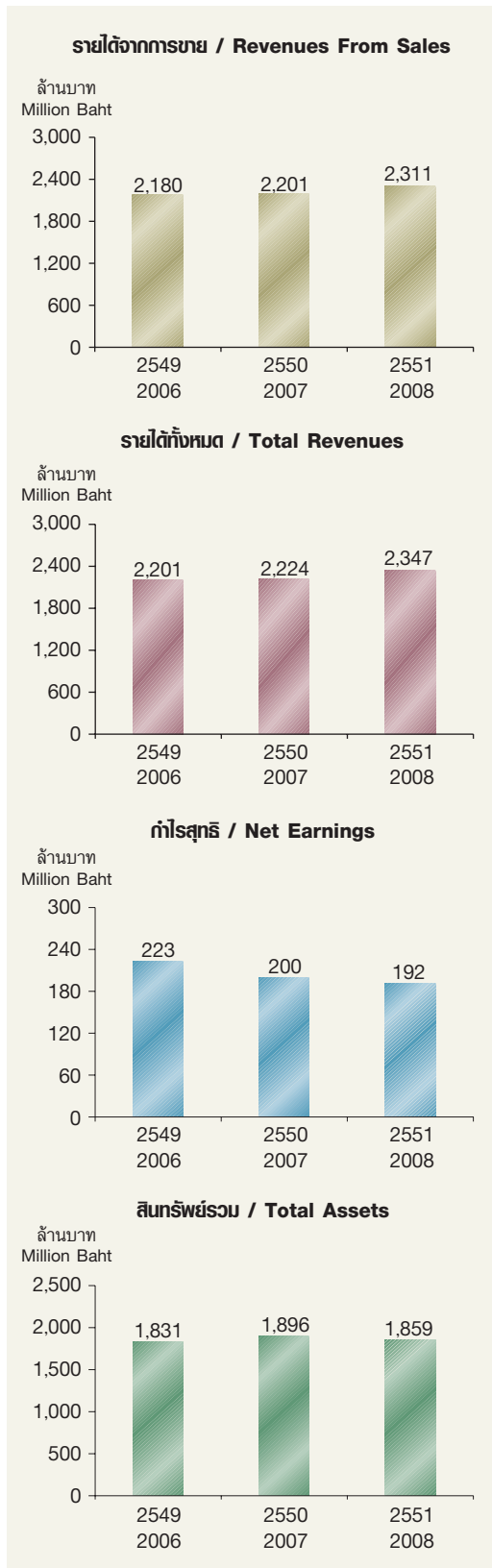
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จุดเด่นทางการเงิน

Financial Highlights

(หน่วย : ล้านบาท / Unit : Million Baht)



งบการเงินของบริษัท ณ 31 ธันวาคม	2549 / 2006	2550 / 2007	2551 / 2008
Financial Statement as of December 31 st	2006	2007	2008
ผลการดำเนินงาน			
Operating Performance			
รายได้จากการขาย	2,180	2,201	2,311
Revenues from Sales			
รายได้ทั้งหมด	2,201	2,224	2,347
Total Revenues			
ค่าใช้จ่ายรวม	1,902	2,014	2,142
Total Expenses			
กำไรก่อนดอกเบี้ยจ่ายและภาษีเงินได้	299	209	205
Earnings Before Interest Expense and Income Tax			
กำไรสุทธิ	223	200	192
Net Earnings			
ฐานะทางการเงิน			
Financial Situation			
สินทรัพย์หมุนเวียน	854	914	885
Current Assets			
สินทรัพย์รวม	1,831	1,896	1,859
Total Assets			
หนี้สินรวม	479	475	376
Total Liabilities			
ส่วนของผู้ถือหุ้น	1,351	1,421	1,483
Shareholders' Equity			
ข้อมูลต่อหุ้น (หน่วย : บาท)			
Per Share Data (Unit : Baht)			
กำไรสุทธิต่อหุ้น	0.86	0.77	0.74
Earnings per Share (EPS)			
เงินปันผลต่อหุ้น	0.50	0.50	0.50
Dividend per Share			
มูลค่าตามบัญชีต่อหุ้น	5.20	5.47	5.71
Book Value per Share			
อัตราส่วนทางการเงิน (หน่วย : %)			
Financial Ratios (Unit : %)			
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	0.35	0.33	0.25
Debt/Equity Ratio			
อัตรากำไรสุทธิต่อรายได้รวม	10	9	8
Net Earnings Margin			
อัตราผลตอบแทนต่อส่วนผู้ถือหุ้น	17	14	13
Return on Equity (ROE)			
อัตราผลตอบแทนจากสินทรัพย์รวม	13	11	10
Return on Asset (ROA)			

Message from Chairman of the Board of Directors

The year of 2008 witnessed dramatic fluctuations in the world's economy. As a result, the Company tried to modify its strategies and business plan to better cope with the situation. Eventually, we could overcome various obstacles with collaborations from all levels of employees. Coupled with risk management plans that were put in place, the Company was able to achieve satisfactory operating performance and generate a good return for our investors.

Judging from overall operating results and financial standing, the Board of Directors resolved to present a proposal at the 2009 Annual General Shareholders' Meeting for an approval of dividend payout of 0.50 baht per share, or 68% of the net profit in 2008, as a profit sharing for shareholders that always have unwavering confidence in the Company.

In 2009, it is recognized that automobile industries are facing global economic woes. Nonetheless, the Company will continue to conduct its business operation prudently and conscientiously, endeavor to maintain the highest product quality as always, and ensure that operational costs will be kept at a lowest possible level. Nevertheless, the Company will still uphold high business ethics and good governance as practiced in the previous year. Importantly, the Company will still retain organizational development and capacity-building goals and policies despite unfavorable economic conditions.

I would like to thank all our shareholders, customers, business partners, benefactors, and general public as well as various private and public organizations for unwavering support to the Company. Finally, I would like to express my sincere appreciation to our management team and employees for their efforts which are always crucial to our successful operations.



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



Message from Vice Chairman

In 2008, total production volume of automobiles in Thailand reached 1.39 million units, an increase of 8%, while production output of motorcycles totaled 3.01 million units, down 10%. Such slowdown was partially caused by excessive subprime lending by U.S. financial institutions and this problem has culminated into global economic crisis. Coupled with political turmoil in Thailand, investment and consumption climates have been affected dramatically. Thus, it is expected that in 2009 the automobile industry will decline in terms of production volume, domestic sales, and export volume when compared to last year.

According to the Federation of Thai Industries' estimation, in 2009 automobile production volume would hover around 1.08 million units, plummeting 22% from last year, and production output of CBU motorcycles is estimated at 1.66 million units, down 13%. However, the Company believes that the public sector will continue to support the automobile industry since it is a main industry of the country in which foreign investors still have confidence. As discerned from frequent announcements of relocation of production bases to Thailand by automobile companies, this serves as an indication that Thailand is still seen as one of attractive automobile production bases in the world. Even though domestic automobile industries will be somewhat dampened, eventually it will recover. The Company has been preparing and formulating flexible, adjustable business strategies as well as developing every facet of our capacities in order to enhance our competitiveness sustainably.

I am extremely grateful to our shareholders, customers, business partners, and benefactors as well as various private and public organizations for their trust and marvelous contribution to the Company. Best wishes to the management team and TSC employees for their enduring dedication to the Company.



(Mr. Choothong Patanatmarueng)
Vice Chairman



Message from Managing Director

In 2008, Thai economy had to face a slowdown caused by U.S. financial crisis, which has wreaked havoc throughout the world. Coupled with political turmoil in the country, investment and consumption confidence has been declining. These factors have produced rather serious repercussions on the automobile industry sector.

In 2008, our operating performance was slightly better than what the management anticipated. Nevertheless, the Company could manage to keep its operating performance on par with last year's level by improving every facet of the operation, ranging from quality control of production processes, aggressive implementation of cost-saving programs, and capacity-building programs of its personnel. Moreover, the Company's research and development was also upgraded to the extent where the Company can now carry out in-house product testing, which helps save a great deal of operating time and expenses. Last year the Company won several awards such as Quality Control Cycle (QCC) Award from Thai Co-Operation Club, which recognizes quality control improvement through waste reduction in production process, and Toyota Production System (TPS) Award from Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd., which the Company has won the first prize in Group Sub Leader category for the second year in a row. The TPS award concerns with cost reduction from optimum utilization through resource management.

Such efforts contributed to the achievement of total revenue of 2,347 million baht, an increase of 123 million baht or up 6%. When compared 2008 result to the same period in 2007, net profit amounted to 192 and 200 million baht respectively, yielding net profit margin of 8% and 9% respectively.

The year of 2009 represents a tremendously challenging period of time. Business proprietors must face political turmoil and the worst economic recession since the 1997 economic crisis. Consequently, the Company has braced itself for tackling every problem with prudent and meticulous approaches and will endeavor to maintain operating performance or minimize negative results, if any.

Finally, I would like to thank all management executives and employees for their unwavering dedication to the Company and also wish to thank every shareholder, customer, business partner, and general public as well as various private and public organizations for wonderful trust and support for the Company.



(Mr. Sarit Patanatmarueng)
Managing Director



รายนามคณะกรรมการบริษัทและคณะกรรมการตรวจสอบ



นายสรรเสริญ จุฬางกูร
Mr. Sunsurin Jurangkool
ประธานกรรมการ



นายชูทอง พัฒนะเมลิ้ง
Mr. Choothong Patanatmarueng
รองประธานกรรมการ



นายสริต พัฒนะเมลิ้ง
Mr. Sarit Patanatmarueng
กรรมการ และกรรมการผู้จัดการ



นายமாகาโต เทราอูรา
Mr. Makoto Teraura
กรรมการ



นายทวีฉัตร จุฬางกูร
Mr. Thaveechat Jurangkool
กรรมการ



นายกรกรฤช จุฬางกูร
Mr. Kornkrit Jurangkool
กรรมการ



นายคะซึโยชิ โองากิ
Mr. Katsuyoshi Ogaki
กรรมการ



นายกี วสุวัต
Mr. Kavee Vasuvat
กรรมการอิสระ และ
ประธานกรรมการตรวจสอบ



นายอภิรักษ์ ณ ระนอง
Mr. Apinan Na Ranong
กรรมการอิสระ และ
กรรมการตรวจสอบ



นายปริญญา ไหววัฒนา
Mr. Prinya Waiwatana
กรรมการอิสระ และ
กรรมการตรวจสอบ

รายนามคณะผู้บริหาร



นายสรสรเสริญ จุฬังกูร
Mr. Sunsum Jurangkool
ประธานเจ้าหน้าที่บริหาร



นายชูทอง พัฒนะเมลิอง
Mr. Choothong Patanatmarueng
รองประธานเจ้าหน้าที่บริหาร



นายสริศ พัฒนะเมลิอง
Mr. Sarit Patanatmarueng
กรรมการผู้จัดการ



นายคะซึโยชิ โองากิ
Mr. Katsuyoshi Ogaki
ผู้จัดการทั่วไปอาวุโส (โรงงาน)



นายนันทวี ทีคำเกต
Mr. Nuntavee Teekumgate
ผู้จัดการทั่วไปอาวุโส (สำนักงาน)
และรักษาการผู้จัดการทั่วไป (โรงงาน)

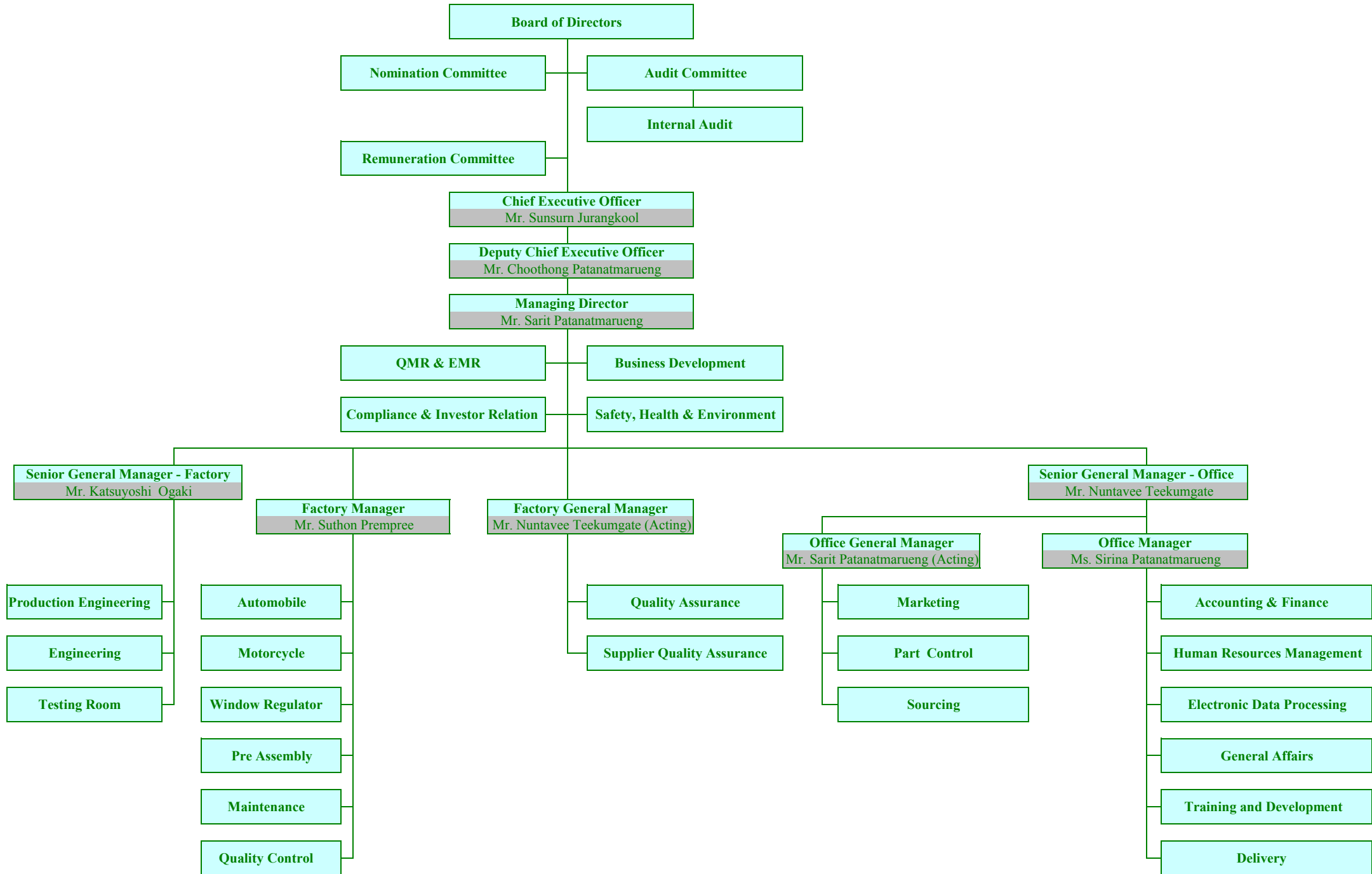


นางสาวสิริณา พัฒนะเมลิอง
Ms. Sirina Patanatmarueng
ผู้จัดการสำนักงาน



นายสุทน เปรมปรี
Mr. Suthon Prempre
ผู้จัดการโรงงาน

Organization Chart as of March 9, 2009



Corporate Background and Major Developments

Thai Steel Cable Company Limited (T S K) was established on June 12, 1978, with its first offices located on Soi Narksuwan, Sathupradith Road. The two principal founders of the Company were Mr. Sunsum Jurangkool and Mr. Choothong Patanatmarueng. Both had extensive experience in the automobile industry and enjoyed good relations with auto manufacturers, locally and abroad. The Company had initial registered capital of 4 million Baht. The corporate mission was to produce control cables used in motorcycles, for Thai motorcycle manufacturers. In the early stages of the business, production capacity was 250,000 pieces per year. Another major milestone was the increase in registered capital to 10 million Baht, through joint investment with HI-LEX Corporation, which is a major producer of automobile and motorcycle control cables in Japan and holds a 35% equity stake of total registered and paid-up capital in the Company.

Key changes and developments in the Company's history

- 2005 - The Company was granted ISO/TS 16949 standards certification for quality management systems in the automobile industry. This certification was issued to replace the previous QS 9000 certification.
- Transformed to public company, together with an increase in registered capital to 268.50 million Baht and an adjustment of the share par value to 1 Baht per share.
 - Listing on the Stock Exchange of Thailand
 - The Company's production capacity of automobile and motorcycle control cables totaled 23 million pieces per year. This can be categorised as 13 million automobile control cables per year, 10 million motorcycle control cables per year and 1.8 million automobile window regulator sets annually.
- 2006 At the end of 2006, the Company began the gradual process of relocating its factory and head office premises from Kingkaew Road, Samutprakarn Province to Amata Nakorn Industrial Estate in Chonburi Province. The new factory has a maximum production capacity of approximately 32 million pieces per year. This breaks down as approximately 18 million automobile control cables annually, 12.30 million motorcycle control cables yearly and 1.8 million automobile window regulator sets each year.
- 2007 - The Company relocated its head office from 57 Moo 6, Kingkaew Road, Tambol Rachataewa, Amphur Bangplee, Samutprakarn Province, to Amata Nakorn Industrial Estate, No.700/737 Moo 1, Tambol Panthong, Amphur Panthong, Chonburi Province. The new address was officially registered with the Department of Business Development, the Ministry of Commerce on January 3, 2007.
- The Company received two BOI privilege certificates. The amount of granted promotional incentives would vary depending on actual investment as of the commencement date of the operation.
 - Certificate 1 provided promotional incentives not exceeding 566.59 million baht for the relocation project of the existing facilities.
 - Certificate 2 provided promotional incentives for the Company's plant expansion project not exceeding 138.94 million baht.
 - In December 2007, the Company received Ford Q1 Award from AutoAlliance (AAT). This award is given to parts manufacturers for best quality management. Awarded companies earn a privilege to distribute automobile parts to Ford subsidiaries whose branches are located throughout the world.

- 2008 - In September 2008, the Company received Quality Control Cycle (QCC) Award from Thai Hino Co-Operation Club. This award concerns with quality control improvement through waste reduction in production process.
- In November 2008, the Company won the first prize of Toyota Production System (TPS) Award in Group Sub Leader category for the second year in a row from Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd. This award concerns with cost reduction from optimum utilization through resource management.



General Corporate Information

Registered company	Thai Steel Cable Public Company Limited Company registration number 0107574800145
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 Facsimile : (038) 447 259 - 60
Website	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  trademark and the trademarks of HI-LEX Corporation, namely  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 2008, 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	2006		2007		2008	
	Revenue Million Bt.	Ratio (%)	Revenue Million Bt.	Ratio (%)	Revenue Million Bt.	Ratio (%)
<u>Revenue from domestic sales</u>	2,131	97	2,110	95	2,152	92
- automobile control cables	1,073	49	1,230	55	1,299	56
- motorcycle control cables	461	21	439	20	473	20
- automobile window regulators	587	27	428	19	373	16
- others	10	-	13	1	7	-
<u>Revenue from overseas sales</u>	49	2	91	4	159	7
- automobile control cables	17	1	17	1	19	1
- motorcycle control cables	0.5	-	7	-	21	1
- automobile window regulators	0.07	-	1	-	50	2
- others	31	1	66	3	69	3
<u>Other income</u>						
- others	21	1	23	1	36	1
Total revenues	2,201	100	2,224	100	2,347	100

Industrial Trends and Competitive Situation in the Future

In 2008, Thailand encountered an economic depression caused by excessive subprime lending by U.S. financial institutions. Such problem culminated into a global economic crisis that has produced far-reaching impacts on economies of several countries, especially those of developed countries and export-dependent developing countries. These developing countries have been adversely affected by dwindling purchasing powers abroad. Such factors were attributed to a slowdown in the automobile industry late last year. In 2008, total production output of automobiles reached 1,394,029 units, up only 8% from the previous year and the production output of motorcycles totaled 3,011,688 units or 10% drop.

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 (%)
2006	1,188,044	646,838	541,206	6	3,543,683	1,968,017	1,575,666	1
2007	1,287,379	598,287	689,092	8	3,334,798	1,545,313	1,789,485	(6)
2008	1,394,029	610,317	783,712	8	3,011,688	1,756,476	1,255,212	(10)

Source: The Federation of Thai Industries


It is expected that in 2009 the automobile industry will be on a downward trend when compared to last year, whether it be production volume, domestic sales, and export volume. This predicament might be attributed to U.S. financial crisis, which has produced a shockwave throughout the entire world. Moreover, political uncertainties in Thailand also failed to pep up investment and consumption confidence. Such a strong signal reinforces the notion that consumer purchasing will decline and inevitably the automobile industry will be hard-hit. It is estimated that in 2009 total production output of automobiles would hover around 1.08 million units, plummeting 22% from last year and the production output of CBU motorcycles would be around 1.66 million units, down 13%.

However, the government has mulled over some support measures to stimulate the recovery in the automobile industry, whether it be building confidence in Thailand's economic and political situations, reducing automobile's excise tax to 3%, or implementing financial measures through state-owned banks to grant credit lines to improve cash flow of ailing manufacturers. Meanwhile, some automobile manufacturers announced that they would move their production facilities of some car models to Thailand, thus reaffirming that Thailand is still one of robust automobile production bases in the world. Even though the automobile industry in Thailand has been somewhat on a downside but it is anticipated that the industry can recover.

Risk Factors

Risk factors that may affect the Company's business are detailed as follows.

- **Risk from reliance on majority shareholders**

The Company has entered into a technical assistance agreement in relation to the trademark rights to the  and "HI-LEX" brands, as well as technical support for the production of automobile and motorcycle control cables and cable-type window regulators. The agreements were made in writing with HI-LEX Corporation. Currently, the Company already renewed the previous agreement which had lapsed. The new agreements will expire in 2011 and 2013 respectively. In addition, the Company purchases certain raw materials and components from Hi-Lex Corporation, comprising rubber materials and finished parts, since these are either not produced locally, are not economically feasible for the Company to manufacture itself, or the materials cannot be sourced domestically. The Company has not made any contracts whatsoever controlling the procurement of raw materials.

Nonetheless, the Company is confident in managing the risk associated with such raw materials and components purchases, since the Company can arrange procurement from other firms in Japan to replace HI-LEX Corporation at short notice, if necessary. However, this could result in higher costs. The Company has also attempted to seek local trade partners as a substituted source of local raw materials and components. Recently, it has already begun to source certain categories of materials and components from domestic suppliers, in order to reduce costs, particularly those relating to transportation and import tariffs. Meanwhile, with reference to the license and technical assistance agreement made with HI-LEX Corporation, the probability that this agreement will not be extended is minimal. This is because HI-LEX Corporation is a major shareholder in the Company, with a 27% equity stake. It has also provided the Company with an assurance in writing that it will extend the said contracts for an additional 5 years, upon the expiration of each of the current agreements (in accordance with HI-LEX Corporation's contract extension policy towards all business in its group). In addition, the two have enjoyed a mutual investment relationship lasting almost 3 decades. The Company is therefore confident that HI-LEX Corporation will continue to remain a shareholder and maintain its intention to support the Company in its future growth. Consequently, the level of risk for this factor is limited.

- **Risk from foreign competition**

The Company may encounter risk from foreign competitors who relocate their components manufacturing bases to Thailand, under Thailand's free trade agreements with other nations. The primary factors which allow operators to maintain their competitiveness are quality; production costs that meet customer requirements; punctual delivery; and after-sales services to instill customer confidence. The Company has formulated marketing strategies that focus on producing quality products, timely delivery, as well as product pricing that is reasonable and competitive in relation to other rivals. Moreover, the Company has a customer profile that includes good relations with leading producers that have manufacturing bases in Thailand. In addition, with its own product testing facilities, the Company could reduce operational time and expenses. Consequently, market entry risk of foreign competitors which can compete at the same level is rather low because of high investment and inability of potential competitors to undertake fully integrated operations similar to the Company.

- **Risk from raw material price fluctuations**

In 2008, the Company's main raw materials purchased were steel wire, plastic pellets, and rubber. These represented a value of more than 50% of the total materials and components value purchased by the Company. The prices of these raw materials are influenced by buying and selling price fluctuations, owing to the supply and demand of steel, plastic pellets and rubber in the world market. These factors are beyond the control of the Company. Despite this, if raw material price fluctuations should prove a significant factor, the Company believes that it can adjust the prices of its products to accommodate these fluctuations. This is because the conditions of the trading contracts made between the Company and its customers allow both parties to consider price adjustments on a periodic basis, such as every 6 months, or whenever raw material prices change by more than 3%. When price adjustments are made, both parties agree to institute the changes and in some cases, the customer agrees to back-adjustments of prices as well. Such adjustments help reduce the risk of raw materials price fluctuations.

- **Risk from foreign currency exchange fluctuations**

In 2008, the procurement of some of the Company's raw materials and components was imported from abroad. The proportion was approximately 37% of the total purchase amount of raw materials and components. The total annual value of the Company's raw material and components purchases made in foreign currency was equivalent to approximately 610 million Baht. The ratio of purchases made in Japanese Yen to the US Dollar was around 18 : 2. The highest average value of outstanding payments due at any given time does not exceed 63 million Baht. The Company therefore has some risk from foreign currency fluctuations if the exchange rate fluctuates.

However, the Company has been granted a credit line for the forward purchase of foreign currency by a certain financial institution, equivalent to a value of 130 million Baht. This facility allows the Company to reduce its risk from foreign currency exchange risk, as and when and it sees appropriate to do so.

- **Risk from reliance on major customers**

At present the Company currently has 5 principal customer groups, 3 of which are major automobile manufacturers and 2 of which are major motorcycle producers. Combined sales to these large customers represented a proportion of approximately 71% of the Company's revenues in 2008. Consequently, the Company has some sales risk in the event that any of these producers should decide to cut their output or discontinue their purchase orders with the Company. This in turn could affect its business, financial status and future operating performance. Nonetheless, the Company has been a significant producer of automobile and motorcycle control cables as well as window regulators for more than 30 years, developing manufacturing efficiency to a standard that has gained renown. Its manufacturing technology is of a pioneering quality and efficiency, earning the Company widespread acceptance. Production costs are also competitive. Furthermore, the Company has had business dealings with the major automobile and motorcycle producers for a considerable length of time. One of its major shareholders is HI-LEX Corporation, the leader in manufacturing control cables in Japan. The Company also related to Summit Corporation, which is among the largest automobile and motorcycle components makers in Thailand with longstanding experience in the industry and credibility for the quality of its products. Meanwhile, the product range offered by Summit Corporation covers almost every type of automobile and motorcycle component, such as the vehicle body, seats and side door panels. Thus, these factors help ensure that the potential for automobile and motorcycle manufacturers to switch their allegiance to rival firms is relatively low.

- **Risk from majority shareholder groups holding more than 50% of shares and having management control of the Company, wherein such majority shareholders may have a conflict of interest with the Company and/or other shareholders of the Company**

The Company currently has 3 major shareholder groups: Jurangkool family, Patanatmarueng family, and HI-LEX Corporation. Together, they hold a combined share of 77% of the Company's registered and paid-up capital. Consequently, they have the ability to control almost all the resolutions at Shareholder Meetings, with the exception of resolutions specified by Law or the Company's regulations, which require a vote of 3 in 4 at Shareholder Meetings. As a result, other shareholders may be unable to collect sufficient votes to ensure checks and balances for matters proposed by the majority shareholders. In some circumstances, the interests of majority shareholders may conflict with the interests of the Company, or with the interests of other Company shareholders. Moreover, the majority shareholders have management control of the Company, holding 7 Director seats on the Company's Board, out of a total of 10 Directors, as well as holding all the positions in the Executive Committee. There is therefore a risk that the majority shareholder groups exercise absolute control that may be used in matters that conflict with the Company's interests and/or those of minority shareholders. This could have an effect on the Company's business in the future.

Despite this, the Company believes that the appointment of 3 additional, external and Independent Directors allows the inspection of other Executives' actions and sufficiently oversees the interests of minority shareholders. The Company also commissioned outsiders to assess adequacy of the internal control system and to audit operations of various departments. With recommendations from these exercises, the Company further improved the internal control system in order to enhance operating efficiency of the internal control department. Thus, it is unlikely that such risk will happen.

- **Risk from compensation for warranty claims**

The Company has a duty to guarantee the quality of its products, as well as a responsibility to its customers. Any damage arising from the Company's products are specified in the purchase agreement as being the responsibility of the Company under the warranty claim. In the event that automobile and motorcycle manufactures should seek to call in their warranty claims in an amount equal to or exceeding the Company's sales, backed by a court ruling that the Company is indeed responsible, this could have a potential impact on the future of the business. In back-to-back type agreements, consumers can seek claims from automobile and motorcycle producers to offset damages owing to the products. If it can be proved that such damage is a result of the Company's defective products, it will be held jointly responsible for paying compensation. The agreements do not specify the maximum amount for which the Company may be liable. In addition, there are other costs associated with damages from defective products, such as the expense of repairs and related labor costs.

In each year, customers seek claims from the Company, but compared to overall sales, they represent a minimal fraction. Such claim is considered normal in business conducts of the automobile industry and does not constitute an influencing factor on customer's purchase decision. To date, warranty claims have had no significant bearing on the Company's operations whatsoever. The Company also highly emphasis the quality of its products: therefore, prior to delivering products to customers, the products have already been thoroughly tested and inspected. Warranty claim volumes are then summarized on a half-yearly basis and utilized to plan future product quality inspection and development programs. The Company is confident that these safeguards will help reduce the risk associated with compensation for warranty claims.

- **Risk from reliance on the automobile and motorcycle industries**

The Company's operations are influenced significantly by the automobile and motorcycle industries. If these industries experience a decline or a slowdown, the Company's business will similarly be affected. However, as the public sector has clearly announced its support for a policy to create Thailand as the "Detroit of Asia", including the Ministry of Industry's presentation of its Thailand Automotive Master Plan, the probability of a downturn scenario is limited. This in turn reduces the risk that the Company will be affected by its reliance on the automobile and motorcycle industries.

- **Risk from competition within the automobile and motorcycle components manufacturing industry**

The Company could potentially lose market share to its competitors, due to the intense competition within the automobile and motorcycle component manufacturing industry, both locally and abroad. There is thus a risk that this could affect its operations.

Since the production of automobile and motorcycle components requires highly efficient and accurate manufacturing processes, in order to ensure quality products in line with each customers' requirements. In addition, before ordering components for each model of automobile or motorcycle, the respective vehicle manufacturers will select the components manufacturers before actual production. The components manufacturers who pass selection will receive ongoing orders from the automobile or motorcycle manufacturers throughout the production run of that particular model. Furthermore, changes in automobile or motorcycle models have little effect on technological changes for the production of control cables or window regulators, especially motorcycles that continue to utilize similar control cables despite model changes. The Company has been recognized as a manufacturer of control cables for automobiles and motorcycles, as well as window regulators for automobiles with over 30 year experiences; it is also one of the country's largest in its field. Furthermore, it has a long-standing reputation and acceptance among automobile and motorcycle manufacturers. All these factors allow the Company to enjoy an advantage over its domestic competitors. Based on these considerations, the Company is confident that it will be able to continue to compete effectively with other industry players.

Shareholding Structure and Management

Major shareholders

The major shareholders of the Company as of February 27, 2009 are presented as below.

No.	Name	Number of shares	% of shares held
1	The Jurangkool Group	100,257,500	38.59
2	HI-LEX Corporation	70,000,000	26.94
3	The Patanatmarueng Group	29,497,600	11.35
4	Thai NVDR Company Limited	11,409,300	4.39
5	Mr. Sagha Veeravathaganon	8,000,000	3.08
6	นายไชยทัศน์ ไชยพิภัทรสุข	6,500,000	2.50
7	Mr. Dumrong Kulthanapong	6,000,000	2.31
8	Goldman Sachs International	4,431,500	1.71
9	กองทุนเปิด ไทยพาณิชย์หุ้นระยะยาวปันผล 70/30	1,596,800	0.61
10	นางสาววราภรณ์ สงฆ์ประชา	1,382,400	0.53
11	นายวิศุทธิ์ พู่เฟื่องมงคลกิจ	1,000,000	0.38
12	นายรุ่งกาด ไพสิฐพานิชตระกูล	926,600	0.36
13	Others	18,798,300	7.25
	Total	259,800,000	100.00

Note : 1) The Jurangkool Group comprises 3 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. Apichart Jurangkool holds 192,500 shares, or 0.07% of paid up capital
- Mr. Thaveechat Jurangkool holds 16,950,000 shares, or 6.52% of paid up capital

2) The top 10 major shareholders of HI-LEX Corporation are :

- | | |
|-------------------------------------------------------|--------|
| 1. Teraura Investment Co., Ltd. | 17.99% |
| 2. Steel Partners Japan Strategic Fund (Offshore). LP | 8.52% |
| 3. Teraura Scholarship Foundation | 4.06% |
| 4. JP Morgan Chase Bank | 3.85% |
| 5. Melon Bank Treaty Clients Omnibus | 3.58% |
| 6. Nippon Life Insurance Company | 3.40% |
| 7. Japan Trustee Services Bank, Ltd. | 3.08% |
| 8. Bank of New York, Treaty JASDEC Account | 2.34% |
| 9. Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2.32% |
| 10. Honda Motor Co., Ltd. | 2.22% |

(Data as of: October 31, 2008)

- 3) The Patanatmarueng Group comprises 4 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
 - Ms. Sirina Patanatmarueng holds 150,100 shares, or 0.06% of paid up capital
 - Mr. Sarit Patanatmarueng holds 350,100 shares, or 0.14% of paid up capital

Management

(1) Management structure

As of March 9, 2009, the Company's management structure comprises 4 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 Company's Board of Directors as per the certification of the Ministry of Commerce dated March 3, 2009 shows that there are 10 Directors comprising :

- Directors who also serve as Executives - 4 individuals
- Non-Executive Directors - 3 individuals
- Independent Directors - 3 individuals

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

No.	Name of Director	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

Note : The Meeting of the Board of Directors No. 4/2551 held on November 13, 2008 passed a resolution to appoint a new Director, Mr. Kornkrit Jurangkool to replace a Director who resigned, namely Mr. Apichart Jurangkool, effective as of November 13, 2008 onwards.

Ms. Visakorn Unphon serves as the Secretary to the Board of Directors and Company Secretary.

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 (A.D.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 (A.D.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 any 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, associated and related 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 Directors” of Thai Steel Cable Public Co., Ltd.

Of the three Independent Directors, one Director is a respected specialist in the automobile industry, while the other two Directors are experts in the field of management. The qualifications for Independent Directors are outlined as below:

1. Independent Directors do not hold shares in the Company or any related businesses or any juristic person that may hold potential conflict; this extends to holdings by persons related to the Independent Directors
2. Presently and two-year-period prior to the appointment, the Independent Directors shall have no participation in management of the Company; they are not employees, staff or consultants drawing a monthly salary; nor audit consultants, legal counsel, or controllers of the Company, affiliates, its related businesses, or any juristic person that may hold potential conflict or of the majority shareholder groups.
3. Independent Directors have no benefit or vested interest, whether direct or indirect, to the Company, its related businesses or of the majority shareholder groups.
4. Independent Directors are not close relatives or have other relations that compromise independence from management, the Company’s majority Shareholders, related businesses, or other juristic persons with a potential conflict of interest. Furthermore, they are not representatives appointed to protect the interests of Directors and major Shareholders.
5. Independent Directors shall not provide professional services or create significant connected transaction as indicated by SEC.
6. Independent Directors are able to freely express their opinions or report on performance in accordance with the duties as assigned by the Board of Directors. They are not controlled by management or majority shareholders of the Company, including related persons or close relatives of such individuals.

2. Audit Committee

The Meeting of the Board of Directors No. 4/2550 held on November 13, 2007 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). Mr. Prinya Waiwatana is an audit committee member who is highly knowledgeable and experienced in finance and accounting.

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

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

Qualifications “Audit Committee Member” of Thai Steel Cable Public Co., Ltd.

The Company has reviewed and added qualifications of audit committee member in accordance with a resolution of the Board of Directors Meeting No. 1/2552 that complies with the Office of the Securities and Exchange Commission's notification.

1. Audit committee members are an independent director appointed by the Board of Directors.
2. Audit committee members perform duties as stipulated by the Stock Exchange of Thailand.
3. One audit committee member must have sufficient knowledge and experiences to attest the integrity of financial statements.
4. Audit committee members are not a director assigned by the Board of Directors to make a decision about the Company’s business conducts, related businesses, or any juristic person that may have a conflict of interest.

5. Audit committee members do not engage in business management and they are neither an employee, staff, consultant that receives a monthly salary, nor other consultant of the Company, its subsidiaries, joint venture enterprises, related businesses, or any juristic person that may have a conflict of interest now and during a period of two years before such appointment.
6. Audit committee members receive no direct or indirect benefits or stakes from the Company, its subsidiaries, joint venture enterprises, or any major shareholder of the Company.
7. Audit committee members are not a close relative of any management executive, major shareholder of the Company, its subsidiaries, joint venture enterprises, related businesses, or any juristic person that may have a conflict of interest. Moreover, they are not appointed to be a proxy who protects any director or major shareholder's interests that may disrupt his/her independence.
8. Audit committee members do not have business ties through provision of professional services and any relationship through related transactions in accordance with a degree of significance stipulated in the Committee on Capital Market Supervision's notification.
9. Audit committee members can independently perform their duties in terms of expression of their viewpoints or report performance of their duties designated by the Board of Directors.

3. Nomination Committee

The Meeting of the Board of Directors No. 4/2551 held on November 13, 2008 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 Director	Designation
1	Mr. Thaveechat Jurangkool	Chairman of the Nomination Committee
2	Mr. Sarit Patanatmarueng	Nomination Committee Director
3	Mr. Kornkrit Jurangkool	Nomination Committee Director

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. 4/2551 held on November 13, 2008 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 Director	Designation
1	Mr. Kavee Vasuvat	Chairman of the Remuneration Committee
2	Mr. Apinan Na Ranong	Remuneration Committee Director
3	Mr. Prinya Waiwatana	Remuneration Committee Director

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 Directors and Remuneration Committee Directors for proposal to the Board of Directors and consideration by the Shareholders' Meetings of such policies.

Executives

As of March 9, 2009, 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 (Office)
4	Mr. Katsuyoshi Ogaki	Senior General Manager (Factory)
5	Mr. Nuntavee Teekumgate	Senior General Manager (Office) and Acting General Manager (Factory)
6	Mr. Suthon Prempree	Factory Manager
7	Ms. Sirina Patanatmarueng	Office Manager

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 assignation 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 with regards to 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. Negotiate and review contract documentation relating 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, the 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 method 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

1. Monetary remuneration in 2008

- the total monetary remuneration for the Board of Directors of the Company was 755,000 Baht
- the total monetary remuneration for the Audit Committee was 300,000 Baht
- the total monetary remuneration for the Remuneration Committee was 75,000 Baht
- the total monetary remuneration for the Nomination Committee was 75,000 Baht
- the total monetary remuneration for eight management executives was 39.78 million baht (remuneration is in a form of monthly salary and annual bonus) (one executive resigned in May 2008)

Name	Board of Directors (Baht)	Audit Committee (Baht)	Remuneration Committee (Baht)	Nomination Committee (Baht)
1. Mr. Sunsum Jurangkool	105,000		25,000	
2. Mr. Choothong Patanatmarueng	100,000		25,000	
3. Mr. Sarit Patanatmarueng	75,000			25,000
4. Mr. Makoto Teraura	-			
5. Mr. Apichart Jurangkool	-			
6. Mr. Thaveechat Jurangkool	75,000			
7. Mr. Katsuyoshi Ogaki	100,000			
8. Mr. Kavee Vasuvat	100,000	100,000	25,000	
9. Mr. Apinan Na Ranong	100,000	100,000		25,000
10. Mr. Prinya Waiwatana	100,000	100,000		25,000
Total	755,000	300,000	75,000	75,000

Note : In 2008, the Board of Directors determined remuneration and the Nomination Committee held one meeting in February 2008.

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 conducts ongoing training to keep its employees aware of such issues and 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	Shareholding (%) (As of February 27, 2009)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
1. Mr. Sunsum Jurangkool	67	Secondary School	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	
					1986 – Present	Chairman, Director, Authorized Director	Summit Auto Body Industry Co., Ltd.	Manufacture of automobile body parts, mold and die	
					1972 – Present	Chairman, Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat	
					1991 – Present	Chairman, Director, Authorized Director	Summit Laemchabang Auto Body Work Co., Ltd.	Produce body parts and exhaust system equipment	
					1991 – Present	Chairman, Director, Authorized Director	Summit Laemchabang Auto Seats Manufacturing Co., Ltd.	Manufacture of automobile seat frame and adjusting devices	
					1991 – Present	Chairman, Director, 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, Director, Authorized Director	Eastern P.U. Foam Industry Co., Ltd.	Manufacture automobile seat foam	
					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	
					1996 – Present	Chairman, Director, Authorized Director	Summit Auto Tech Industry Co., Ltd.	Manufacture of exhaust muffler system	
					2002 – Present	Chairman, Director, Authorized Director	Auto Interior Products Co., Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					1988 – Present	Vice Chairman	Bangkok Eagle Wings Co., Ltd.	Press Part	
					1982 – Present	Chairman, Director, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch and accelerator cable	
					1994 – Present	Chairman, Director, Authorized Director	Kallawis Auto Parts Industry Co., Ltd.	Produce medium wheel	
					1997 – Present	Chairman, Director, Authorized Director	Summit Ansei Auto Parts Co., Ltd.	Produce car door lock and hood lock	
1990 – Present	Chairman, Director, Authorized Director	Summit Advanced Material Co., Ltd.	Import of steel sheet/coil, coil center						
1996 – Present	Chairman, Director, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry						

First name - Last name	Age	Education	Shareholding (%) (As of February 27, 2009)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					1996 – Present	Chairman, Director, Authorized Director	Summit Kurata Manufacturing Co., Ltd.	Produce steering columns	
					1994 – Present	Chairman, Director, Authorized Director	SNC Sound Proof Co., Ltd.	Manufacture and export of raw material for making of automobile sound proof part	
					1993 – Present	Chairman, Director, Authorized Director	Summit Showa Manufacturing Co., Ltd.	Produce choke absorbers	
					1988 – Present	Chairman, Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture and distribute steering wheel and transmission	
					1995 – Present	Chairman, Director, Authorized Director	STB Textiles Industry Co., Ltd.	Manufacture of fabric for automobile use	
					1974 – Present	Chairman, Director, Authorized Director	Thai Auto Industry Co., Ltd.	Manufacture and sell pressed parts for automobile and motorcycle	
					1994 – Present	Chairman, Director, Authorized Director	Thai Seat Belt Co., Ltd.	Manufacture and distribute of seat belts and seat belts cable	
					1996 - Present	Chairman, Director, Authorized Director	Thai Auto Wheel Co., Ltd.	Export medium wheel	
					2004 – Present	Chairman, Director, Authorized Director	Summit Otsuka Manufacturing Co., Ltd.	Produce car parking hand-break	
					2003 - Present	Vice Chairman, Authorized Director	Marubishi Summit Industry Vietnam Co., Ltd.	Manufacture automobile parts	
					2004 – Present	Chairman, Director, Authorized Director	Summit Haiya (Thailand) Co., Ltd.	Produce and maintain machine and production equipment	
					1999 – Present	Director, Authorized Director	Johnson Controls & Summit Interiors Co., Ltd.	Manufacture of automobile seat and interior parts	
					1998 – Present	Director, Authorized Director	Keiper Summit Industry (Thailand) Co., Ltd.	Manufacture of automobile seat parts	
					1995 – Present	Chairman, Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry	
					2002 – Present	Director	HSH Co., Ltd.	Invest and hold shares in other businesses	
					2004 – Present	Director	Hayama Intertrade Co., Ltd.	Sale floor carpet	
					2005 – Present	Chairman, Director, Authorized Director	Summit Rieter Nittoku Sound Proof Co., Ltd.	Manufacture and export of automobile soundproof parts	
					2004 – Present	Director	JRK Auto Parts PVT. Ltd.	Produce automotive electronic parts	

First name - Last name	Age	Education	Shareholding (%) (As of February 27, 2009)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					1987 – Present	Chairman, Director, Authorized Director	Summit Electronic Components Co., Ltd.	Produce electronic parts	
					2006 – Present	Chairman, Director, Authorized Director	Summit Fujikiko Kurata Manufacturing Co., Ltd.	Produce steering columns	
					2006 – Present	Chairman, Director, Authorized Director	Top Flight Electronic & Automotive Co., Ltd.	Produce automotive electronic parts	
					2002 – Present	Chairman, Director, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf club service	
					2007 - Present	Chairman, Director, Authorized Director	Summit On Green Media Co., Ltd.	Printing service	
					2007 - Present	Chairman, Director, Authorized Director	Summit Green Valley Chiangmai Golf Club Co., Ltd.	Golf club service	
					2007 - Present	Chairman, Director, Authorized Director	Casma Racing Co., Ltd.	Produce automotive electronic parts	
					2008 - Present	Chairman, Director, Authorized Director	Summit Auto Body Skill Development Center Co., Ltd.	Training service	
					2008 - Present	Chairman, Director, 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	
2. Mr. Choothong Patanatmarueng	65	M.A., Political Science, Ramkhamhaeng University <u>Training:</u> - Director Accreditation Program: (DAP) Ref. 35/2005 : IOD	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	Chairman, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch, and accelerator cable	
					1995 – Present	Chairman, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry	
					1996 – Present	Chairman, 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	Co-President, Authorized Director	Amata Summit Ready Built Co., Ltd.	Plant rental/selling service	

First name - Last name	Age	Education	Shareholding (%) (As of February 27, 2009)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
3. Mr. Sarit Patanatmarueng	34	M.A., Business Administration, New Hampshire College, USA Training: - Director Certification Program: (DCP) Ref. 42/2004 : IOD	0.14	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
					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	
					1996 – Present	Director, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
4. Mr. Makoto Teraura	71	Mechanical Engineering, Faculty of Technology, Shizuoka University, Japan	-	-	1981 – Present	Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1995 – Present	Director	Chongqing TSK Control Cable System 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 control cable for automobile/motorcycle and car window regulator	
					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	
					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	
					1999 – Present	Chairman	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	Kanto HI-LEX, 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	Director	PT. HI-LEX Indonesia	Manufacturer of control cable for automobile/motorcycle	
					1989 – Present	Director	PT. HI-LEX Parts Indonesia	Manufacturer of car component	
					1973 – Present	Director	Tajima TSK, Inc.	Manufacturer of car component	
					1973 – Present	Director	Tanba Cable, Inc.	Manufacturer of car component	
1972 – Present	Director	TSK (Korea) Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator						

First name - Last name	Age	Education	Shareholding (%) (As of February 27, 2009)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					2002 – Present	Director	Yantai TSK Cable System Co., Ltd.	Manufacturer of car component	
					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	
5. Mr. Thaveechat Jurangkool	37	MBA., Finance, Webster University	6.52	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
					1995 – Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry	
					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	
					1996 – Present	Director, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
					1998 – Present	Director	Keiper Summit Industry (Thailand) Co., Ltd.	Manufacture of automobile seat parts	
					1994 – Present	Director, Authorized Director	SNC Sound Proof Co., Ltd.	Manufacture and export of raw material for making of automobile sound proof part	
					2003 – Present	Director, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch, and accelerator 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	
					2002 – Present	Director	Thai Seat Belt Co., Ltd.	Manufacture and distribute of seat belts and seat belts cable	
					2002 – Present	Director, Authorized Director	Summit Advanced Material Co., Ltd.	Import of steel sheet/coil, coil center	
					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 Engineering Center Co., Ltd.	Design & manufacture of various kinds of die and mold	
					1996 – Present	Director, Authorized Director	Summit Auto Tech Industry Co., Ltd.	Manufacture of exhaust muffler system	
					1993 – Present	Director, Authorized Director	Summit Auto Body Industry Co., Ltd.	Manufacture of automobile body parts, mold and die	
					2002 – Present	Director, Authorized Director	Summit Corporation Co., Ltd.	Investment and shareholding in various business	

First name - Last name	Age	Education	Shareholding (%) (As of February 27, 2009)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					2002 – Present	Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat	
					1998 – Present	Director, Authorized Director	Modern Products Industry Co., Ltd.	Manufacture of wood printing and coating of auto parts	
					2002 – Present	Director, Authorized Director	Auto Interior Products Co., Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					1995 – Present	Director, Authorized Director	Eastern P.U. Foam Industry Co., Ltd.	Manufacture automobile seat foam	
					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	
					2004 – Present	Director	JRK Auto Parts PVT. Ltd.	Produce automotive electronic parts	
					2003 – Present	Director	Marubishi Summit Industry Vietnam Co., Ltd.	Manufacture automobile 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	J-Max Monopoly Corporation Co., Ltd	Purchase sell, and rent real estate property	
					2007 – Present	Director, Authorized Director	J-Max Property Assesst Co., Ltd	Produce, purchase, and rent of machine supply and spare parts	
					2007 - Present	Director, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf club 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	
					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	
6. Mr. Kornkrit Jurangkool	31	M.A., Technology Management Program, American InterContinental University, Los Angeles, USA Training: - Director Accreditation Program (DAP) Ref. 77/2009 : IOD	-	Son of Mr. Sunurn Jurangkool	2008 - Present	Director, Nomination Committee, Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2006 - Present	Corporate Planning Director	Summit Auto Body Industry Co., Ltd.	Manufacturer of automobile body parts, mold and die	
					2005 - 2006	Administration Manager	Summit Auto Body Industry Co., Ltd.	Manufacturer of automobile body parts, mold and die	

First name - Last name	Age	Education	Shareholding (%) (As of February 27, 2009)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
7. Mr. Katsuyoshi Ogaki	58	Machine and Technology Course, Higashiyodo Technical High School, Japan <u>Training:</u> - Director Accreditation Program (DAP) Ref. 74/2008 : IOD	-	-	2008 - Present	Director, Senior General Manager (Factory 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.		
					2005 - 2006	Vice Chairman	Chongqing TSK Control Cable System Co., Ltd.		
					2001 - 2005	Team Leader of Quality Assurance Group	HI-LEX Corporation		
8. Mr. Kavee Vasuvat	74	B.A., Engineering Electric Power, Royal Melbourne Institute of Technology (RMIT), Australia <u>Training</u> - Director Accreditation Program (DAP) Ref. 23/2004 : IOD - Director Certification Program (DCP) Ref. 58/2005 : IOD - Audit Committee Program (ACP) Ref. 10/2005 : IOD - Monitoring the System of Internal Control and Risk Management (MIR) Ref. 2/2008 : IOD - Role of the Compensation Committee (RCC) Ref. 6/2008 : IOD	-	-	2005 - Present	Independent Director, Chairman of the Audit Committee, Chairman of the Remuneration Committee	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					Present	Honorable President	Thai Automotive Industry Association		
					Present	Honorable Chairman	Automotive Industry Club, Federation Thai Industries		
					Present	Advisor	Society of Automotive Engineers – Thailand		
					Present	Director	Thailand Automotive Institute		
					2000 - Present	Independent Director, Audit Committee	Thai Rung Union Car Plc.		

First name - Last name	Age	Education	Shareholding (%) (As of February 27, 2009)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
9. Mr. Apinan Na Ranong	59	B.A., Business Administration, Chiang Mai University <u>Training</u> - Director Accreditation Program (DAP) Ref. 35/2005 : IOD - Audit Committee Program (ACP) Ref. 9/2005 : IOD - Monitoring the System of Internal Control and Risk Management (MIR) Ref. 2/2008 : IOD	-	-	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, Executive Director	Terrene Intertrade Co., Ltd.	Organizer of Air Force Convention Hall	
					2008 – Present	Independent Director	Apex Development Plc.	Organizer of real estate development project	
10. Mr. Prinya Waiwatana	62	B.A., Accounting, Chulalongkorn University <u>Training</u> - Director Accreditation Program (DAP) Ref. 35/2005 : IOD - Audit Committee Program (ACP) Ref. 9/2005 : IOD - Director Certification Program (DCP) Ref. 72/2006 : IOD - Monitoring the System of Internal Control and Risk Management (MIR) Ref. 2/2008 : IOD	-	-	2005 – Present	Independent Director, Audit Committee, Remuneration Committee	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2007 – Present	Independent Director	Ascon Construction Plc.	Property & Construction	
					2006 – Present	Partner and Manager	P & Associate	Accounting and taxation consulting service	

Corporate Governance

The Board of Directors appreciates its roles, duties, and responsibilities to the Company, stakeholders, and shareholders by adhering to the guideline for listed companies 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 2008 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 website (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 as follows:

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.

Moreover, the meeting regulation also allows shareholders to nominate two independent directors who will be appointed as an audit committee member and a nomination committee member. These two nominees are proxies of shareholders. The proxy form is a standard form on which comments about voting on 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) in advance, the Company makes an announcement via SET news to inform shareholders that they can learn this information in the Company's website approximately one month in advance. Such information is exactly the same as the information presented in a documentary format which is delivered to shareholders. The invitation letter and accompanying documents will be delivered to shareholders 14 days before a meeting date.
3. Shareholders can download various information from the Company's website (www.thaisteelcable.com) such as financial data, the Company's information, and information about the meeting. The website 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 in advance: Shareholders can learn from SET news that announces availability of such information in the Company's website together with other relevant information such as relevant criteria and method, such as a single shareholder or a number of shareholders with total shares held at least 100,000 shares or 0.04% of the paid-up capital, 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 registered post of the original proposal must be delivered to the Secretary to the Board of Directors. After receiving a proposal, the Board of Directors will scrutinize such matter based on a formal procedure. Previously, there has not been any submission of proposal of additional agenda item.

5. The Company accommodated the needs of shareholders and encouraged shareholders to exercise their rights and vote in a full swing such as selection of a meeting venue which is convenient for shareholders. In 2008, the Company held the General Shareholders' Meeting at Swissotel Le Concord hotel which is located at the center of Bangkok and readily accessible by any mode of transportation. The Company made an announcement about the meeting in newspapers. At the meeting, the Company arranged reception staff to welcome and give advice to attendees and the registration began two hours before the meeting. If a shareholder cannot attend the meeting, he/she can sign a proxy form to authorize three persons but only one proxy can attend the meeting. Moreover, shareholders can also assign either one of two independent directors, including an audit committee member and nomination committee member, as proxies.

6. Shareholders' meeting: The Company held one 2008 Annual General Shareholders' Meeting on 28 April 2008. Before the meeting started, the Chairman assigned the Secretary to the Board of Directors as an assistant chairperson for the proceeding. The Secretary informed shareholders about the meeting's ground rules and the voting method.

Shareholders were allowed to comment and ask questions. 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 were also given opportunities to send questions or other vital information of the Company in advance since the meeting's 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. Furthermore, ballots were required for each agenda item whereby shareholders needed to fill out information in case they disagreed with certain agenda, particularly director's appointment. Moreover, shareholders were also permitted to cast votes for each director.

The Company does not have a policy to derogate the rights of shareholders by abruptly distributing extra document 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 shareholder. In this regard, video and audio recording of meeting can always be examined.

7. Shareholders' minutes of meeting report indicates name of any director who attends or fails to attend meeting. In the 2008 Annual General Shareholder's Meeting, the Chairman of the Company, chairpersons of sub-committees, 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 website for shareholders' scrutiny.

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).

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 customer, competitor, environment, community, and 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, and library. 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. Competitor

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

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 website. 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 2008, the following committee members attended each committee's meetings:

Attendance / Total number of meetings

Name of Director	Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
1. Mr. Sunsurun Jurangkool	3/4	-	-	1/1
2. Mr. Choothong Patanatmarueng	4/4	-	-	1/1
3. Mr. Sarit Patanatmarueng	3/4	-	1/1	-
4. Mr. Makoto Teraura	0/4	-	-	-
5. Mr. Apichart Jurangkool	0/4	-	-	-
6. Mr. Thaveechat Jurangkool	3/4	-	-	-
7. Mr. Katsuyoshi Ogaki	4/4	-	-	-
8. Mr. Kavee Vasuvat	4/4	4/4	-	1/1
9. Mr. Apinan Na Ranong	4/4	4/4	1/1	-
10. Mr. Prinya Waiwatana	4/4	4/4	1/1	-

4. The Company is utterly concerned with disclosure of relevant information to investors so that investors can receive accurate, transparent, and thorough information. Compliance and Investor Relation Department which is assigned to oversee information disclosure acts as a company representative to communicate relevant information, provide information services, and report the Company's activities to institutions, investors, shareholders, analysts, general public, and relevant authorities. To this end, the Company invites investors and analysts to meet with the management that provides information and answers any questions on a regular basis. Additional information may be requested at the Compliance and Investor Relation Department.

• Ms. Visakorn Unphon Tel : (038) 447 200 - 21 ext. 411
 Fax: (038) 185 034
 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)

4. Responsibilities 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. The management reviewed these codes and ensured that employees understand and strictly adhere to these principles. A guideline booklet was published so that employees can easily understand. These guidelines were also announced via the intranet system and posted on the Company's PR board. The outsourced professionals were hired to assess adequacy of the internal control system according to control environment guidelines of COSO, thus ensuring that the Company has disseminated such information so that relevant information is acknowledged, understood, and acted upon by all employees.

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 Board of Directors established various committees, including Audit Committee, Nomination Committee, and Remuneration Committee, and determines their duties and responsibilities. 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 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 2008 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. The Company holds board meeting at least four times a year and each director will be informed of scheduled meeting in advance. In a board meeting, the Board of Directors, Chairman, Managing Director, and Secretary collectively select various matters for inclusion in an agenda and ensure that crucial matters are included in each agenda. Each director can independently propose an agenda item.

The Secretary to the Board 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's Secretary.

Minutes of meeting of the Board of Directors contains essential information such as meeting date, time when meeting is called to order 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, name of rapporteur, 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.

8. 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.
9. Regarding the development of board members and management executives, the Company organizes and supports training and educational programs for board members that regularly attend several training programs of the Institute of Thai Directors Association (IOD).
10. The Board of Directors appointed a Secretary to the Board and already informed the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand about the appointment. The duties of the Secretary to the Board shall conform to the stipulation in the Securities and Exchange Act B.E. 2551(2008).

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 20 of the Notes to the Financial Statements for year ended December 31, 2008

(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 or its corporate auditors 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 and Certified Auditors.

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 auditor, or 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, 2008. The Company has complied with generally accepted accounting principles and also complied with the relevant Laws and regulations.



(Mr. Sarit Patanatmarueng)
Managing Director



(Mr. 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 that comprises three independent directors whose qualifications fully meet the Securities and Exchange Commission's notification. These directors include

- | | |
|-------------------------|---------------------------------|
| 1. Mr. Kavee Vasuvat | Chairman of the Audit Committee |
| 2. Mr. Apinan Na Ranong | Audit Committee Director |
| 3. Mr. Prinya Waiwatana | Audit Committee Director |

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 notification.

In 2008, the Audit Committee held four meetings. In some circumstances, the Audit Committee also attended meetings with top management and auditors as deemed appropriate. All audit committee members had perfect attendance in all required meetings. The essence of the Audit Committee's performance can be summarized as follows:

1. Review quarter and annual financial statements to ensure that the Company's financial reporting was properly conducted in accordance with generally accepted accounting standards. In addition, information disclosure was also adequate, complete, and trustworthy. Prepared financial reports were submitted to the Board of Directors for approval.
2. Review to ensure that the Company maintains a suitable, adequate, and efficient internal control system. In this regard, internal audit experts were commissioned to assess and conduct internal audit in accordance with the annual audit plan reviewed and approved by the Audit Committee. The annual audit plan encompasses operations of all internal operating units in the Company. Moreover, the Internal Audit Department was also assigned to follow up and rectify deficiencies described in the audit report. It was discerned that the Company's internal control system was adequate and suitable with nature of business and no major shortcoming in the internal control system was found.
3. Review to ensure that the Company complied with laws concerning securities and the stock market and other laws pertinent to its business operations. It was discerned that the Company properly complied with regulations and requirements of the Stock Exchange of Thailand and relevant laws.
4. Review and comment on connected transactions or any transaction which might pose conflict of interest. It was discerned that there was no transaction that posed conflict of interest and the Company disclosed related information correctly and thoroughly.
5. Consider and propose selection of auditors and audit fee to the Board of Directors for approval at a shareholders' meeting. The Audit Committee recommended appointment of Mr. Somsit Techamontrikul and/or Ms. Janyaporn Techamontrikul and/or Ms. Pranee Phonngam from United Auditing PKF Limited, as auditors for the year 2008. The audit fee totaled 550,000 baht.



(Mr. Kavee Vasuvat)
Chairman of the Audit Committee

Explanation and Analysis of Financial Status and Operating Performance

Operating performance

In 2008, the Company's total assets, liabilities, and shareholders' equity amounted to 1,859, 376, and 1,483 million baht respectively. Comparing the operating performance in 2008 to the same period in 2007, in 2008 and 2007 its total revenue amounted to 2,347 and 2,224 million baht respectively, an increase of 123 million baht or up 6% from the previous year and its net profit totaled 192 and 200 million baht respectively, yielding net profit margin of 8% and 9% respectively, or down 1%. Details are as follows:

- **Revenue**

In 2008, total revenue amounted to 2,347 million baht, an increase of 123 million baht or up 6% from the previous year. Primarily, revenue increase of 110 million baht was contributed by domestic and export sales and other incomes rose by 13 million baht. Details are as follows:

- Revenue from automobile control cable sales totaled 1,318 million baht, an increase of 71 million baht or up 6% from the previous year. This was due to additional orders placed by major customers that produced additional models in their product lines.

- Revenue from motorcycle control cable sales totaled 494 million baht, an increase of 48 million baht or up 11% from the previous year. This was due to additional orders placed by customers that added around five new models in their product lines.

- Revenue from window regulator sales totaled 423 million baht, a decrease of 6 million baht or down 1% from the previous year. This was due to suspended production of some automobile models prior to the phasing-in of new models.

- Revenue from other incomes amounted to 36 million baht, an increase of 13 million baht. Most revenue came from rental at the existing production facilities.

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

- Cost of goods sold amounted to 1,885 and 1,791 million baht respectively. The cost of goods sold to total revenue ratio totaled 80% and 81% respectively, or 1% drop. Primarily, this decrease was contributed by a reduced number of contracted staff. This was due to the fact that in 2007 an unusually high number of new staff was recruited to accommodate the relocation of production facilities.

- Selling and administrative expenses amounted to 257 and 223 million baht respectively. The selling and administrative expenses to total revenue totaled 11% and 10% respectively, an increase of 1%. This was primarily attributed to employee-related expenses.

- **Financial status**

- **Assets**

On December 31, 2008, the Company's total assets amounted to 1,859 million baht, a decrease of 37 million or down 2% from the previous year. Major reasons include:

- Current assets totaled 885 million baht, a decrease of 29 million baht or down 3% from the previous year. This was attributed by reduced cash of 4 million baht, and due to higher sales revenue, the Company disbursed additional licensing fee of 2 million baht. Moreover, the Company also disbursed for construction expenses of the refurbishment of production plant and office buildings.

- Non-current assets totaled 975 million baht, a decrease of 7 million baht or 0.7% drop. This was due to sales of company vehicles.

Liabilities

In 2008, total liabilities amounted to 376 million baht, a decrease of 99 million baht or 21% drop. This was mainly due to a decrease of trade accounts payable and accrued licensing fee.

Shareholders' equity

In 2008, total shareholders' equity amounted to 1,483 million baht, an increase of 62 million baht or up 4% from the previous year. This was due to the fact that in 2008 the Company's net profit rose by 192 million baht and dividend payout amounted to 130 million baht.

Meanwhile, book value per share in 2008 stood at 5.71 baht per share, an increase of 0.24 baht per share (in 2007, it was 5.47 baht per share). Debt to equity (D/E) ratio in 2008 and 2007 was 0.2 and 0.3 times respectively. This was due to the fact that total liabilities declined by 21% and shareholders' equity rose by 4%.

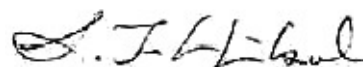
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the balance sheets of Thai Steel Cable Public Company Limited as at December 31, 2008 and 2007, the related statements of income, the statements of changes in shareholders' equity and the statements of cash flows for the years 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, 2008 and 2007, and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.



Mr.Somsit Techamontrikul
Certified Public Accountant No.430
United Auditing PKF Limited

Bangkok
February 25, 2009.

THAI STEEL CABLE PUBLIC COMPANY LIMITED
BALANCE SHEETS
AS AT DECEMBER 31, 2008 AND 2007

ASSETS		2008	2007
			(‘Baht)
Current assets	Note		
Cash and cash equivalents	5	197,043,236.94	260,776,866.13
Temporary investment	6	60,000,000.00	-
Accounts and notes receivables	7	404,385,256.21	423,516,117.90
Inventories	8	205,557,157.96	212,836,951.51
Other current assets		17,578,593.73	16,889,929.98
Total current assets		884,564,244.84	914,019,865.52
Non - current assets			
Long - term investments	20.1	25,704,000.00	25,704,000.00
Property, plant and equipment - net	9	834,419,604.74	841,871,022.17
Non - operating asset - net	10	111,361,347.62	113,851,259.97
Intangible asset - net	11	2,821,647.39	-
Other non - current assets		230,474.59	234,474.59
Total non - current assets		974,537,074.34	981,660,756.73
Total assets		1,859,101,319.18	1,895,680,622.25

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

THAI STEEL CABLE PUBLIC COMPANY LIMITED
BALANCE SHEETS (Continued)
AS AT DECEMBER 31, 2008 AND 2007

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	2008	2007
			('Baht)
Current liabilities			
Accounts and notes payable		290,741,834.41	394,245,996.59
Asset payable		3,927,076.77	8,654,988.72
Hire - purchase payable due within 1 year	13	938,854.44	-
Other payable		17,949,730.64	12,573,695.78
Accrued expenses		38,131,190.21	40,313,274.17
Other current liabilities		16,449,913.04	15,913,082.43
Total current liabilities		368,138,599.51	471,701,037.69
Non - current liabilities			
Hire - purchase payable	13	1,358,662.91	-
Provision of liabilities	14	6,394,248.57	2,814,120.30
Total non - current liabilities		7,752,911.48	2,814,120.30
Total liabilities		375,891,510.99	474,515,157.99
Shareholders' equity			
Share capital			
Authorized share capital			
268,500,000 ordinary shares of Baht 1.00 each		268,500,000.00	268,500,000.00
Issued & paid-up share capital			
259,800,000 ordinary shares of Baht 1.00 each		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	15	26,850,000.00	26,850,000.00
Unappropriated		731,689,623.64	669,645,279.71
Total shareholders' equity		1,483,209,808.19	1,421,165,464.26
Total liabilities and shareholders' equity		1,859,101,319.18	1,895,680,622.25

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

THAI STEEL CABLE PUBLIC COMPANY LIMITED
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	Note	2008	2007
			('Baht)
Revenues from sales		2,310,846,212.84	2,200,626,955.08
Cost of goods sold		<u>(1,885,435,371.69)</u>	<u>(1,791,311,891.78)</u>
Gross profit		425,410,841.15	409,315,063.30
Other revenues		<u>36,016,636.78</u>	<u>22,999,298.06</u>
Profit before expenses		<u>461,427,477.93</u>	<u>432,314,361.36</u>
Selling expenses		62,921,241.28	67,123,092.02
Administrative expenses		188,958,437.94	153,115,314.88
Directors' remuneration		1,205,000.00	1,130,000.00
Other expenses		<u>3,674,333.60</u>	<u>1,503,167.17</u>
Total expenses		<u>256,759,012.82</u>	<u>222,871,574.07</u>
Profit before cost of financial and income taxes		204,668,465.11	209,442,787.29
Cost of financial		<u>89,868.69</u>	<u>7,386.93</u>
Profit before income taxes		204,578,596.42	209,435,400.36
Income taxes	17	<u>12,634,252.49</u>	<u>9,751,839.62</u>
Net profit		<u>191,944,343.93</u>	<u>199,683,560.74</u>
Earnings per share			
Basic earnings per share		<u>0.74</u>	<u>0.77</u>
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 SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

					('Baht)	
		Issued & paid-up share capital	Premium on share capital	Retained earnings	Total	
	Note	<u> </u>	<u> </u>	<u>Appropriated Legal reserve</u>	<u>Unappropriated</u>	
Beginning balances as at January 1, 2007		259,800,000.00	464,870,184.55	26,850,000.00	599,861,718.97	1,351,381,903.52
Dividend	19	.	-	-	(129,900,000.00)	(129,900,000.00)
Net profit		-	-	-	199,683,560.74	199,683,560.74
Ending balances as at December 31, 2007		<u>259,800,000.00</u>	<u>464,870,184.55</u>	<u>26,850,000.00</u>	<u>669,645,279.71</u>	<u>1,421,165,464.26</u>
Beginning balances as at January 1, 2008		259,800,000.00	464,870,184.55	26,850,000.00	669,645,279.71	1,421,165,464.26
Dividend	19	.	-	-	(129,900,000.00)	(129,900,000.00)
Net profit		-	-	-	191,944,343.93	191,944,343.93
Ending balances as at December 31, 2008		<u>259,800,000.00</u>	<u>464,870,184.55</u>	<u>26,850,000.00</u>	<u>731,689,623.64</u>	<u>1,483,209,808.19</u>

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, 2008 AND 2007

	2008	2007
		('Baht)
Cash flows from operating activities		
Net profit before income tax	204,578,596.42	209,435,400.36
Item to reconcile net profit to net cash flows from operating activities		
Depreciation of assets	70,731,737.79	69,539,856.05
Amortization intangible asset	171,412.61	-
(Gain) loss from sale assets	1,752,638.90	(93,387.09)
Loss from write off fixed assets	178,551.58	627,938.67
Amortization non-deduction duty fee	8,698,478.00	-
Provision of liabilities	6,079,767.84	2,814,120.30
Unrealized (gain) loss on exchange rate	3,457,965.76	(1,357,515.92)
Interest income	(2,397,423.66)	(1,441,164.07)
Interest expenses	89,868.69	7,386.93
	293,341,593.93	279,532,635.23
(Increase) decrease in accounts and notes receivable	18,448,547.78	(47,352,109.55)
(Increase) decrease in inventories	7,279,793.55	38,464,650.50
(Increase) decrease in other current assets	(8,831,926.65)	(51,820.57)
(Increase) decrease in other non-current assets	4,000.00	20,000.00
Increase (decrease) in accounts and notes payable	(106,279,814.03)	48,847,814.25
Increase (decrease) in other payable	5,376,034.86	3,743,616.41
Increase (decrease) in accrued expenses	(1,668,861.20)	(37,408,827.21)
Increase (decrease) in other current liabilities	536,830.61	7,243,608.83
Increase (decrease) in provision of liabilities	(2,499,639.57)	-
Cash received from operating	205,706,559.28	293,039,567.89
Cash received from interest income	1,842,208.56	1,514,229.14
Cash payment for interest expenses	(89,868.69)	(7,386.93)
Cash payment for income taxes	(13,406,952.75)	(30,375,013.05)
Net cash provided by (used in) operating activities	194,051,946.40	264,171,397.05

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, 2008 AND 2007

	2008	2007 (‘Baht)
Cash flows from investing activities		
Cash payment for purchase temporary investment	(60,000,000.00)	-
Cash payment for purchase fixed assets	(67,765,484.81)	(82,844,358.90)
Cash payment for purchase intangible asset	(2,993,060.00)	-
Cash received from sale fixed assets	3,140,134.51	690,693.46
Net cash provided by (used in) investing activities	<u>(127,618,410.30)</u>	<u>(82,153,665.44)</u>
Cash flows from financing activities		
Cash payment for hire-purchase assets	(526,642.79)	-
Cash payment for dividend	(129,640,522.50)	(129,953,975.25)
Net cash provided by (used in) financing activities	<u>(130,167,165.29)</u>	<u>(129,953,975.25)</u>
Net increase (decrease) in cash and cash equivalents	<u>(63,733,629.19)</u>	<u>52,063,756.36</u>
Cash and cash equivalents at beginning of the period	260,776,866.13	208,713,109.77
Cash and cash equivalents at end of the period	<u>197,043,236.94</u>	<u>260,776,866.13</u>

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, 2008 AND 2007

1. Company operations

Thai Steel Cable Public Company Limited 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

2.1 The Company do this account in Baht and prepared financial statement following enactment in Thai language follow accounting standard and general accounting receiving in Thailand. For the comfortable of the reader, the company translate the financial statement to English from Thai language and in accordance with the regulations of the Stock Exchange of Thailand dated January 22, 2001, regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of listed companies B.E.2544

The financial statements of the Company for the year 2008, are prepared in compliance with the Notification of the Department of Business Development regarding “The Brief Particulars in the financial statements B.E. 2552” dated January 30, 2009, which are effective for financial periods beginning on or after January 1, 2009 onwards. The Company early adopted such announcement in advance of its effective date. The 2007 financial statements presentation has been reclassified accordingly (See note 27).

These financial statements have been prepared on the historical cost convention except as disclosed in the accounting policies.

2.2 Adoption of new accounting standards which are not effective

The Federation of accounting professions (FAP) has issued Notifications No. 86/2551 held on November 12, 2008, regarding Thai Accounting Standards (TAS), which have been published in Royal Gazette. The Notifications mandate the use of the following Thai Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled.

TAS 36 (revised 2007) Impairment of assets

TAS 54 (revised 2007) Non-current assets hold for sale and discontinued operation

These two accounting standards will become effective for the financial statements for fiscal year beginning on or after January 1, 2009. The company’s management have assessed these Thai accounting standards will not have a significant impact on the financial statements for the year in which they are initially applied.

3. Summary of significant accounting policies

- 3.1 The Company recognizes the revenue from sales when goods and right are delivered. Other revenue and expenses are recognized on accrual basis.
- 3.2 Cash and cash equivalents is cash on hand and at financial institute, not include cash at financial institute due over 3 months and cash at financial institute that is used for collateral
- 3.3 Account receivables 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 valuated in relation to the current financial status of each account receivables.
- 3.4 Inventories are stated at cost base on weighted average moving for monthly method, or net realizable value whichever is lower.
- 3.5 Investment
- 3.5.1 Investment in debt that nearly expire in one year and holding until determine. Debt are stated at cost amortize less impairment (if any). The Company amortized premium/discount debt value following effective interest rate. Quantity that sell shown by adjust with income interest.
- 3.5.2 Long term investment is the money that invest in non listed equity, The company classify to be general investment are stated at cost less impairment (if any).
- 3.6 Property, plant and equipment are stated at cost, less accumulated depreciation and impairment (if any) depreciation is calculated by the straight – line method, base on the estimated useful life of assets as follows:-

Street improvement	20	Years
Buildings and structures	20	Years
Office building	20	Years
Building-factory improvement	20	Years
Building-office improvement	20	Years
Machinery and equipments	10	Years
Tools	5 - 10	Years
Molds	5 - 10	Years
Office equipments	5 - 10	Years
Furniture and fixtures	5 - 10	Years
Vehicles	10	Years

- 3.7 Non-operating assets consist of building office and equipment from old establishment that not use and stated at cost, less accumulated depreciation and impairment (if any).

- 3.8 Intangible 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

- 3.9 The Company recognized the contribution to the provident fund as expenses during the year.
- 3.10 The Company recognized the corporate income tax to payment as expense during the year.
- 3.11 Foreign currency transactions are recorded in the following exchange rates as follows:
- Transactions throughout the year are converted into Baht at the rates of transaction dates.
 - 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 date.
 - Gains or loss on exchange rate are recognized as revenues or expenses in the statement of income.
- 3.12 Basic earnings per share calculated by dividing net profit for the each year by the weighted average number of ordinary shares at the end of the each year.
- 3.13 Critical judgements 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 readily 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 judgements and estimation that will effect on the amounts and disclosures are as follows:
- 3.13.1 Allowance for doubtful accounts
The Company estimated the allowance for doubtful accounts by historical uncollected experiences, condition of economic and the account receivable's ability for the repayment.
- 3.13.2 Net realizable value
The company estimated the net realizable value from estimates selling price in normal business conditions less selling expenses.
- 3.13.3 Useful life for building and equipment
The company review useful life of building and equipment at the end of each year.
- 3.13.4 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.
- 3.13.5 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.

3.13.6 Fair value of financial instruments

In assessment fair value of financial instruments are no 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.

3.13.7 The estimation of accounting

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.

4. Supplement cash flows information

In 2008, the Company bought computer in the amount of Baht 2,363,636, by doing hire purchase contract in the amount of Baht 2,824,160.14. This transaction was not related with cash flows in investing activities and financing activities.

5. Cash and cash equivalents

Cash and cash equivalents of the Company as at December 31, 2008 and 2007 are as follows:

	2008	2007
	('Baht)	
Cash on hand	100,000.00	50,000.00
Cash at financial institute	185,817,889.46	249,900,146.81
Fixed deposit 3 months	11,125,347.48	10,826,719.32
Total	<u>197,043,236.94</u>	<u>260,776,866.13</u>

6. Temporarily investment

In 2008, the company has investment in bill of exchange with a commercial bank in the amount of Baht 60 million due for three months, with 3, interest rate at 3.75% per annum, due on April 2, 2009.

7. Accounts and notes receivable

Accounts and notes receivable of the Company as at December 31, 2008 and 2007 are as follows:

	2008	2007
	('Baht)	
Accounts receivable - domestic	331,473,049.94	363,685,113.52
Accounts receivable - foreign	68,939,981.42	39,550,193.70
Notes receivable	3,972,224.85	20,280,810.68
Total	<u>404,385,256.21</u>	<u>423,516,117.90</u>

Outstanding accounts receivable as at December 31, 2008 and 2007 can be analyzed as follows:

	2008	(‘Baht) 2007
0 – 3 months	381,423,813.51	399,816,391.56
3 – 6 months	18,326,220.42	3,402,056.75
6 – 12 months	662,997.43	16,858.91
Total	400,413,031.36	403,235,307.22

8. Inventories

Inventories of the Company as at December 31, 2008 and 2007 are as follows:

	2008	(‘Baht) 2007
Finished goods	31,940,358.84	36,025,632.04
Work in process	4,350,256.49	2,739,252.15
Raw material	155,722,315.54	152,622,420.40
Raw material in transit	13,544,227.09	21,449,646.92
Total	205,557,157.96	212,836,951.51

9. Property, plant and equipment - net

Property, plant and equipment of the Company has movement transaction as follows:

	Balance as at December 31, 2007	Additions	Disposals	Others	('Bant) Balance as at December 31, 2008
Cost					
Lands	189,150,387.04	-	-	(647,888.24)	188,502,498.80
Buildings and structures	284,595,198.58	-	-	-	284,595,198.58
Office buildings	81,150,153.42	-	-	-	81,150,153.42
Building-factory improvement	4,618,310.50	7,279,135.00	-	-	11,897,445.50
Machineries and equipments	407,892,083.67	6,212,933.85	(2,979,646.07)	29,322,249.56	440,447,621.01
Tools	63,861,908.57	4,969,755.09	(326,410.26)	7,919,983.25	76,425,236.65
Molds	38,593,452.57	1,029,165.75	(31,136.36)	-	39,591,481.96
Office equipments	51,538,991.14	6,761,919.69	(2,447,810.53)	(52,374.94)	55,800,725.36
Office equipment under financial lease	-	2,360,800.00	-	-	2,360,800.00
Furniture and fixtures	1,651,444.57	92,550.00	-	3,495,644.16	5,239,638.73
Vehicles	50,992,214.00	-	(7,228,014.00)	-	43,764,200.00
Assets under installation	8,784,642.52	37,189,609.98	-	(37,785,210.79)	8,189,041.71
Total	<u>1,182,828,786.58</u>	<u>65,895,869.36</u>	<u>(13,013,017.22)</u>	<u>2,252,403.00</u>	<u>1,237,964,041.72</u>
Less Accumulated depreciation					
Buildings and structures	(18,149,893.68)	(14,229,759.94)	-	810.19	(32,378,843.43)
Office buildings	(4,044,906.30)	(4,057,507.63)	-	-	(8,102,413.93)
Building improvement	(182,443.42)	(501,551.99)	-	-	(683,995.41)
Machineries and equipments	(237,980,041.82)	(26,899,213.04)	2,979,780.66	-	(261,899,474.20)
Tools	(26,339,655.81)	(9,590,660.97)	170,878.75	97,862.98	(35,661,575.05)
Molds	(24,367,034.24)	(3,642,388.88)	-	-	(28,009,423.12)
Office equipments	(17,411,509.61)	(6,127,209.12)	1,843,650.07	48,248.68	(21,646,819.98)
Office equipment under financial lease	-	(427,903.67)	-	-	(427,903.67)
Furniture and fixtures	(115,735.17)	(520,700.45)	-	(381,521.42)	(1,017,957.04)
Vehicles	(12,366,544.36)	(4,734,842.10)	3,385,355.31	-	(13,716,031.15)
Total	<u>(340,957,764.41)</u>	<u>(70,731,737.79)</u>	<u>8,379,664.79</u>	<u>(234,599.57)</u>	<u>(403,544,436.98)</u>
Property, plant and equipment-net	<u>841,871,022.17</u>	<u>(4,835,868.43)</u>	<u>(4,633,352.43)</u>	<u>2,017,803.43</u>	<u>834,419,604.74</u>
Depreciation of the assets for the year	<u>69,539,856.05</u>				<u>70,731,737.79</u>

Asset with deduct all depreciation but can be used has book value before less accumulated depreciation as at December 31, 2008 and 2007, in the amount of Baht 167.87 million and Baht 166.24 million respectively.

10. Non - operating asset - net

Non - operating asset of the Company has movement transaction as follows:

	Balance as at December 31, 2007	Additions	Disposals	Others	('Bant) Balance as at December 31, 2008
Cost					
Land and improvement	45,151,821.95	-	-	647,888.24	45,799,710.19
Buildings and structures	116,111,595.37	-	-	-	116,111,595.37
Building improvement	23,881,423.14	-	-	-	23,881,423.14
Furniture and fixtures	4,539,335.92	-	(202,118.13)	(3,497,644.16)	839,573.63
Total	<u>189,684,176.38</u>	<u>-</u>	<u>(202,118.13)</u>	<u>(2,849,755.92)</u>	<u>186,632,302.33</u>
Less Accumulated depreciation					
Improvement	(2,890,398.24)	-	-	-	(2,890,398.24)
Buildings and structures	(59,364,437.41)	-	-	(810.19)	(59,365,247.60)
Building improvement	(12,577,091.26)	-	-	-	(12,577,091.26)
Furniture and fixtures	(1,000,989.50)	-	179,716.67	383,055.22	(438,217.61)
Total	<u>(75,832,916.41)</u>	<u>-</u>	<u>179,716.67</u>	<u>382,245.03</u>	<u>(75,270,954.71)</u>
Non - operating asset	<u>113,851,259.97</u>	<u>-</u>	<u>(22,401.46)</u>	<u>(2,467,510.89)</u>	<u>111,361,347.62</u>

In 2008, the company has transfer non-operating asset to operating asset.

11. Intangible asset – net

Intangible asset of the Company as at December 31, 2008 and 2007 are as follows:

	2008	2007
	('Baht)	
Purchase software system	2,993,060.00	-
Amortizes	<u>(171,412.61)</u>	<u>-</u>
Net	<u>2,821,647.39</u>	<u>-</u>

12. Overdrafts from the financial institutes

The Company has entered into overdraft agreement with several local commercial banks in the amount of Baht 60 million with the interest rate of MOR per annum. These loans are guaranteed by fixed deposit of some directors and machine equipment. As at December 31, 2008 and 2007, the Company do not used that loan.

13. Hire-purchase payable

Hire-purchase payable of the Company as at December 31, 2008 and 2007 are as follows:

	Due within 1 year		Due over 1 year but not over 5 years	
	2008	2007	2008	2007
	('Baht)			
Hire-purchase payable	938,854.44	-	1,358,662.91	-
Less deferred interest expenses	<u>(125,467.03)</u>	<u>-</u>	<u>(73,787.69)</u>	<u>-</u>
Net	<u>813,387.41</u>	<u>-</u>	<u>1,284,875.22</u>	<u>-</u>

14. Provision of liability

Provision of liability of the Company as at December 31, 2008 and 2007 are as follows:

	2008	2007
	('Baht)	
Beginning provision of liability – quality guarantee	2,814,120.30	-
Plus Increase provision of liability – quality guarantee	<u>6,079,767.84</u>	<u>2,814,120.30</u>
	8,893,888.14	2,814,120.30
Less Decrease provision of liability – quality guarantee	<u>(2,499,639.57)</u>	<u>-</u>
Ending provision of liability – quality guarantee	<u>6,394,248.57</u>	<u>2,814,120.30</u>

15. Capital management

Company objective in company asset management is to maintain corporation continually operation ability to make return on equity holder and gains profit to other stack 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.

16. 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.

17. Income tax

The Company is a public limited company listed on the Stock Exchange of Thailand, therefore the Company get the incomes taxes rate decrease from 30% to 25% starting from the registered date until the next continuously 5 years, before or after the first accounting periods that registered on the Stock Exchange of Thailand, follow the regulation of property and Stock Exchange. The Company has been corporate income tax rate at 21% since for the year ended December 31, 2005.

In year 2007, 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 year 2008 and 2007, the Company has part of net profit from promote business and has part of net profit from non-promoted business, that the company has considered to be expense follow revenue code.

18. Expenses by nature

Expenses by nature for the years ended December 31, 2008 and 2007, that occurred from important expenses are as follow:-

	2008	2007
		('Baht)
Changing finish good and work in process	(2,474,268.86)	(7,511,697.63)
Raw material and supply use	1,577,781,514.26	1,461,595,892.65
Staff expenses	256,901,390.68	239,141,379.92
Depreciation and amortization	70,903,150.40	69,539,856.05
Loss on exchange rate	19,748,517.42	-

19. Dividend

According to the Ordinary Shareholders' Meeting No.1/2008, held on April 28, 2008, approve to pay dividends to the shareholders at Baht 0.50 per share in the amount of Baht 129.90 million. The Company has pay dividends on May 2008.

According to the Ordinary Shareholders' Meeting No.1/2007, held on April 24, 2007, approve to pay dividends to the shareholders at Baht 0.50 per share in the amount of Baht 129.90 million. The Company has pay dividends on May 2007.

20. Related party transactions

20.1 Long-term investment of the Company as at December 31, 2008 and 2007 as follows:

	Type of Business	Nature of relationship	Issued and Paid - up Share Capital		Shareholding (%)		Cost Method	
			2008	2007	2008	2007	2008	2007
			('Baht)					
General Investment								
Hi-Lex Vietnam Co., Ltd	Manufacturing Composition of Motor vehicle	Shareholder	USD 11,150,000	USD 9,800,000	6.30	7.14	25,704,000.00	25,704,000.00
Total							<u>25,704,000.00</u>	<u>25,704,000.00</u>

20.2 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 follow:

	Nature of Relationship	(Million Baht)	
		As at December 31, 2008	2007
Balance			
Related party			
Account receivable			
Summit Autoseats Industry Co., Ltd.	Common shareholder and director	1.14	1.81
Summit Autobody Industry Co., Ltd.	Common shareholder and director	2.48	7.21
Summit Laemchabang Autoseat Manufacturing Co., Ltd.	Common shareholder and director	0.98	1.07
Summit Anse Autopart Co., Ltd.	Common shareholder and director	4.60	3.18
Summit Osuka Manufacturing Co., Ltd.	Common shareholder and director	2.80	2.75
Johnson Controls and Summit Interiors Co., Ltd.	Common shareholder and director	1.93	0.82
Hi-Lex Vietnam Co., Ltd.	Affiliated company,	4.07	7.23
PT. Hi – Lex Indonesia	Common shareholder and director	56.54	26.62
Hi-Lex Do Brasil LTDA	Common shareholder	0.17	0.30
Hi-Lex India Private Limited	Common shareholder and director	0.02	1.43
Hi-Lex Corporation	Shareholder	3.27	1.67
Armstrong Cycle Parts SDN. BHD.	Common shareholder	2.64	1.61
Guangzhou TSK Control Cable Co., Ltd.	Common shareholder and director	0.03	-
Hi-Lex Cable System	Common shareholder	1.39	-
Account payable			
Complete Autopart Co., Ltd.	Common shareholder and director	5.15	16.52
Complete Autorubber Manufacturing Co., Ltd.	Common shareholder and director	1.81	2.61
Thai Auto Industry Co., Ltd.	Common shareholder and director	0.01	0.47
PT. Hi-Lex Indonesia	Common shareholder and director	0.18	0.25
Hi-Lex Corporation	Shareholder	37.05	47.79
Yantai TSK Cable Sytem Co., Ltd.	Common shareholder and director	2.34	1.36
TSK (Korea) Co., Ltd.	Common shareholder and director	2.09	-
Chongqing TSK Control Cable System Co., Ltd.	Common shareholder and director	0.03	-
Hi-Lex America	Common shareholder and director	0.10	-
Accrued royalty			
Hi-Lex Corporation	Shareholder	15.31	17.32

	Nature of Relationship	(Million Baht)	
		For the year ended December 31,	
		2008	2007
Revenues and expense			
Related party			
Revenue from sales			
Summit Autoseats Industry Co., Ltd.	Common shareholder and director	5.44	5.54
Summit Autobody Industry Co., Ltd.	Common shareholder and director	19.91	21.22
Summit Laemchabang Autoseats Manufacturing Co., Ltd.	Common shareholder and director	5.23	6.08
Summit Anse Autopart Co., Ltd.	Common shareholder and director	24.39	20.51
Summit Osuka Manufacturing Co., Ltd.	Common shareholder and director	15.70	11.75
Johnson Controls and Summit Interiors Co., Ltd.	Common shareholder and director	6.95	3.01
Hi-Lex Vietnam Co., Ltd.	Affiliated company, Common shareholder and director	17.23	26.32
Hi-Lex Do Brasil LTDA	Common shareholder	0.21	0.63
Hi-Lex India Private Limited	Common shareholder and director	3.65	6.17
PT. Hi-Lex Indonesia	Common shareholder and director	102.64	30.35
Hi-Lex Corporation	Shareholder	18.74	17.30
Armstrong Cycle Parts SDN. BHD.	Common shareholder	10.82	8.11
Guangzhou TSK Control Cable Co., Ltd.	Common shareholder and director	0.03	-
Hi-Lex Cable System	Common shareholder	3.72	-
Purchase raw material			
Complete Autopart Co., Ltd.	Common shareholder and director	40.33	60.22
Complete Autorubber Manufacturing Co., Ltd.	Common shareholder and director	7.59	8.49
Thai Auto Industry Co., Ltd.	Common shareholder and director	0.72	2.04
PT. Hi-Lex Indonesia	Common shareholder and director	0.81	1.13
Hi-Lex Corporation	Shareholder	379.35	303.02
TSK (Korea) Co., Ltd.	Common shareholder and director	5.17	0.06
Hi-Lex Mexicana	Common shareholder	-	2.48
Hi-Lex America	Common shareholder and director	1.30	-
Hi-Lex Vietnam Co., Ltd.	Affiliated company, Common shareholder and director	0.06	-
Yantai TSK Cable Sytem Co., Ltd.	Common shareholder and director	5.74	1.28
Chongqing TSK Control Cable System Co., Ltd.	Common shareholder and director	0.05	-
Purchase fixed asset			
TSK (Korea) Co., Ltd.	Common shareholder and director	-	1.66
Hi-Lex Corporation	Shareholder	2.30	0.71
Hi-Lex America	Common shareholder and director	0.08	-
Royalty			
Hi-Lex Corporation	Shareholder	32.79	33.63

21. 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.

22. Long – term contract

22.1 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 sale on No.18.2, 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.

22.2 Company has agreement to pay copyright cost to one foreign juristic person that don't have end term. Year 1 – 2 2% interest start since 2002 and year 3 hence 3% interest of product circulation following agreement to turn raw material and equipment buy rate total component packaging price and transportation price of foreign juristic person. Copyright Due date 2 time per year with in 60 days since every end of June and December of year in order. In 2007, the Company abolish product following this agreement so in 2008 not paid royalty.

22.3 As at December 31, 2008, the Company has rental expenses to spend in future under financial lease contact following;

	('Baht)
Due within 1 year	877,434.06
Over 1 year not over 5 years	1,269,778.42

23. 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:

- 23.1 Exemption from corporate income tax for profit derived from promoted activities for a period of seven year.
- 23.2 Permission to deduct loss occurring throughout promotion 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 23.1 above.
- 23.3 Exemption of income tax on dividends paid from the Company which has been promoted privileges throughout the corporate income tax exemption period.
- 23.4 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 23.1 expired in year 2013.

24. 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, 2008		('Baht)
	Promoted business	Non-promoted business	Total
Revenue			
Revenue from sale	2,104,448,154.73	206,398,058.11	2,310,846,212.84
Interest revenue	940,736.08	1,456,687.58	2,397,423.66
Other revenue	4,753,310.22	28,865,902.90	33,619,213.12
Total	<u>2,110,142,201.03</u>	<u>236,720,648.59</u>	<u>2,346,862,849.62</u>

	For the year ended December 31, 2007		('Baht)
	Promoted business	Non-promoted business	Total
Revenue			
Revenue from sale	2,019,050,960.37	181,575,994.71	2,200,626,955.08
Interest revenue	480,889.55	960,274.52	1,441,164.07
Other revenue	6,646,530.81	14,911,603.18	21,558,133.99
Total	<u>2,026,178,380.73</u>	<u>197,447,872.41</u>	<u>2,223,626,253.14</u>

25. Letters of Guarantee

- 25.1 As at December 31, 2008 and 2007, the Company has obtained letters of guarantee issued by a local financial institute to the Provincial Electricity Authority and Metropolitan Power Board in the amount of Baht 1.74 million and Baht 2.89 million respectively. Which included guaranteed with bank overdrafts.
- 25.2 As at December 31, 2008, the Company has obtained letters of guarantee issued by a local commercial bank to import duty payment in the amount of Baht 8.62 million.

26. Presentation and disclosure for financial instruments

26.1 Default risk

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

26.2 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.

26.3 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 hight transaction. As at December 31, 2008, The company has foreign exchange assets and liability, as follow:

Currency	Financial assets (million)	Financial liability (million)
USD	1.87	0.28
YEN	8.62	138.51

26.4 Interest rate risk

Interest rate risk occurred from changing in market interest rate, which may cause losses to the Company in this and next periods onwards. The Company has contact of bank overdraft.

26.5 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 and accounts and notes receivable are financial assets, therefore book value are equal to the estimated fair value.
- Accounts payable, asset payables and other payables have market rate, book value are equal to the estimated fair value.
- As at December 31, 2008 and 2007, 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.

27. Effective from changing the Thai Accounting Standard

The Federation of accounting professions (FAP) has issued Notifications about revised Thai Accounting Standards which have been obligated to use with the financial statements for fiscal year beginning on or after January 1, 2008 by having effectively to the Company are TAS 25 Cash Flow Statements and TAS 35 Presentation of Financial Statements. The Company has changed presenting balance sheet, the statement of income and the statement of cash flows for the year ended December 31, 2007, which were shown to compare in order to follow the Thai Accounting Standards.

28. Approving of the financial statements

The financial statements are approved by authorized directors of the Company held on February 25, 2009.

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 500,000 baht (five hundred thousand baht).
- Accommodation and traveling expenses of the auditors amounted to 57,200 baht (fifty-seven thousand and two hundred 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 five years during 2004 - 2008 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 | Mr. Somsit Techamontrikul
Certified Public Accountant No. 430
United Auditing PKF Limited
100 Rama IV Road, Samphanthawong, Bangkok 10100.
Tel. (02) 623 3300
Fax. (02) 623 3020 - 1 |



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