



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

รายงานประจำปี 2552  
Annual Report 2009



## **วิสัยทัศน์ / VISION**

เป็นผู้ผลิตสายควบคุมยานยนต์อันดับหนึ่งของเอเชียตะวันออกเฉียงใต้

*To be no. 1 automotive control cable manufacturer in Southeast Asia.*

## **ภารกิจ / MISSION**

1. ขยายผลิตภัณฑ์สู่ตลาดต่างประเทศ

*Expand to foreign markets.*

2. เพิ่มการจัดตั้งหน่วยออกแบบและวิจัยพัฒนาสายควบคุมยานยนต์

*Establish design and R&D capability.*

3. ยกระดับประสิทธิภาพองค์กร

*Upgrade corporate capability.*

## Contents

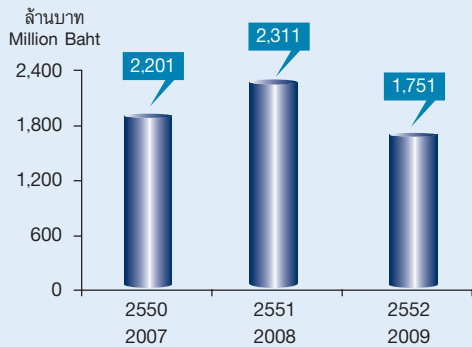


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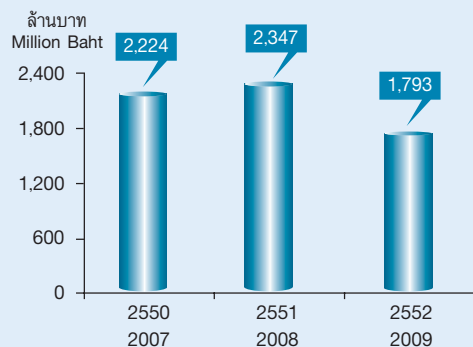
# จุดเด่นทางการเงิน / Financial Highlights

(หน่วย : ล้านบาท / Unit : Million Baht)

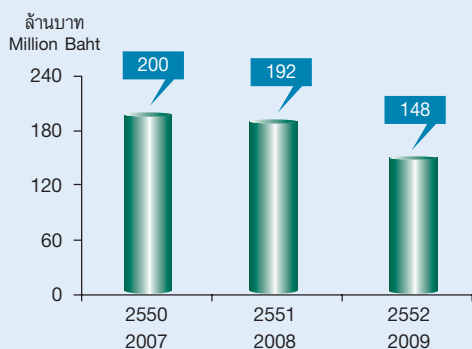
รายได้จากการขาย / Revenues From Sales



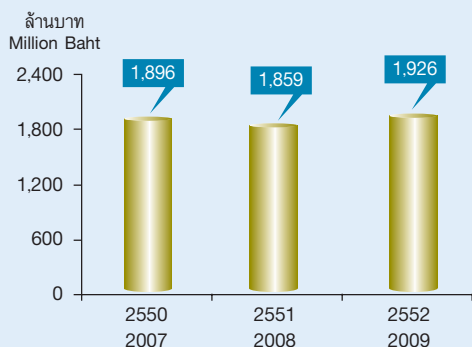
รายได้ทั้งหมด / Total Revenues



กำไรสุทธิ / Net Earnings



สินทรัพย์รวม / Total Assets



งบการเงินของบริษัท ณ 31 ธันวาคม

Financial Statement as of December 31<sup>st</sup>

	2550 2007	2551 2008	2552 2009
<b>ผลการดำเนินงาน</b>			
Operating Performance			
รายได้จากการขาย	2,201	2,311	1,751
Revenues from Sales			
รายได้ทั้งหมด	2,224	2,347	1,793
Total Revenues			
ค่าใช้จ่ายรวม	2,014	2,142	1,638
Total Expenses			
กำไรก่อนดอกเบี้ยจ่ายและภาษีเงินได้	209	205	155
Earnings Before Interest Expense and Income Tax			
กำไรสุทธิ	200	192	148
Net Earnings			
<b>ฐานะทางการเงิน</b>			
Financial Situation			
สินทรัพย์หมุนเวียน	914	885	972
Current Assets			
สินทรัพย์รวม	1,896	1,859	1,926
Total Assets			
หนี้สินรวม	475	376	425
Total Liabilities			
ส่วนของผู้ถือหุ้น	1,421	1,483	1,501
Shareholders' Equity			
<b>ข้อมูลต่อหุ้น (หน่วย : บาท)</b>			
Per Share Data (Unit : Baht)			
กำไรสุทธิต่อหุ้น	0.77	0.74	0.57
Earnings per Share (EPS)			
เงินปันผลต่อหุ้น	0.50	0.50	0.50
Dividend per Share			
มูลค่าตามบัญชีต่อหุ้น	5.47	5.71	5.78
Book Value per Share			
<b>อัตราส่วนทางการเงิน (หน่วย : %)</b>			
Financial Ratios (Unit : %)			
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น (เท่า)	0.33	0.25	0.28
Debt/Equity Ratio			
อัตรากำไรสุทธิต่อรายได้รวม	9	8	8
Net Earnings Margin			
อัตราผลตอบแทนต่อส่วนผู้ถือหุ้น	14	13	10
Return on Equity (ROE)			
อัตราผลตอบแทนจากสินทรัพย์รวม	11	10	8
Return on Asset (ROA)			

## Message from Chairman of the Board of Directors

In 2009, financial problems of a few big countries have impacted other countries severely and resulted in substantial economic turmoil throughout the world, including Thailand.

Under such circumstances, the Company revised its business operation plan to embrace the realities and such adjustment was deemed successful. As a result, the Company could shore up the operating results in 2009, generating a net profit of 148 million Baht while cash and provisional investment worth 344 million Baht. Thus, our financial standing is sound and the Company has no debts. Judging from its operating performance and financial status, the Board of Directors resolved to propose to the 2010 Annual General Shareholders' Meeting an approval of dividend payment for the year 2009 at 0.50 Baht per share or around 88% of the net profit in 2009. The Company will use the net profit generated from its BOI business to pay for dividends so that shareholders will also benefit from withholding tax waiving.

In 2010, the Company will continue to pursue its current business policies, that is, high-quality products while maintaining efficient operation at a suitable cost, upholding business ethics as well as good governance and corporate governance principles as practiced in the past. Consequently, the Company was jointly assessed by the Office of the Securities and Exchange Commission and the Thai Investors Association and obtained "excellent" marks for the organization of the 2009 Annual General Shareholders' Meeting.

I would like to thank everyone, including all customers and business partners as well as private and public organizations which always provide great supports to the Company. Lastly, I also would like to express my appreciation for the efforts made by the management and our employees to ensure satisfactory operating results throughout the year.



A handwritten signature in black ink, which appears to be "Sun. J.", written in a cursive style.

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

## Message from Vice Chairman

In 2009, in Thailand the automobile production volume totaled 999,378 units, down 28%, and the motorcycle production volume totaled 1,634,113 units (only CBUs), down 14%. Besides the global economic crisis, the declined volume was also caused by the political instability in Thailand which has spoiled investment and consumption climate. Therefore, the Company revised business operation plan and controlled expenses tightly to ensure that the operating results would be close to the targets as much as possible.

Thailand situates in the central of the region, is easily accessible by modes of transport, has production bases of several automobile makers and has suitable wages and investment friendly laws. Even though the political situation has been quite volatile, repercussions on vehicle industries were rather moderate. After scrutinizing various factors and the assessment of the Federation of Thai Industries, it is expected that automotive industry will expand in terms of the production volume that serves domestic sales and exports. Therefore, the Company is confident that this industry will recover and still be a principal industry which will gain further supports from the government.

I would like to express my gratitude to shareholders, customers, trade partners, benefactors and various agencies for their trust and everlasting supports. Best wishes to the management and TSC employees for their continual dedication to the Company.



A handwritten signature in dark ink, consisting of a stylized 'V' followed by a series of loops and a final horizontal stroke.

(Mr. Choothong Patanatmarueng)  
Vice Chairman



## Message from Managing Director

In 2009, global economy suffered from major economic slowdown. Aside from that, domestic political woes also adversely affected trades and investment, including the automotive industry, a situation which might be called a crisis. However, with efforts made by and cooperation from the management and every employee, we could pull through successfully.

During the economic downturn, purchase orders declined dramatically. The Company controlled costs and reduced expenses in every facet of the operation and planned for cost control on continual basis. In 2010, the Company prepared a budget for investment in machinery and equipment in order to increase production capability, seek substitution for raw material imports and expand export opportunities. Furthermore, the Company's endeavor in research and development was fruitful and a great progress has been observed. As a result, our customers entrusted the Company to participate in the design of control cables for new CBU models. This success proved that the Company has made progress in terms of advanced product design and development skills and could respond to the needs of customer quickly – a vital factor which can enhance our competitiveness in the future.

According to the data released by the Federation of Thai Industries, it is estimated that in 2010 the automobile production volume would reach 1.4 million units, attributed by global economic recovery and the progress of new projects. For example, the first manufacturer will officially launch an eco-car in March. Furthermore, FTAs signed with several countries will boost exports because import tariffs of automobiles and its component parts will be reduced to 0%. Hence, it is believed that the vehicle industry of Thailand will probably return to the continual growth period again.

Finally, I would like to thank every management executive and employee for their determination and perseverance in problem-solving efforts throughout the year. I also feel grateful to shareholders, customers, trade partners and public and private organizations for their trust and great supports.



(Mr. Sarit Patanatmarueng)  
Managing Director

# รายนามคณะกรรมการบริษัท และคณะกรรมการตรวจสอบ



นายสุรเศรษฐ์ จุฬางกูร  
**Mr. Sunsurin Jurangkool**  
ประธานกรรมการ



นายชูทอง พัฒนะเมลิ้ง  
**Mr. Choothong Patanatmarueng**  
รองประธานกรรมการ



นายสริต พัฒนะเมลิ้ง  
**Mr. Sarit Patanatmarueng**  
กรรมการ และกรรมการผู้จัดการ



นายமாகาโตะ เทราอุรา  
**Mr. Makoto Teraura**  
กรรมการ



นายทวีจักร จุฬางกูร  
**Mr. Thaveechat Jurangkool**  
กรรมการ



นายกรกฤษ จุฬางกูร  
**Mr. Kornkrit Jurangkool**  
กรรมการ



นายคะซึโยชิ โองากิ  
**Mr. Katsuyoshi Ogaki**  
กรรมการ



นายทวี วสุวัต  
**Mr. Kavee Vasuvat**  
กรรมการอิสระ และ  
ประธานกรรมการตรวจสอบ



นายอภิรักษ์ ณ ระนอง  
**Mr. Apinan Na Ranong**  
กรรมการอิสระ และกรรมการตรวจสอบ



นายปริญญ์ ไหววัฒนา  
**Mr. Prinya Waiwatana**  
กรรมการอิสระ และกรรมการตรวจสอบ



# รายนามคณะผู้บริหาร



นายสรเสริญ จุฬางกูร  
**Mr. Sunsurin Jurangkool**  
ประธานเจ้าหน้าที่บริหาร



นายชูทอง พัฒนะเมลิ้ง  
**Mr. Choothong Patanatmarueng**  
รองประธานเจ้าหน้าที่บริหาร



นายสริต พัฒนะเมลิ้ง  
**Mr. Sarit Patanatmarueng**  
กรรมการผู้จัดการ



นายคะซึโยชิ โองากิ  
**Mr. Katsuyoshi Ogaki**  
ผู้จัดการทั่วไปอาวุโส  
(ส่วนงานวิจัยและพัฒนา)



นายันทวี ทิคำเกตุ  
**Mr. Nuntavee Teekumgate**  
ผู้จัดการทั่วไปอาวุโส  
(ส่วนงานคุณภาพ)

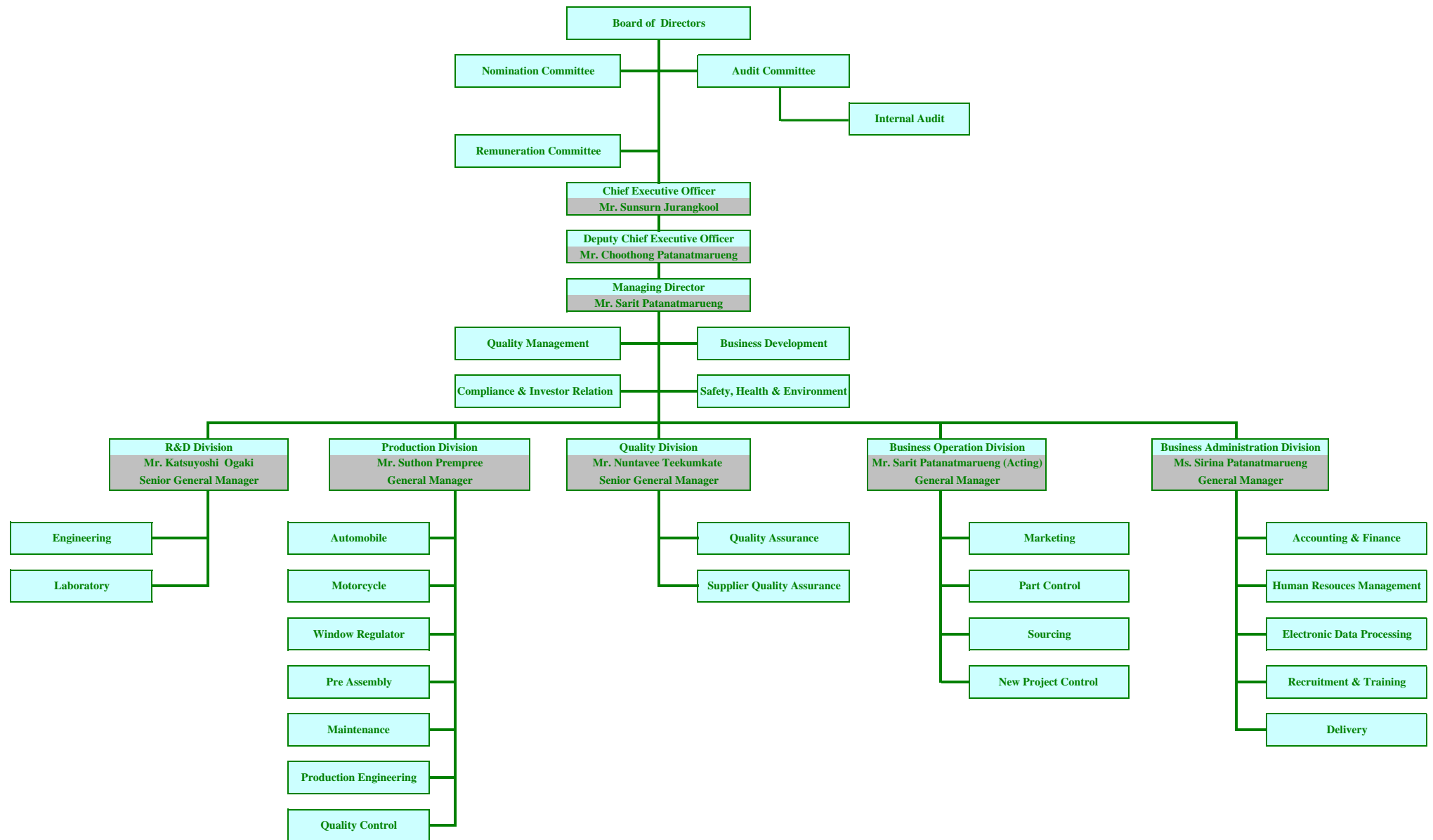


นายสุทน เปรมปรี  
**Mr. Suthon Prempre**  
ผู้จัดการทั่วไป  
(ส่วนงานผลิต)



นางสาวสิริณา พัฒนะเมลิ้ง  
**Ms. Sirina Patanatmarueng**  
ผู้จัดการทั่วไป  
(ส่วนงานบริหารธุรกิจ)

## Organization Chart as of March 17, 2010



## Corporate Background and Major Developments

Thai Steel Cable Company Limited (TSK) 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. Sunsurin 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 purpose was to produce motorcycles control cables, 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

- 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 received two BOI promotion cards, including:  
Card I provided promotional incentives not exceeding 290.79 million Baht for the relocation of the existing facilities.  
(On May 14, 2009, the Board of Investment adjusted the corporate tax (original amount was 566.59 million Baht) to actual amount after an audit was conducted in compliance with the BOI's requirement.)  
Card II provided promotional incentives for the Company's plant expansion project not exceeding 138.94 million Baht. However, the investment amount would be adjusted to actual amount as of the audit date.  
- In December, the Company received Q 1 Award from AutoAlliance (AAT). The award is presented to parts manufacturers that have excellent quality management.
- 2008 - In September, the Company received Quality Control Cycle (QCC) Award from Thai Hino Co-Operation Club. This award concerns with quality control improvement through the waste reduction in the production process.  
- In November, the Company won the first prize of Toyota Production System (TPS) Award in Group Sub Leader category for 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.
- 2009 - In January, the Company received the 2009 Quality Award the Satisfies from Mitsubishi Motors (Thailand) Co., Ltd.  
- In September, the Company commenced the implementation of SAP program for the management of system-wide production process, starting from production planning to product delivery and billing.  
- In November, the Company received Gold Certificate TCC Safety Activity of Level "A" from Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd.  
- In November, the Company received Thank You Award from Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd. The award is presented to companies that have expertise in the Toyota Production System (TPS) and able to provide consultation to other companies on system development until successful completion.



## General Corporate Information

Registered company	Thai Steel Cable Public Company Limited Company registration number 0107548000145
Registered capital	268,500,000 Baht (comprising 268,500,000 ordinary shares with a par value of 1 Baht per share)
Paid-up capital	259,800,000 Baht
Nature of business	The production of automobile and motorcycle control cables, as well as the manufacture of automobile window regulators. The products are distributed to major domestic automobile and motorcycle manufacturers and spare parts centres. Output is also exported to oversea markets.
Head Office	Amata Nakorn Industrial Estate, 700/737 Moo 1, Tambol Panthong, Amphur Panthong, Chonburi Province, 20160. Telephone: (038) 447 200 - 21
Website	<a href="http://www.thaisteelcable.com">http://www.thaisteelcable.com</a>

## 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 2009, 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	2007		2008		2009	
	Revenue Million Bt.	Ratio (%)	Revenue Million Bt.	Ratio (%)	Revenue Million Bt.	Ratio (%)
<b>Revenue from domestic sales</b>	2,110	95	2,152	92	1,672	93
- automobile control cables	1,230	55	1,299	56	969	54
- motorcycle control cables	439	20	473	20	399	22
- automobile window regulators	428	19	373	16	295	16
- others	13	1	7	-	9	1
<b>Revenue from overseas sales</b>	91	4	159	7	79	5
- automobile control cables	17	1	19	1	10	1
- motorcycle control cables	7	-	21	1	2	-
- automobile window regulators	1	-	50	2	23	1
- others	66	3	69	3	44	3
<b>Other income</b>						
- others	23	1	36	1	41	2
<b>Total revenues</b>	<b>2,224</b>	<b>100</b>	<b>2,347</b>	<b>100</b>	<b>1,792</b>	<b>100</b>

## Industrial Trends and Competitive Situation in the Future

In 2009, Thailand encountered economic downturn stemming from liquidity crunch of financial institutions in the United States and leading economies. Such problems 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, which have been adversely affected by dwindling purchasing power abroad. Such factors were attributed to contraction in the automotive industry late last year. In 2009, the production output of automobiles totaled 999,378 units, down 28% from the previous year and the production output of motorcycles totaled 1,634,113 units, down 14%.

### 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 (%)
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)
2009	999,378	447,318	552,060	(28)	1,634,113	1,518,833	115,280	(14)

Source: Federation of Thai Industries

It is anticipated that in 2010 the vehicle industry will be on an upward trend compared to last year both in terms of production for domestic sales and exports. According to the assessment, in 2010 the production output of automobiles will reach 1.43 million units, up 43% from the previous year and the production output of only CBU motorcycles will reach 1.78 million units, up 9%. This is due to recovery of domestic and international economic situations and reduction of the excise tax for eco-cars. Nissan Motor (Thailand) Co, Ltd. will be the first maker to launch eco-cars in March 2010, marking the first time Thailand formally introduces eco-friendly cars that meet international standards to the market. Moreover, ASEAN member states that entered into FTAs has also reduced import tariffs of automobiles and auto parts to 0%.

Presently, Thai Baht value is rather stable. Domestic oil prices have been climbing upward but not at an alarming pace. These factors should be positive for the vehicle industry, especially passenger cars. Meanwhile, pickup trucks and other commercial vehicles will also benefit from the economic recovery. Hence, it is believed that purchasing power of consumers will rise.


Nevertheless, Thailand may lose out on investment opportunities. This is due to political instability, lack of clarity in the automobile industry promotion policy which should co-exist with future energy policy, and enforcement of the investment law which will adversely affect overall investment in the country and which is a major factor that will adversely affect Thailand's growth in the vehicle industry.



## 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 raw materials and components cannot be procured from local sources in Thailand or because low demand volume does not warrant its own production setup. The Company has not made any contracts that stipulate procurement requirements for raw materials.

Regarding the risk associated with procurement of raw materials and components, the Company can arrange procurement from other firms in Japan to substitute for purchases from HI-LEX Corporation at short notice. However, this could result in higher costs and trade terms or warranty conditions may differ from original terms and conditions. The Company has also attempted to seek local trade partners as a substituted source of local raw materials and components. Recently, it switched to source a larger volume of certain types of materials and components from local suppliers to reduce costs, particularly those relating to transportation and import tariffs.

Regarding the risk associated with 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 nearly three 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 2009, the Company's main raw materials purchased were steel, 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.

Nevertheless, if fluctuation of raw material prices is significant, the Company can adjust product prices in accord with fluctuation in raw material costs. 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 adjustment was made, both parties agreed to adjust prices retroactively. Such price adjustment would help alleviate impacts from volatility of raw material prices. Furthermore, the Company implemented activities so that manufacturers could achieve cost reduction by stipulating a policy to encourage manufacturers to have a decent cost management program. Hence, when manufacturers became strong due to low cost management, they could manage to stabilize selling prices despite higher raw material prices.

- **Risk from foreign currency exchange fluctuations**

In 2009, the procurement of some of the Company's raw materials and components was imported from abroad. The proportion was approximately 41% 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 482 million Baht. The highest average amount of outstanding debt payments at any given time did not exceed 85 million Baht. The Company therefore has some risk from foreign currency fluctuations if the exchange rate fluctuates.

However, the Company has been granted a line of credit for forward foreign exchange purchases by a financial institution. Such credit facility will help the Company reduce the risk from foreign exchange rate fluctuations as deemed necessary and appropriate.

- **Risk from reliance on major customers**

At present the Company currently has five principal customer groups, three of which are major automobile producers and two of which are major motorcycle producers. Combined sales value to these large customers accounted for approximately 71% of the Company's revenue in 2009. Consequently, the Company might have some income risk in the event any of these producers decided to curtail production volume or discontinued placing purchase orders with the Company, thus impacting business operation, financial status and operating performance in the future.

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 is also affiliated with Summit

Corporation which is a prominent 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 attributes ensure that it is rather unlikely that these automobile and motorcycle manufacturers would switch to purchase from rival firms.

The Company has risk diversification policy by increasing exports to other countries so as to reduce concentration risk.

- **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 three major shareholder groups: Jurangkool family, Patanatmarueng family, and HI-LEX Corporation. Together, they hold a combined share of 78% 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 3/4 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. Hence, there is a risk that the majority shareholders may exercise absolute control and manage the Company in a way that could entail conflict of interest with the Company and/or those of minority shareholders, which may adversely affect the Company's business.

However, in the 2010 Annual General Shareholders' Meeting the Company will appoint an additional Director in the capacity of Independent Director. As a result, the Company will have a total of 4 Independent Directors. These external directors can sufficiently examine actions taken by the management and oversee 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 26, 2010 are presented as below.

No.	Name	Number of shares	% of shares held
1	The Jurangkool Group	102,199,100	39.34
2	HI-LEX Corporation	70,000,000	26.94
3	The Patanatmarueng Group	31,248,900	12.03
4	Thai NVDR Company Limited	12,743,200	4.91
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	Citibank Nominees Singapore PTE Ltd. Thai Focused Equity Fund Ltd.	4,431,500	1.71
9	Mr. Kornkrit Jurangkool	4,000,000	1.54
10	นางสาววราภรณ์ สงฆ์ประชา	2,512,400	0.96
11	นายรุ่งกานต์ ไพสิฐพานิชตระกูล	2,200,000	0.84
12	Mr. Santi Patanatmarueng	1,641,700	0.63
13	Others	8,323,700	3.21
	<b>Total</b>	<b>259,800,000</b>	<b>100</b>

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

- Mr. Sunsurin Jurangkool holds 83,115,000 shares, or 31.99% of paid up capital
- Mr. Thaveechat Jurangkool holds 14,891,600 shares, or 5.73% of paid up capital
- Mr. Kornkrit Jurangkool holds 4,000,000 shares, or 1.54% of paid up capital
- Mr. Apichart Jurangkool holds 192,500 shares, or 0.07% of paid up capital

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

1. Teraura Investment Co., Ltd. 19.46%
2. JP Morgan Chase Bank 4.65%
3. Japan Trustee Services Bank, Ltd. 4.26%
4. Teraura Scholarship Foundation 4.09%
5. Nippon Life Insurance Company 3.68%
6. Melon Bank Treaty Clients Omnibus 3.35%
7. BBH For Fidelity Low – Priced Stock Fund 2.96%
8. Bank of New York, Treaty JASDEC Account 2.37%
9. Bank of Tokyo-Mitsubishi UFJ, Ltd. 2.34%
10. Honda Motor Co., Ltd. 2.24%

(Data as of October 31, 2009)



- 3) The Patanatmarueng Group comprises 5 shareholders of the same family name and related individuals as follows :
- Mr. Choothong Patanatmarueng holds 16,997,400 shares, or 6.54% of paid up capital
  - Mrs. Orasa Patanatmarueng holds 12,000,000 shares, or 4.62% of paid up capital
  - Mr. Santi Patanatmarueng holds 1,641,200 shares, or 0.63% of paid up capital
  - Mr. Sarit Patanatmarueng holds 460,200 shares, or 0.14% of paid up capital
  - Ms. Sirina Patanatmarueng holds 150,100 shares, or 0.06% of paid up capital

## Management

### (1) Management structure

As of March 17, 2010, the Company's management structure comprises four committees, namely the Board of Directors, the Audit Committee, the Nomination Committee and the Remuneration Committee. The details of this structure are outlined as follows.

#### 1. The Board of Directors

The Board of Directors as per the certification of the Ministry of Commerce dated January 29, 2010 shows that there are 10 Directors comprises of:

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

The Board of Directors comprises highly qualified individuals with knowledge, capabilities and experiences 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 Board of Directors' Meeting No. 2/2553 held on February 26, 2010 passed a resolution to appoint a new Director, Mr. Chatchai Earskul, in the capacity of Independent Director. The nomination will be proposed to the 2010 Annual General Shareholders' Meeting for approval of the appointment of a new Director.

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

1. Provide board members with basic advice on legal provisions, rules and regulations, and relevant guidelines.
2. Ensure that the Company complies with legal requirements, the Company's regulations, relevant regulations and good governance principles.
3. Organize shareholders meetings and Board of Directors meetings as stipulated by the law and regulations and monitor proper compliance on regular basis.
4. Prepare and keep records of minutes of meeting and coordinate with others to comply with resolutions passed by the Board of Directors and shareholders meetings efficiently.



5. Oversee disclosure of various information and reports in accordance with the provisions of the Stock Exchange of Thailand, the Securities and Exchange Commission and other regulatory agencies.
6. Liaise and communicate with shareholders and relevant regulatory agencies. Shareholders can ask questions or request for information at (038) 447 200-21 ext. 411 or send questions to Email: [visakorn.u@thaisteelcable.com](mailto:visakorn.u@thaisteelcable.com).
7. Encourage attendance in various training courses and provide information which may contribute to the performance of the duties of a new Director.
8. Other tasks assigned by the Board of Directors.

#### Directors with signatory authority

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

#### Scope and authority of the Board of Directors

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

11. Authorization of other significant matters, such as corporate governance policies, related party transactions, connected transactions and the acquisition or divestiture of assets of a public listed company in accordance with the Announcements, Regulations or Codes relating to the Stock Exchange of Thailand.
12. Consideration of other matters required by law to be passed by the resolutions of Shareholder Meetings.

The Board of Directors Meeting No. 1/2553 held on February 1, 2010 resolved to revise the definition of the Company's independent director in accord with good governance principles of the Stock Exchange of Thailand and provisions of the Capital Market Supervisory Committee in order to build investor's confidence. Hence, the stipulation of the qualifications of "Independent Director" is stricter than the guideline set forth by the Capital Market Supervisory Committee as follows:

**Qualifications of "Independent Director"**

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

Among these three Independent Directors, one of them is a competent person in the automobile industry and other two directors are competent persons in the field of management.

## 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.

The Board of Directors Meeting No. 4/2552 held on November 12, 2009 passed a resolution to approve the Audit Committee's charters of which objectives are to stipulate composition, qualifications, term and removal, roles and responsibilities, and authority of the Audit Committee. The Audit Committee's responsibility is to assist the Board of Directors in the review of financial statements, internal control system and the Company's corporate governance. The audit approach conforms to and follows the guideline set forth by the SEC Office and the Stock Exchange of Thailand which has been announced and effective since July 1, 2008. Under this guideline, qualifications of audit committee member are stipulated as follows:

### Qualifications "Audit Committee Member"

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

## 3. Nomination Committee

The Meeting of the Board of Directors No. 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 17, 2010 the Company has 7 Executives as follows.

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

#### Scope and authority of the Managing Director

The Managing Director has the duty to perform tasks as assigned by the Board of Directors, with deference to the rules and regulations of the Company. However, such 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, and other Committee members are selected and screened by the Nomination Committee, prior to proposal to the Board of Directors and/or the Shareholders' Meeting. The process defers to Company policies and takes into account candidates' qualifications, knowledge, skills and their ability to allocate sufficient time for employment with the Company.

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

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

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

## **(3) Remuneration of Directors and Executives**

### **1. Monetary remuneration in 2009**

- Total monetary remuneration for the Board of Directors of the Company was 880,000 Baht.
- Total monetary remuneration for the Audit Committee was 300,000 Baht.
- Total monetary remuneration for the Remuneration Committee was 75,000 Baht.
- Total monetary remuneration for the Nomination Committee was 75,000 Baht.
- Total monetary remuneration for eight management executives was 39.67 million Baht (remuneration is in a form of monthly salary and annual bonus).

Name	Board of Directors (Baht)	Audit Committee (Baht)	Remuneration Committee (Baht)	Nomination Committee (Baht)
1. Mr. Sunsurun Jurangkool	105,000	-	-	-
2. Mr. Choothong Patanatmarueng	75,000	-	-	-
3. Mr. Sarit Patanatmarueng	100,000	-	-	25,000
4. Mr. Makoto Teraura	-	-	-	-
5. Mr. Thaveechat Jurangkool	100,000	-	-	25,000
6. Mr. Kornkrit Jurangkool	100,000	-	-	25,000
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	-
<b>Total</b>	<b>880,000</b>	<b>300,000</b>	<b>75,000</b>	<b>75,000</b>

Note : In 2009, the Board of Directors determined remuneration and the Nomination Committee held one meeting in February 2009.

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 26, 2010)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
1. Mr. Sunsum Jurangkool	68	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	
					1972 - Present	Chairman, Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat	
					1986 - Present	Chairman, Director, Authorized Director	Summit Auto Body Industry Co., Ltd.	Manufacture of automobile body parts, mold and die	
					1991 - Present	Chairman, Director, Authorized Director	Summit Laemchabang Auto Body Work Co., Ltd.	Produce body parts and exhaust system equipment	
					1991 - Present	Chairman, Authorized Director	Summit Laemchabang Auto Seat Manufacturing Co., Ltd.	Manufacture of automobile seat frame and adjusting devices	
					1991 - Present	Chairman, Authorized Director	Auto Advance Material Manufacturing Co., Ltd.	Manufacture dry mat, sound insulation, plastic sheet, synthetic fiber sheet, for automobile and motorcycle use	
					1995 - Present	Chairman, Authorized Director	Eastern P.U. Foam Industry Co., Ltd.	Manufacture automobile seat foam	
					1996 - Present	Chairman, Authorized Director	Summit Auto Tech Industry Co., Ltd.	Manufacture of exhaust muffler system	
					1997 - Present	Chairman, Director, Authorized Director	Summit Engineering Center Co., Ltd.	Design & manufacture of various kinds of die and mold	
					1998 - Present	Chairman, Director, Authorized Director	Modern Products Industry Co., Ltd.	Manufacture of wood printing and coating of auto parts	
					2002 - Present	Chairman, Authorized Director	Auto Interior Products Co., Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					1974 - Present	Chairman, Authorized Director	Thai Auto Industry Co., Ltd.	Manufacture and sell pressed parts for automobile and motorcycle	
					1982 - Present	Chairman, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch and accelerator cable	
					1987 - Present	Chairman, Authorized Director	Summit Electronic Components Co., Ltd.	Produce electronic parts	
					1988 - Present	Vice Chairman	Bangkok Eagle Wings Co., Ltd.	Press Part	
					1988 - Present	Chairman, Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture and distribute steering wheel and transmission	

First name - Last name	Age	Education	Shareholding (%) (As of February 26, 2010)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					1990 - Present	Chairman, Director, Authorized Director	Summit Advanced Material Co., Ltd.	Import of steel sheet/coil, coil center	
					1993 - Present	Chairman, Authorized Director	Summit Showa Manufacturing Co., Ltd.	Produce choke absorbers	
					1994 - Present	Chairman, Authorized Director	SNC Sound Proof Co., Ltd.	Manufacture and export of raw material for making of automobile sound proof part	
					1994 - Present	Chairman, Authorized Director	Thai Seat Belt Co., Ltd.	Manufacture and distribute of seat belts and seat belts cable	
					1995 - Present	Chairman, Authorized Director	STB Textiles Industry Co., Ltd.	Manufacture of fabric for automobile use	
					1995 - Present	Chairman, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry	
					1996 - Present	Chairman, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
					1996 - Present	Chairman, Director, Authorized Director	Summit Kurata Manufacturing Co., Ltd.	Produce steering columns	
					1997 - Present	Chairman, Authorized Director	Summit Ansei Auto Parts Co., Ltd.	Produce car door lock and hood lock	
					1998 - Present	Director, Authorized Director	Keiper Summit Industry (Thailand) Co., Ltd.	Manufacture of automobile seat parts	
					1999 - Present	Director , Authorized Director	Johnson Controls & Summit Interiors Co., Ltd.	Manufacture of automobile seat and interior parts	
					2002 - Present	Director	HSH Co., Ltd.		
					2002 - Present	Chairman, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf club service	
					2003 - Present	Director	Hayama Intertrade Co., Ltd.	Sale floor carpet	
					2003 - Present	Vice Chairman, Authorized Director	Marubishi Summit Industry Vietnam Co., Ltd.	Manufacture automobile parts	
					2004 - Present	Director	JRK Auto Parts PVT. Ltd.	Produce automotive electronic parts	
					2004 - Present	Chairman, Authorized Director	Summit Haiya (Thailand) Co., Ltd.	Produce and maintain machine and production equipment	
					2004 - Present	Chairman, Authorized Director	Summit Otsuka Manufacturing Co., Ltd.	Produce car parking hand-break	
					2005 - Present	Chairman, Authorized Director	Summit Rieter Nittoku Sound Proof Co., Ltd.	Manufacture and export of automobile soundproof parts	
					2006 - Present	Chairman, Authorized Director	Summit Fujikiko Kurata Manufacturing Co., Ltd.	Produce steering columns	
					2006 - Present	Chairman, Authorized Director	Top Flight Electronic & Automotive Co., Ltd.	Produce automotive electronic parts	
					2007 - Present	Chairman, Authorized Director	Summit Ongreen media Co., Ltd.	Produce printing	

First name - Last name	Age	Education	Shareholding (%) (As of February 26, 2010)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					2007 - Present	Chairman, Authorized Director	Summit Green Valley Chiangmai Golf Club Co., Ltd.	Golf club service	
					2007 - Present	Chairman, Authorized Director	Casma Racing Co., Ltd.	Produce automotive electronic parts	
					2008 - Present	Chairman, Authorized Director	Summit R&D Center Co., Ltd.	Product quality and capacity testing service	
					2008 - Present	Director	Hiruta Asteer Summit Co., Ltd.	Produce automotive parts	
					2008 - Present	Chairman, Authorized Director	Summit Auto Body Skill Development Center Co., Ltd.	Training service	
					2009 – Present	Chairman, Authorized Director	Central Motor Wheel (Thailand) Co., Ltd.	Produce medium wheel	
					2009 – Present	Director	Steel Alliance service center Co., Ltd.	Coil steel	
2. Mr. Choothong Patanatmarueng	66	M.A., Political Science, Ramkhamhaeng University  Training: IOD - Director Accreditation Program (DAP 35/2005)	6.54	Father of Mr. Sarit Patanatmarueng and Ms. Sirina Patanatmarueng	1978 - Present	Vice Chairman, Deputy Chief Executive Officer, Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1982 - Present	President, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch, and accelerator cable	
					1995 - Present	President, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry	
					1996 - Present	President, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
					1988 - Present	Executive Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture and distribute steering wheel and transmission	
					2004 - Present	President, Authorized Director	Amata Summit Ready Built Co., Ltd.	Lease/Rental Service	
3. Mr. Sarit Patanatmarueng	35	M.A., Business Administration, New Hampshire College, USA  Training: IOD - Director Certification Program (DCP 42/2004)	0.18	Son of Mr. Choothong Patanatmarueng	2004 – Present	Director, Managing Director, Nomination Committee, Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					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	

First name - Last name	Age	Education	Shareholding (%) (As of February 26, 2010)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
4. Mr. Makoto Teraura	72	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 HI-LEX Cable System Group Co., Ltd	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2003 - Present	Director	Dae Dong HI-LEX Inc. (Korea)	Manufacturer of car window regulator and door module	
					1980 - Present	Director	Dae Dong System Co., Ltd.	Manufacturer of control cable for automobile	
					2002 - Present	Director	Guangzhou TSK Control Cable Co., Ltd.	Manufacturer of 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	Director	HI-LEX Vietnam Co., Ltd.	Manufacturer of control cable for motorcycle	
					1985 - Present	Director	Izushi Cable, Inc.	Manufacturer of control cable for automobile	
					1973 - Present	Director	HI-LEX KANTO, Inc.	Manufacturer of control cable for automobile	
					1981 - Present	Director	HI-LEX Saitama, Inc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					1989 - Present	Director	HI-LEX Shimane, Inc.	Manufacturer of control cable for automobile and car window regulator	
					1978 - Present	Audit Committee	PT. HI-LEX Indonesia	Manufacturer of control cable for automobile/motorcycle	
					1989 - Present	Audit Committee	PT. HI-LEX Parts Indonesia	Manufacturer of car component	
					1973 - Present	Director	Tajima TSK, Inc.	Manufacturer of car component	
					1972 - Present	Director	TSK (Korea) Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	

First name - Last name	Age	Education	Shareholding (%) (As of February 26, 2010)	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	
					2007 - Present	Director	Guangdong HI-LEX Cable System Co., Ltd.	Manufacturer of control cable for automobile/motorcycle	
					2007 - Present	Director	Changchun HI-LEX Auto Cable Co., Ltd	Manufacturer of control cable for automobile/motorcycle	
5. Mr. Thaveechat Jurangkool	38	MBA., Finance, Webster University	5.73	Son of Mr. Sunsurin Jurangkool	2003 - Present	Director, Chairman of the Nomination Committee, Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1993 - Present	Director, Authorized Director	Summit Auto Body Industry Co., Ltd.	Manufacture of automobile body parts, mold and die	
					1994 - Present	Director, Authorized Director	SNC Sound Proof Co., Ltd.	Manufacture and export of raw material for making of automobile sound proof part	
					1995 - Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry	
					1995 - Present	Director, Authorized Director	Eastern P.U. Foam Industry Co., Ltd.	Manufacture automobile seat foam	
					1996 - Present	Director, Authorized Director	Summit Auto Tech Industry Co., Ltd.	Manufacture of exhaust muffler system	
					1996 - Present	Director, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
					1998 - Present	Director, Authorized Director	Modern Products Industry Co., Ltd.	Manufacture of wood printing and coating of auto parts	
					1998 - Present	Director	Keiper Summit Industry (Thailand) Co., Ltd.	Manufacture of automobile seat parts	

First name - Last name	Age	Education	Shareholding (%) (As of February 26, 2010)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					2002 - Present	Director, Authorized Director	Summit Corporation Co., Ltd.	Investment and shareholding in various business	
					2002 - Present	Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat	
					2002 - Present	Director, Authorized Director	Summit Laemchabang Auto Seats Manufacturing Co., Ltd.	Manufacture of automobile seat frame and adjusting devices	
					2002 - Present	Director, Authorized Director	Summit Laemchabang Auto Body Work Co., Ltd.	Produce body parts and exhaust system equipment	
					2002 - Present	Director, Authorized Director	Summit Advanced Material Co., Ltd.	Import of steel sheet/coil, coil center	
					2002 - Present	Director, Authorized Director	Summit Engineering Center Co., Ltd.	Design & manufacture of various kinds of die and mold	
					2002 - Present	Director, Authorized Director	Auto Interior Products Co., Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					2002 - Present	Director, Authorized Director	Auto Advance Material Manufacturing Co., Ltd.	Manufacture dry mat, sound insulation, plastic sheet, synthetic fiber sheet, for automobile and motorcycle use	
					2002 - Present	Director, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf club service	
					2002 - Present	Director	Thai Seat Belt Co., Ltd.	Manufacture and distribute of seat belts and seat belts cable	
					2002 - Present	Director, Authorized Director	STB Textiles Industry Co., Ltd.	Manufacture of fabric for automobile use	
					2002 - Present	Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture and distribute steering wheel and transmission	
					2003 - Present	Director	Marubishi Summit Industry Vietnam Co., Ltd.	Manufacture automobile parts	
					2003 - Present	Director, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch, and accelerator cable	
					2004 - Present	Director, Authorized Director	Summit Otsuka Manufacturing Co., Ltd.	Produce car parking hand-break	
					2004 - Present	Director, Authorized Director	Summit Haiya (Thailand) Co., Ltd.	Produce and maintain machine and production equipment	
					2004 - Present	Director	JRK Auto Parts PVT. Ltd.	Produce automotive electronic parts	
					2006 - Present	Director, Authorized Director	Top Flight Electronic & Automotive Co., Ltd.	Produce automotive electronic parts	
					2006 - Present	Director, Authorized Director	Summit Fujikiko Kurata Manufacturing Co., Ltd.	Produce steering columns	
					2007 - Present	Director, Authorized Director	Summit On Green Media Co., Ltd.	Printing service	



First name - Last name	Age	Education	Shareholding (%) (As of February 26, 2010)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					2007 - Present	Director, Authorized Director	Summit Green Valley Chiangmai Golf Club Co., Ltd.	Golf club service	
					2007 - Present	Director, Authorized Director	Casma Racing Co., Ltd.	Produce automotive electronic parts	
					2007 - Present	Director, Authorized Director	J-Max Monopoly Corporation Co., Ltd	Purchase sell, and rent real estate property	
					2007 - Present	Director, Authorized Director	J-Max Property Assest Co., Ltd	Produce, purchase, and rent of machine supply and spare parts	
					2008 - Present	Director, Authorized Director	Summit Auto Body Skill Development Center Co., Ltd.	Training service	
					2008 - Present	Director, Authorized Director	Summit R&D Center Co., Ltd.	Product quality and capacity testing service	
					2009 - Present	Director	Steel Alliance Service Center Co., Ltd.	Coil steel	
6. Mr. Kornkrit Jurangkool	32	M.A., Technology Management Program, American InterContinental University, Los Angeles, USA  Training: IOD - Director Accreditation Program (DAP 77/2009)	1.54	Son of Mr. Sunsum Jurangkool	2009 - Present	Director, Member Nomination Committee, Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2009 - Present	Director, Authorized Director	Summit Corporation Co., Ltd.	Investment and shareholding in various business	
					2009 - Present	Director, Authorized Director	Summit Auto Body Industry Co., Ltd.	Manufacture of automobile body parts, mold and die	
					2009 - Present	Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat	
					2009 - Present	Director, Authorized Director	Summit Laemchabang Auto Body Work Co., Ltd.	Produce body parts and exhaust system equipment	
					2009 - Present	Director, Authorized Director	Summit Laemchabang Auto Seats Manufacturing Co., Ltd.	Manufacture of automobile seat frame and adjusting devices	
					2009 - Present	Director, Authorized Director	Auto Advance Material Manufacturing Co., Ltd.	Manufacture dry mat, sound insulation, plastic sheet, synthetic fiber sheet, for automobile and motorcycle use	
					2009 - Present	Director, Authorized Director	Eastern P.U. Foam Industry Co., Ltd.	Manufacture automobile seat foam	
					2009 - Present	Director, Authorized Director	Summit Engineering Center Co., Ltd.	Design & manufacture of various kinds of die and mold	
					2009 - Present	Director, Authorized Director	Modern Products Industry Co., Ltd.	Manufacture of wood printing and coating of auto parts	
					1996 - Present	Director, Authorized Director	Summit Auto Tech Industry Co., Ltd.	Manufacture of exhaust muffler system	

First name - Last name	Age	Education	Shareholding (%) (As of February 26, 2010)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
					2009 - Present	Director, Authorized Director	Auto Interior Products Co., Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					2009 - Present	Director, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf club service	
					2009 - Present	Director	Bangkok Eagle Wings Co., Ltd.	Press Part	
					2009 - Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry	
					2009 - Present	Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture and distribute steering wheel and transmission	
					2008 - Present	Director, Authorized Director	Summit Advanced Material Co., Ltd.	Import of steel sheet/coil, coil center	
					2008 - Present	Director, Authorized Director	Summit Auto Body Skill Development Center Co., Ltd.	Training service	
					2008 - Present	Director, Authorized Director	Summit R&D Center Co., Ltd.	Product quality and capacity testing service	
					2007 - Present	Director, Authorized Director	Summit On Green Media Co., Ltd.	Printing service	
					2007 - Present	Director, Authorized Director	Summit Green Valley Chiangmai Golf Club Co., Ltd.	Golf club service	
					2007 - Present	Director, Authorized Director	Casma Racing Co., Ltd.	Produce automotive electronic parts	
					2007 - Present	Director,	Thai Seat Belt Co., Ltd.	Manufacture and distribute of seat belts and seat belts cable	
					2006 - Present	Director, Authorized Director	Summit Ansei Auto Parts Co., Ltd.	Produce car door lock and hood lock	
					2006 - Present	Director, Authorized Director	Summit Fujikiko Kurata Manufacturing Co., Ltd.	Produce steering columns	
					2005 - Present	Director, Authorized Director	Thai Auto Industry Co., Ltd.	Manufacture and sell pressed parts for automobile and motorcycle	
					2005 - Present	Director, Authorized Director	Summit Kurata Manufacturing Co., Ltd.	Produce steering columns	
					2004 - Present	Director, Authorized Director	Summit Otsuka Manufacturing Co., Ltd.	Produce car parking hand-break	
					2004 - Present	Director, Authorized Director	Summit Haiya (Thailand) Co., Ltd.	Produce and maintain machine and production equipment	
					2009 - Present	Director	Hiruta Asteer Summit Co., Ltd.	Produce automotive parts	
					2009 - Present	Director	Steel Alliance Service Center Co., Ltd.	Coil steel	

First name - Last name	Age	Education	Shareholding (%) (As of February 26, 2010)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
7. Mr. Katsuyoshi Ogaki	59	Machine and Technology Course, Higashiyodo Technical High School, Japan  Training: IOD - Director Accreditation Program (DAP 74/2008)	-	-	2008 - Present	Director, Senior General Manager (R&D Division), Authorized Director	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2006 - 2007	Chairman	Guangzhou TSK Control Cable Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2005 - 2006	Vice Chairman	Chongqing TSK Control Cable System Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2001 - 2005	Team Leader of Quality Assurance Group	HI-LEX Corporation	Manufacturer of control cable for automobile/motorcycle	
8. Mr. Kavee Vasuvat	75	B.A., Engineering Electric Power, Royal Melbourne Institute of Technology (RMIT), Australia  Training: IOD - Director Accreditation Program (DAP 23/2004) - Director Certification Program (DCP 58/2005) - Audit Committee Program (ACP 10/2005) - Monitoring the System of Internal Control and Risk Management (MIR 2/2008) - Role of the Compensation Committee (RCC 6/2008)	-	-	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.	Parts manufacturer, modify and assemble motor vehicles	

First name - Last name	Age	Education	Shareholding (%) (As of February 26, 2010)	Relationship	Work Experiences in Late 5 Years			Business	Record of Offense
					Time	Position	Company		
9. Mr. Apinan Na Ranong	60	B.A., Business Administration, Chiang Mai University  Training: IOD - Director Accreditation Program (DAP 35/2005) - Audit Committee Program (ACP 9/2005) - Monitoring the System of Internal Control and Risk Management (MIR 2/2008)	-	-	2005 – Present	Independent Director, Audit Committee, Remuneration Committee	Thai Steel Cable Plc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1998 – Present	Director, President	Terrene Intertrade Co., Ltd.	Organizer of Air Force Convention Hall	
					2008 – Present	Independent Director	Apex Development Plc.	Organizer of real estate development project	
10. Mr. Prinya Waiwatana	63	B.A., Accounting, Chulalongkorn University  Training: IOD - Director Accreditation Program (DAP 35/2005) - Audit Committee Program (ACP 9/2005) - Director Certification Program (DCP 72/2006) - Monitoring the System of Internal Control and Risk Management (MIR 2/2008) - Role of the Compensation Committee (RCC 10/2010)	-	-	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, Audit Committee	Ascon Construction Plc.	Property & Construction	
					2006 – Present	Partner and Manager	P & Associate	Accounting and taxation consulting service	

## Corporate Governance

The Company performs administration in accordance with good governance guideline by recognizing the importance of and accountability to shareholders and stakeholders of the Company. Consequently, the Company obtained "excellent" marks for the organization of the 2009 Annual General Shareholders' Meeting from the quality assessment conducted by the Thai Investors Association.

The Board of Directors has put emphasis on good governance to build confidence among shareholders, investors and concerned parties by adhering to the listed company's conducts guideline which conforms to the guidance of the Stock Exchange of Thailand regarding good governance practices. This guideline comprises five principles which shaped up the Company's good governance practices in 2009 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](http://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 are Chairman of the Audit Committee, Chairman of the Nomination Committee and Remuneration Committee as proxies of shareholders. The proxy form is a standard form on which comments about vote casting in each agenda item can be written.

2. Delivery of invitation letter and accompanying documents: To allow shareholders to study relevant information in both Thai and English versions (for foreign shareholders), the Company publishes announcements via SET news to inform shareholders that they can learn this information in the Company's website at least one month in advance. Such information is exactly the same as the information presented in a document form. The invitation letter and support documents will be delivered to shareholders 14 days before the meeting date.
3. Shareholders can download various information from the Company's website ([www.thaisteelcable.com](http://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](mailto: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 the original proposal must be delivered via registered mail to the Company Secretary. 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. In 2009, the Company held the General Shareholders' Meeting at Novotel hotel in Prawet district which is readily accessible by modes of transportation and its staffs were on hand to welcome and give advice to attendees. 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 2009 Annual General Shareholders' Meeting on April 28, 2009. Before the meeting started, the Chairman designated the Company Secretary 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](mailto: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 documents containing crucial information, not adding an agenda item or changing vital information that differs from documents delivered to shareholders, not restricting the right to attend meeting of tardy shareholders by giving them voting or ballot casting right in certain agenda which are being considered and vote casting has not been underway. Moreover, video and audio recording of meeting can always be examined.

7. Shareholders' minutes of meeting shows the list of directors who attend or fail to attend the meeting. In the 2009 Annual General Shareholder's Meeting, the Chairman of the Company, committee chairpersons, and top executives were all present to meet with and answer any question from shareholders, offer pertinent explanation, summarize questions and answers or comments. Regarding vote casting and ballot counting method, in case there are dissenting votes, the number of favorable and dissenting votes or abstention will be recorded in the minutes of meeting accurately and completely and the meeting report will be publicized on the Company's 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. Creditor**

The Company strictly abides by contractual terms and performs its duties properly where the Company is accountable to business creditors.

### **6. 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 2009, 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. Sunsurin	Jurangkool	3/4	-	-	-
2. Mr. Choothong	Patanatmarueng	3/4	-	-	-
3. Mr. Sarit	Patanatmarueng	4/4	-	1/1	-
4. Mr. Makoto	Teraura	-	-	-	-
5. Mr. Thaveechat	Jurangkool	4/4	-	1/1	-
6. Mr. Kornkrit	Jurangkool	4/4	-	1/1	-
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. The Compliance and Investor Relation Department is assigned to act as a company representative responsible for communication, provision of information services, and dissemination of news and information about the Company's activities to institutions, investors, shareholders, and analysts, general public and relevant authorities. The Company participated in the Opportunity Day event which was organized by the Stock Exchange of Thailand to present quarterly operating results and in that event management executives were on hand to address questions raised by investors and media directly. Those who desire to obtain information about the Company can contact 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](mailto: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 information board. The outsourced professionals were hired to assess adequacy of the internal control system according to control environment guidelines of COSO (Committee of Sponsoring Organization of the Treadway Commission), 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 Company set up three sub-committees, including Audit Committee, Nomination Committee, and Remuneration Committee, and prescribed their duties and responsibilities (see details under Management Structure). To promote transparency and independence, most committee members are independent members. Moreover, to ensure that these committees are truly autonomous while carrying out their duties, the board chairman does not take up the position of committee chairman and member.
4. The Board of Directors collectively formulates the Company's vision, mission, strategies, targets, business plan, and budget as well as maintains its independence and supervises the management to operate in line with business plan under a predetermined budget in order to optimize benefits for the organization, stakeholders, and shareholders. Moreover, the Board also implements an internal control system, an audit system, and efficient risk management measures and constantly monitors these matters in board meeting.
5. The Company stipulates performance evaluation containing two parts, that is, key performance indicators (KPIs) and competency. This system will help employees recognize and understand operational strategies and approaches which will achieve the organization's strategic targets such as goal, mission, and performance measurement.
6. The Company creates and maintains an internal control system and regularly reviews efficiency of the internal control system in relation to financial control, operating performance, and corporate governance in compliance with pertinent legal provisions and regulations, protection and maintenance of assets, and risk management. In this regard, the Company commissioned Dharmniti Auditing Co., Ltd. to audit business conducts of various functions and ensure that the operations conform to the guidelines set out in an approved annual audit plan and the Internal Audit Department is assigned to monitor improvement results. The internal audit report will be informed directly to the Audit Committee.

Based on the 2009 internal audit report prepared by Dharmniti Auditing Co., Ltd., no significant discrepancies were found. The Company had an adequate, prudent internal control system and properly complied with the regulations and laws of relevant authorities. Moreover, its properties were protected from being used unscrupulously by management staff and employees.

7. Regarding conflict of interest (see details under Management Structure – Article 4 Use of Internal Data), the Board of Directors informs board members and management executives to prepare a list of their own interest and interest of connected persons in accordance with the provision of the concerned agency. It is required that the Company must be notified of such list within 15 days after the initial request and every time changes occur. Such report will be used by the Company Secretary as information and tool to ensure that board members and management executives carry out their duties with integrity. The Company Secretary sends a copy of this report to the Chairman of the Company and the Audit Committee's chairperson for acknowledgment.
8. The Company holds board meetings and informs each board member of upcoming meeting in advance. It is stipulated that board meetings must be held at least four times a year within every three months. In board meeting, the Board of Directors, Board Chairman, Managing Director and the Secretary jointly review meeting agenda to ensure that vital matters are included in the agenda and each board member can table matters in meeting agenda autonomously.

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

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

9. Regarding remuneration of directors, a policy and criteria for director's remuneration are clearly stipulated and motioned for approval by shareholders each year in accordance with transparency and auditing principles. Moreover, it is assured that remuneration is at a suitable level and sufficient enough to motivate and retain quality directors as required.
10. Regarding the policy concerning tenure of the Company's directors in other companies, the Company does not stipulate the number of terms or the number of companies where each board member can hold in other companies. This is because such matter does not affect business capabilities and director's expertise as long as concerned director can fully devote his/her time for the Company in regard to policy formulation, consultation on problem-solving in business operation within the scope of power and duties of the Company's director.

11. Regarding new director's orientation, in 2010 the Company will appoint one new director. Therefore, there has been preparation of summary documents that cover business characteristics, organizational structure, operation, rules and regulations, vital policies as well as guideline on board member's conducts, provisions of the Stock Exchange of Thailand and the SEC Office in order to ensure that a new director can fully perform his/her duties as director of a listed company.
12. 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).
13. Roles and responsibilities and scope of responsibilities of the Company Secretary are described under Management Structure.

## **Connected Transactions**

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

During the year, the Company had connected transactions with associated companies, wherein the purchase/sale price of products and services to such associated businesses was calculated at comparable prices adopted with outsiders. Furthermore, the various trading conditions for the transactions constituted normal business practice. These transactions with associated companies are disclosed in Item 22 of the Notes to the Financial Statements for year ended December 31, 2009.

### **(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.

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' 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.

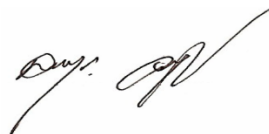
The Board of Directors of the Company has implemented an effective system of internal controls, in order to ensure that the recording of accounting transactions is accurate and complete. The Company's financial statements have been audited by United Auditing PKF Limited. During such audit, the Board 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, 2009. The Company has complied with generally accepted accounting principles and also complied with the relevant Laws and regulations.



(Mr. Sarit Patanatmarueng)  
Managing Director



(Mr. Sunsurin 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 charters of the Audit Committee which are consistent with the provisions of the Office of the Securities and Exchange Commission of Thailand. These directors include

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

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

In 2009, the Audit Committee held four meetings. On some occasions, the Audit Committee also attended meetings with top management and auditors in the relevant agenda. Every audit committee members had perfect attendance in all meetings. The essence of the Audit Committee's performance can be summarized as follows:

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

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

3. Reviewed risk management. In this regard, the Company conducted operational risk activities, including the appointment of risk management team, risk identification, assessment of internal and external risks, risk management as well as monitoring of each unit's progress and designation of the internal audit department to present the performance report based on the risk management plan to the Audit Committee for acknowledgment, review, viewpoints, and recommendation. In this regard, the Audit Committee observed that the Company has a suitable, adequate and effective risk management system.

4. Reviewed to ensure that the Company complied with securities and stock exchange laws, SET provisions, or other laws which are pertinent to its business operation. It was discerned that no significant shortcomings were found in regard to non-compliance with relevant laws and provisions.
5. Reviewed and commented the execution of connected items or items which might pose conflict of interest. It was discerned that there were no items that posed conflict of interest and the Company disclosed relevant information accurately and thoroughly.
6. Proposed the Audit Committee's charters to the Board of Directors, covering qualifications, purview and duties of the Audit Committee, in order to comply with the amended stipulation of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.
7. Considered and proposed selection of auditors and audit fee to the Board of Directors for approval by the shareholders' meeting. The Audit Committee scrutinized performance of the auditors last year as well as their knowledge, expertise, and independence. Then, the Audit Committee recommended the Board of Directors to request the shareholders' meeting to approve the appointment of Ms. Janyaporn Techamontrikul and/or Ms. Pranee Phonngam of United Auditing PKF Limited as auditors for the year 2009. Total audit fee is 550,000 Baht.

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



(Mr. Kavee Vasuvat)  
Chairman of the Audit Committee

## **Explanation and Analysis of Financial Status and Operating Performance**

### **Operating performance**

In 2009, the Company's total assets, liabilities, and shareholders' equity amounted to 1,926, 425 and 1,501 million Baht respectively. Comparing the operating performance in 2009 with the same period in 2008, total revenue amounted to 1,793 and 2,347 million Baht respectively, dipping 554 million Baht or down 24% and net profit totaled 148 and 192 million Baht respectively, yielding net profit margin of 8% and 8% respectively. Details are as follows:

- **Revenue**

In 2009, total revenue amounted to 1,793 million Baht, dipping 554 million Baht or down 24%. Primarily, dwindled revenue came from declined domestic and export sales amounting to 559 million Baht and the increase of other income amounting to 5 million Baht due to the impacts from economic conditions. According to the data provided by the Federation of Thai Industries, in 2009 the production output of automobiles totaled 999,378 units, down 28% compared to 2008, and the production output of CBU motorcycles totaled 1,634,113 units, down 14%, thus entailing dwindling purchase orders from customers and a decline of the Company's total revenue. Generally, such decline corresponded with overall trend of the vehicle industry. Details are as follows:

- Revenue from automobile control cable sales totaled 979 million Baht, plummeting 339 million Baht or down 26%.
- Revenue from motorcycle control cable sales totaled 401 million Baht, dipping 93 million Baht or down 19%.
- Revenue from window regulator sales totaled 318 million Baht, plummeting 105 million Baht or down 25%.
- Other income amounted to 41 million Baht, an increase of 5 million Baht. Mostly, other income came from foreign exchange gains.

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

- The cost of goods in 2009 and 2008 totaled 1,427 and 1,885 million Baht respectively. The cost of goods to total revenue ratio was equal to 80% and 80% respectively. The decrease was primarily attributed to declining raw material cost, employee expenses and production overheads because the Company could control various expenses efficiently.

- The selling and administrative expenses in 2009 and 2008 totaled 211 and 257 million Baht respectively, a decrease of 46 million Baht. The decline was due to royalty fee, employee expenses and the implementation of cost reduction program relating to all aspects of the operation so as to correspond with sales revenue.

- **Financial status**

#### **Assets**

As of December 31, 2009, the Company's total assets amounted to 1,926 million Baht, an increase of 67 million Baht or up 4%. The reasons are as follows:

- Current assets totaled 972 million Baht, an increase of 87 million Baht or up 10%. The contribution came from a higher amount of cash and bank deposits, totaling 87 million Baht. In addition, the Company's purchase of fixed assets and settlement of trade account payable also declined from 2008 level.

- Non-current assets totaled 954 million Baht, dipping 21 million Baht or down 2%. The decline was mostly attributed to a reduction in fixed assets worth 20 million Baht due to sale of some fixed assets prior to the implementation of SAP system in mid-2009.

### **Liabilities**

In 2009, total liabilities amounted to 425 million Baht, an increase of 49 million Baht or up 13%. This was mainly due to higher current liabilities.

### **Shareholders' equity**

In 2009, total shareholders' equity amounted to 1,501 million Baht, an increase of 18 million Baht or up 1%. This was due to the fact that in 2009 the Company generated a net profit of 148 million Baht and dividend payout amounted to 130 million Baht.

The book value per share in 2009 stood at 5.78 Baht per share, an increase of 0.07 Baht per share (in 2008, it was 5.71 Baht per share). The debt to equity (D/E ratio) in 2009 and 2008 was 0.28 and 0.25 times respectively. This was due to the fact that total liabilities and shareholders' equity rose by 13% and 1% respectively.

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the balance sheets of Thai Steel Cable Public Company Limited as at December 31, 2009, the related statements of income, the statements of changes in shareholders' equity and the statements of cash flows for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits. These financial statement for the year ended December 31, 2008, were audited by another auditor in the same firm whose report dated February 25, 2009, gave an unqualified opinion.

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, 2009, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

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

Bangkok  
February 25, 2010



**THAI STEEL CABLE PUBLIC COMPANY LIMITED**  
**BALANCE SHEETS**  
**AS AT DECEMBER 31, 2009 AND 2008**

		('Baht)	
ASSETS		2009	2008
<b>Current assets</b>	<b>Note</b>		
Cash and cash equivalents	6	279,342,557.10	197,043,236.94
Temporary investment	7	65,000,000.00	60,000,000.00
Accounts and notes receivables	8	374,858,143.76	404,385,256.21
Inventories	9	244,281,289.61	205,557,157.96
Other current assets		8,725,677.29	17,578,593.73
Total current assets		<u>972,207,667.76</u>	<u>884,564,244.84</u>
<b>Non-current assets</b>			
Long - term investments	22.1	25,704,000.00	25,704,000.00
Property, plant and equipment - net	10	794,546,961.95	834,419,604.74
Non - operating asset - net	11	111,349,027.56	111,361,347.62
Intangible asset - net	12	21,803,274.40	2,821,647.39
Other non - current assets		245,474.59	230,474.59
Total non - current assets		<u>953,648,738.50</u>	<u>974,537,074.34</u>
<b>Total assets</b>		<u><u>1,925,856,406.26</u></u>	<u><u>1,859,101,319.18</u></u>

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, 2009 AND 2008**

		('Baht)	
		2009	2008
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>	<b>Note</b>		
Accounts and notes payable	14	342,608,497.29	290,741,834.41
Asset payable		4,920,541.15	3,927,076.77
Hire-purchase payable due within 1 year	15	1,541,166.00	938,854.44
Other payable		26,848,558.80	17,949,730.64
Accrued expenses		21,564,747.25	38,131,190.21
Other current liabilities		16,746,575.02	16,449,913.04
Total current liabilities		<u>414,230,085.51</u>	<u>368,138,599.51</u>
<b>Non - current liabilities</b>			
Hire-purchase payable	15	1,250,937.39	1,358,662.91
Provision of liabilities	16	9,439,593.39	6,394,248.57
Total non - current liabilities		<u>10,690,530.78</u>	<u>7,752,911.48</u>
<b>Total liabilities</b>		<u><b>424,920,616.29</b></u>	<u><b>375,891,510.99</b></u>
<b>Shareholders' equity</b>			
Share capital			
Authorized share capital			
268,500,000 ordinary shares of Baht 1.00 each		<u>268,500,000.00</u>	<u>268,500,000.00</u>
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	18	26,850,000.00	26,850,000.00
Unappropriated		749,415,605.42	731,689,623.64
<b>Total shareholders' equity</b>		<u><b>1,500,935,789.97</b></u>	<u><b>1,483,209,808.19</b></u>
<b>Total liabilities and shareholders' equity</b>		<u><b>1,925,856,406.26</b></u>	<u><b>1,859,101,319.18</b></u>

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, 2009 AND 2008**

			('Baht)
	Note	2009	2008
<b>Revenues</b>			
Revenues from sales		1,751,382,029.02	2,310,846,212.84
Other incomes		41,335,118.93	36,016,636.78
<b>Total revenues</b>		<b>1,792,717,147.95</b>	<b>2,346,862,849.62</b>
<b>Expenses</b>	20		
Cost of goods sold		1,427,174,581.98	1,885,435,371.69
Selling expenses		42,374,495.20	58,843,129.74
Administrative expenses		166,913,914.36	194,760,902.23
Directors' remuneration		1,330,000.00	1,205,000.00
Other expenses		-	1,949,980.85
<b>Total expenses</b>		<b>1,637,792,991.54</b>	<b>2,142,194,384.51</b>
<b>Profit before finance costs and income tax</b>		154,924,156.41	204,668,465.11
Finance costs		152,381.39	89,868.69
Profit before income taxes		154,771,775.02	204,578,596.42
Income taxes	19	7,145,793.24	12,634,252.49
<b>Net profit</b>		<b>147,625,981.78</b>	<b>191,944,343.93</b>
<b>Earnings per share</b>			
Basic earnings per share		<b>0.57</b>	<b>0.74</b>
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, 2009 AND 2008**

					('Baht)
		Issued & paid-up	Premium	Retained earnings	
		share capital	on share capital	Appropriated	Unappropriated
	Note			Legal reserve	
Beginning balances as at January 1, 2008		259,800,000.00	464,870,184.55	26,850,000.00	669,645,279.71
Net profit		-	-	-	191,944,343.93
Dividend	21	.	-	-	(129,900,000.00)
<b>Ending balances as at December 31, 2008</b>		<b>259,800,000.00</b>	<b>464,870,184.55</b>	<b>26,850,000.00</b>	<b>731,689,623.64</b>
Beginning balances as at January 1, 2009		259,800,000.00	464,870,184.55	26,850,000.00	731,689,623.64
Net profit		-	-	-	147,625,981.78
Dividend	21	.	-	-	(129,900,000.00)
<b>Ending balances as at December 31, 2009</b>		<b>259,800,000.00</b>	<b>464,870,184.55</b>	<b>26,850,000.00</b>	<b>749,415,605.42</b>

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, 2009 AND 2008**

	('Baht)	
	2009	2008
<b>Cash flows from operating activities</b>		
Net profit before income tax	154,771,775.02	204,578,596.42
Item to reconcile net profit to net cash flows from operating activities		
Depreciation of assets	75,950,734.68	70,731,737.79
Amortization intangible asset	485,769.84	171,412.61
(Gain) loss from sale assets	(577,253.82)	1,752,638.90
Loss from write off fixed assets	3,690.09	178,551.58
Amortization non-deduction duty fee	-	8,698,478.00
Provision of liabilities	3,772,196.58	6,079,767.84
Unrealized (gain) loss on exchange rate	(931,642.35)	3,457,965.76
Interest income	(1,989,690.92)	(2,397,423.66)
Interest expenses	152,381.39	89,868.69
	<u>231,637,960.51</u>	<u>293,341,593.93</u>
(Increase) decrease in accounts and notes receivable	29,511,349.36	18,448,547.78
(Increase) decrease in inventories	(38,724,131.65)	7,279,793.55
(Increase) decrease in other current assets	8,453,740.80	(8,831,926.65)
(Increase) decrease in other non-current assets	(15,000.00)	4,000.00
Increase (decrease) in accounts and notes payable	53,061,082.04	(106,279,814.03)
Increase (decrease) in other payable	10,084,331.33	5,376,034.86
Increase (decrease) in accrued expenses	(13,468,903.88)	(1,668,861.20)
Increase (decrease) in other current liabilities	296,661.98	536,830.61
Increase (decrease) in provision of liabilities	(726,851.76)	(2,499,639.57)
Cash received from operating	280,110,238.73	205,706,559.28
Cash received from interest income	2,386,762.57	1,842,208.56
Cash payment for interest expenses	(152,381.39)	(89,868.69)
Cash payment for income taxes	(11,618,181.01)	(13,406,952.75)
<b>Net cash provided by (used in) operating activities</b>	<u><b>270,726,438.90</b></u>	<u><b>194,051,946.40</b></u>

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, 2009 AND 2008**

		('Baht)
	2009	2008
<b>Cash flows from investing activities</b>		
Increase (decrease) in temporary investment	(5,000,000.00)	(60,000,000.00)
Cash payment for purchase fixed assets	(34,890,213.88)	(67,765,484.81)
Cash payment for purchase intangible asset	(18,537,440.00)	(2,993,060.00)
Cash received from sale fixed assets	1,032,680.98	3,140,134.51
<b>Net cash provided by (used in) investing activities</b>	<b><u>(57,394,972.90)</u></b>	<b><u>(127,618,410.30)</u></b>
<b>Cash flows from financing activities</b>		
Cash payment for hire-purchase payable	(1,143,673.84)	(526,642.79)
Cash payment for dividend	(129,888,472.00)	(129,640,522.50)
<b>Net cash provided by (used in) financing activities</b>	<b><u>(131,032,145.84)</u></b>	<b><u>(130,167,165.29)</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>82,299,320.16</b>	<b>(63,733,629.19)</b>
Cash and cash equivalents at beginning of the period	197,043,236.94	260,776,866.13
<b>Cash and cash equivalents at end of the period</b>	<b><u>279,342,557.10</u></b>	<b><u>197,043,236.94</u></b>

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



**THAI STEELCABLE PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

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**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**

The Company maintains its accounting records in Thai Baht and prepares statutory financial statement in Thai language in conformity with accounting standards and practices generally accepted accounting 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 brief particulars in the financial statements are shown in accordance with the Notification of the Department of Business Development dated January 30, 2009 regarding “The Brief Particulars in the Financial Statements B.E. 2552”.

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

**3. Cancellation and announcements of new accounting standards**

3.1 In accordance with the Notification of the Federation of Accounting Professions (FAP) No. 12/2009 dated May 15, 2009 regarding “The subject is identify number of Thai Accounting Standards (TAS)”, to be in accordance with International Accounting Standards (IAS). Accordingly, identify number of accounting standards and the financial statements report standards as disclose in financial statements for the years ended December 31, 2009 and 2008 are shown in accordance with the Notification accordingly.

3.2 The Federation of Accounting Professions (FAP) has issued Notifications No. 16/2009, dated May 21, 2009, regarding Thai Accounting Standard (TAS) which have been Notification of Royal Decree as follows:

3.2.1 To cancel two accounting standards in accordance with the Notification of the Board control of Auditing Professions TAS 42 (2000), as follows:

Accounting Framework.

TAS 47 Related Party Disclosures.

3.2.2 Accounting Standards which are effective as follows:

Accounting Framework. (Revised 2007)

TAS 24 (Revised 2007) Related Party Disclosures.

3.2.3 Accounting Standards and the financial report standards of new accounting as follows:

	<u>Beginning observe on</u>
TAS 40 Investment Property	January 1, 2011
TAS 20 Accounting for Government Grants and Disclosure of Government Assistance.	January 1, 2012

The Company’s management will observe when these Thai accounting standards become effective and assessed these Thai accounting standards will not have a significant impact on the financial statement in which they are initially applied.

#### 4. Summary of significant accounting policies

- 4.1 The Company recognizes the revenue from sales when goods and right are delivered. Other revenue and expenses are recognized on accrual basis.
- 4.2 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
- 4.3 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 valued in relation to the current financial status of each account receivables.
- 4.4 Inventories are stated at cost base on weighted average moving for monthly method, or net realizable value whichever is lower. Net realizable value estimated from selling price in normal business conditions less cost of completion and necessary cost for selling.
- 4.5 Investment
- 4.5.1 Fixed deposit stated at cost
- 4.5.2 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.
- 4.5.3 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).
- 4.6 Land are presented at cost and building and equipment are present at cost deduct accumulated depreciation and allowance for impairment (if any). Depreciation is calculated by the straight-line method, base on the estimated useful life of assets as follows:-
- |                          |      |       |
|--------------------------|------|-------|
| Street improvement       | 20   | Years |
| Buildings and structures | 20   | Years |
| Office building          | 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 |
- 4.7 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).
- 4.8 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 |
- 4.9 The Company recognized the contribution to the provident fund as expenses during the year.

- 4.10 The Company recognized the income tax to be paid as expense during the year by tax rate at the balance sheet dated.
- 4.11 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.
- 4.12 Basic earnings per share calculated by dividing net profit for each year by the weighted average number of ordinary shares at the end of the each year.
- 4.13 Estimated liabilities
- Estimated liabilities are recognized as liabilities in the balance sheet when it is probable that an obligation has been incurred as a result of a past event, it is possible that an economic benefits will be required to settle the obligation and the amount of the obligation can be reasonably estimated. The company has recorded estimation of liability from quality guarantee of product by past statistical data of warranty claim.
- 4.14 Critical judgement of management accounting policies and estimation
- Preparation of financial statements in conformity with generally accepted accounting principles require management to make estimation and assumptions about book value critical amounts of assets and liabilities that are not apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may be differ from those estimation. The significant areas that management need to use their judgement and estimation that will affect on the amounts and disclosures are as follows:
- 4.14.1 Useful life for building and equipment
- The Company review useful life of building and equipment at the end of each year.
- 4.14.2 Impairment of asset
- The carrying amounts of the bank's assets are reviewed at each balance sheet dated to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.
- 4.14.3 Allowance for intangible assets
- The intangible assets consist of software, which tested for impairment using a fair value method of discounted cash flows on an annual basis.
- 4.14.4 Fair value of financial instruments
- In assessment fair value of financial instruments that are not trading in the market and can not search for active market, the management use judgment for estimating fair value of financial instrument calculated by criterion assessment value that has been accepted. The variable has calculated from comparing with other variables in the market, by considering from the liquidity, the relation data and changing of value of long-term financing instruments.

## 5. Supplement cash flows information

In 2009 and 2008, the Company bought computer in the amount of Baht 1.38 million and Baht 2.36 million respectively, by doing hire purchase contract in the amount of Baht 1.64 million and Baht 2.82 million respectively. This transaction was not related with cash flows in investing activities and financing activities.

## 6. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2009 and 2008 are as follows:

		('Baht)
	2009	2008
Cash on hand	92,312.57	100,000.00
Cash at financial institute	268,004,338.89	185,817,889.46
Fixed deposit 3 months	11,245,905.64	11,125,347.48
Total	<u>279,342,557.10</u>	<u>197,043,236.94</u>

## 7. Temporary investment

Temporary investment as at December 31, 2009 and 2008 are as follows:

			('Baht)
	Interest rate	2009	2008
	(%)		
Fixed deposit 3 months	1.15	65,000,000.00	-
Bill of exchange	3.75	-	60,000,000.00
Total		<u>65,000,000.00</u>	<u>60,000,000.00</u>

## 8. Accounts and notes receivable

Accounts and notes receivable as at December 31, 2009 and 2008 are as follows:

		('Baht)
	2009	2008
Accounts receivable – related company	35,516,055.54	82,086,584.09
Accounts receivable – other company	339,342,088.22	318,326,447.27
Notes receivable	-	3,972,224.85
Total	<u>374,858,143.76</u>	<u>404,385,256.21</u>

Outstanding accounts receivable as at December 31, 2009 and 2008 can be analyzed as follows:

		('Baht)
	2009	2008
0 – 3 months	373,983,662.40	381,423,813.51
3 – 6 months	760,205.62	18,326,220.42
6 – 12 months	114,275.74	662,997.43
Total	<u>374,858,143.76</u>	<u>400,413,031.36</u>

## 9. Inventories

Inventories as at December 31, 2009 and 2008 are as follows:

	2009	(‘Baht) 2008
Finished goods	48,971,500.85	31,940,358.84
Work in process	-	4,350,256.49
Raw material	133,200,409.65	154,138,834.91
Component part	28,612,893.79	1,583,480.63
Raw material in transit	33,496,485.32	13,544,227.09
Total	<u>244,281,289.61</u>	<u>205,557,157.96</u>

## 10. Property, plant and equipment - net

Property, plant and equipment has movement transaction as follows:

	Balance as at December 31, 2008	Additions	Disposals	Others	(‘Bant) Balance as at December 31, 2009
<b>Cost</b>					
Lands	188,502,498.80	-	-	-	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	11,897,445.50	-	-	-	11,897,445.50
Machineries and equipments	440,447,621.01	265,000.00	(481,614.26)	17,638,886.29	457,869,893.04
Tools	76,425,236.65	715,947.50	(2,166,534.74)	(518,611.10)	74,456,038.31
Molds	39,591,481.96	2,639,800.00	(5,971,336.62)	1,838,691.96	38,098,637.30
Office equipments	55,800,725.36	658,083.21	(962,120.56)	5,629,282.37	61,125,970.38
Office equipment under financial lease	2,360,800.00	1,262,600.00	-	-	3,623,400.00
Furniture and fixtures	5,239,638.73	296,500.00	-	86,540.00	5,622,678.73
Vehicles	43,764,200.00	-	(53,400.00)	-	43,710,800.00
Assets under installation	8,189,041.71	31,616,915.22	-	(25,610,469.52)	14,195,487.41
Total cost	<u>1,237,964,041.72</u>	<u>37,454,845.93</u>	<u>(9,635,006.18)</u>	<u>(935,680.00)</u>	<u>1,264,848,201.47</u>
<b>Accumulated depreciation</b>					
Buildings and structures	(32,378,843.43)	(14,229,759.94)	-	-	(46,608,603.37)
Office buildings	(8,102,413.93)	(4,057,507.68)	-	-	(12,159,921.61)
Building improvement	(683,995.41)	(594,872.28)	-	-	(1,278,867.69)
Machineries and equipments	(261,899,474.20)	(29,357,955.62)	388,199.82	-	(290,869,230.00)
Tools	(35,661,575.05)	(10,820,926.30)	2,070,237.35	1,005,018.58	(43,407,245.42)
Molds	(28,009,423.12)	(4,220,561.42)	5,799,517.19	-	(26,430,467.35)
Office equipments	(21,646,819.98)	(7,582,225.39)	896,113.33	(999,295.43)	(29,332,227.47)
Office equipment under financial lease	(427,903.67)	(162,791.81)	-	-	(590,695.48)
Furniture and fixtures	(1,017,957.04)	(548,085.48)	-	-	(1,566,042.52)
Vehicles	(13,716,031.15)	(4,373,647.59)	31,740.13	-	(18,057,938.61)
Total accumulated depreciation	<u>(403,544,436.98)</u>	<u>(75,948,333.51)</u>	<u>9,185,807.82</u>	<u>5,723.15</u>	<u>(470,301,239.52)</u>
Property, plant and equipment-net	<u>834,419,604.74</u>	<u>(38,493,487.58)</u>	<u>(449,198.36)</u>	<u>(929,956.85)</u>	<u>794,546,961.95</u>
Depreciation of the assets for the years	<u>70,731,737.79</u>				<u>75,948,333.51</u>

Asset with deduct all depreciation but can be used has book value before less accumulated depreciation as at December 31, 2009 and 2008, in the amount of Baht 169.27 million and Baht 167.87 million respectively.

## 11. Non - operating asset - net

Non - operating asset has movement transaction as follows:

	Balance as at December 31, 2008	Additions	Disposals	Others	(‘Bant) Balance as at December 31, 2009
<b>Cost</b>					
Land and improvement	45,799,710.19	-	-	-	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	839,573.63	-	(42,000.00)	-	797,573.63
Total	186,632,302.33	-	(42,000.00)	-	186,590,302.33
<b>Less Accumulated depreciation</b>					
Improvement	(2,890,398.24)	-	-	-	(2,890,398.24)
Buildings and structures	(59,365,247.60)	-	-	-	(59,365,247.60)
Building improvement	(12,577,091.26)	-	-	-	(12,577,091.26)
Furniture and fixtures	(438,217.61)	-	32,081.11	(2,401.17)	(408,537.67)
Total	(75,270,954.71)	-	32,081.11	(2,401.17)	(75,241,274.77)
<b>Non-operating asset net</b>	<b>111,361,347.62</b>	<b>-</b>	<b>(9,918.89)</b>	<b>(2,401.17)</b>	<b>111,349,027.56</b>

## 12. Intangible asset - net

Intangible asset has movement transaction as follows:

	Balance as at December 31, 2008	Additions	Disposals	Others	(‘Bant) Balance as at December 31, 2009
<b>Cost</b>					
Computer program	2,993,060.00	1,416,120.00	-	-	4,409,180.00
Computer program under installation	-	18,057,000.00	-	-	18,057,000.00
Total	2,993,060.00	19,473,120.00	-	-	22,466,180.00
<b>Accumulated amortization</b>	<b>(171,412.61)</b>	<b>(485,769.84)</b>	<b>-</b>	<b>(5,723.15)</b>	<b>(662,905.60)</b>
<b>Intangible asset - net</b>	<b>2,821,647.39</b>	<b>18,987,350.16</b>	<b>-</b>	<b>(5,723.15)</b>	<b>21,803,274.40</b>

## 13. 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, 2009 and 2008, the Company do not used that loan.

## 14. Accounts and notes payable

Accounts and notes payable as at December 31, 2009 and 2008 are as follows:

	(‘Baht)	
	2009	2008
Accounts payable - related company	46,557,490.69	48,760,404.58
Accounts payable - other company	290,066,320.50	241,962,709.83
Notes payable	5,984,686.10	18,720.00
Total	<u>342,608,497.29</u>	<u>290,741,834.41</u>

## 15. Hire-purchase payable

Hire-purchase payable as at December 31, 2009 and 2008 are as follows:

	(‘Baht)			
	Due within 1 year		Due over 1 year but not over 5 years	
	2009	2008	2009	2008
Hire-purchase payable	1,541,166.00	938,854.44	1,250,937.39	1,358,662.91
Less deferred interest expenses	(140,209.84)	(125,467.03)	(59,754.01)	(73,787.69)
Net	<u>1,400,956.16</u>	<u>813,387.41</u>	<u>1,191,183.38</u>	<u>1,284,875.22</u>



## 16. Provision of liability

Provision of liability as at December 31, 2009 and 2008 are as follows:

	2009	(‘Baht) 2008
Beginning provision of liability – quality guarantee	6,394,248.57	2,814,120.30
Plus Increase provision of liability – quality guarantee	3,772,196.58	6,079,767.84
	10,166,445.15	8,893,888.14
Less Decrease provision of liability – quality guarantee	(726,851.76)	(2,499,639.57)
Ending provision of liability – quality guarantee	9,439,593.39	6,394,248.57

## 17. Capital management

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

## 18. 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.

## 19. 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.

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 2009 and 2008, 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.

## 20. Expenses by nature

Expenses by nature for the years ended December 31, 2009 and 2008, that occurred from important expenses are as follow:-

	2009	(‘Baht) 2008
Changing finish good and work in process	(41,293,779.31)	2,474,268.86
Raw material and supply use	1,215,146,158.74	1,579,009,238.82
Staff expenses	169,693,811.75	215,912,197.68
Depreciation and amortization	76,436,504.52	70,903,150.40
Loss on exchange rate	-	19,748,517.42
Management benefit expenses	41,006,598.00	40,989,193.00

## 21. Dividend

According to the Ordinary Shareholders' Meeting No.1/2009, held on April 28, 2009, 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 2009.

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.

## 22. Related party transactions

### 22.1 Long-term investment

Long-term investment as at December 31, 2009 and 2008 as follows:

Long term investment as at December 31, 2009 and 2008 as follows:								
General Investment	Type of Business	Nature of relationship	Issued and Paid - up Share Capital		Shareholding (%)		('Baht) Cost Method	
			2009	2008	2009	2008	2009	2008
Hi-Lex Vietnam Co., Ltd	Manufacturing Composition of Motor vehicle	Shareholder	USD 11,150,000	USD 11,150,000	6.30	6.30	25,704,000.00	25,704,000.00
Total							25,704,000.00	25,704,000.00

### 22.2 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:

		(Million Baht)	
	Nature of Relationship	As at December 31,	
		2009	2008
<b>Balance</b>			
<b>Related party</b>			
<b>Account receivable</b>			
Summit Auto seats Industry Co., Ltd	Common shareholder and director	1.71	1.14
Summit Auto body Industry Co., Ltd	Common shareholder and director	3.58	2.48
Summit Laemchabang Auto seat Manufacturing Co., Ltd	Common shareholder and director	1.47	0.98
Summit Anse Autopart Co., Ltd	Common shareholder and director	4.49	4.60
Summit Osuka Manufacturing Co., Ltd	Common shareholder and director	2.76	2.80
Johnson Controls and Summit Interiors Co., Ltd.	Common shareholder and director	4.55	1.93
Hi-Lex Vietnam Co., Ltd	Affiliated company, Common shareholder and director	6.56	4.07
PT. Hi – Lex Indonesia	Common shareholder and director	4.50	56.54
Hi-Lex Do Brasil LTDA	Common shareholder	-	0.17
Hi-Lex India Private Limited	Common shareholder and director	0.04	0.02
Hi-Lex Corporation	Shareholder	1.13	3.27
Armstrong Cycle Parts SDN.BHD.	Common shareholder	1.24	2.64
Guangzhou TSK Control Cable Co., Ltd	Common shareholder and director	0.03	0.03
Hi-Lex cable system	Common shareholder	1.99	1.39
<b>Other account receivable</b>			
Yantai TSK Cable Sytem Co., Ltd.	Common shareholder and director	1.47	-
<b>Account payable</b>			
Complete Autopart Co., Ltd	Common shareholder and director	4.62	5.15
Complete Autorubber Manufacturing Co., Ltd	Common shareholder and director	2.38	1.81
Thai Auto Industry Co., Ltd	Common shareholder and director	0.01	0.01
PT. Hi-Lex Indonesia	Common shareholder and director	-	0.18
Hi-Lex Corporation	Shareholder	32.15	37.05
Yantai TSK Cable Sytem Co., Ltd.	Common shareholder and director	4.73	2.34
TSK (Korea) Co., Ltd	Common shareholder and director	2.20	2.09
Chongqing TSK Control Cable System Co., Ltd	Common shareholder and director	0.18	0.03
Hi-Lex America	Common shareholder and director	0.28	0.10
<b>Accrued royalty</b>			
Hi-Lex Corporation	Shareholder	14.60	15.31

	Nature of Relationship	(Million Baht)	
		For the year ended December 31,	
		2009	2008
<b>Revenues and expense</b>			
<b>Related party</b>			
<b>Revenue from sales</b>			
Summit Auto seats Industry Co., Ltd	Common shareholder and director	4.61	5.44
Summit Auto body Industry Co., Ltd	Common shareholder and director	13.19	19.91
Summit Laemchabang Autoseats Manufacturing Co., Ltd	Common shareholder and director	3.01	5.23
Summit Anse Autopart Co., Ltd	Common shareholder and director	12.77	24.39
Summit Osuka Manufacturing Co., Ltd	Common shareholder and director	11.90	15.70
Johnson Controls and Summit Interiors Co., Ltd.	Common shareholder and director	11.58	6.95
Hi-Lex Vietnam Co., Ltd	Affiliated company, Common shareholder and director	17.10	17.23
Hi-Lex Do Brasill LTDA	Common shareholder	-	0.21
Hi-Lex India Private Limited	Common shareholder and director	0.05	3.65
PT. Hi-Lex Indonesia	Common shareholder and director	36.17	102.64
Hi-Lex Corporation	Shareholder	6.68	18.74
Armstrong Cycle Parts SDN. BHD.	Common shareholder	7.98	10.82
Guangzhou TSK Control Cable Co., Ltd	Common shareholder and director	-	0.03
Hi-Lex cable system	Common shareholder	8.51	3.72
<b>Purchase raw material</b>			
Complete Autopart Co., Ltd	Common shareholder and director	17.40	40.33
Complete Autorubber Manufacturing Co., Ltd	Common shareholder and director	6.67	7.59
Thai Auto Industry Co., Ltd	Common shareholder and director	0.01	0.72
PT. Hi-Lex Indonesia	Common shareholder and director	0.11	0.81
Hi-Lex Corporation	Shareholder	259.28	379.35
TSK (Korea) Co., Ltd.	Common shareholder and director	8.61	5.17
Hi-Lex America	Common shareholder and director	0.14	1.30
Hi-Lex Vietnam Co., Ltd	Affiliated company, Common shareholder and director	-	0.06
Yantai TSK Cable System Co., Ltd.	Common shareholder and director	3.63	5.74
Chongqing TSK Control Cable System Co., Ltd	Common shareholder and director	0.47	0.05
<b>Purchase fixed asset</b>			
Hi-Lex Corporation	Shareholder	-	2.30
Hi-Lex America	Common shareholder and director	0.08	0.08
<b>Royalty</b>			
Hi-Lex Corporation	Shareholder	25.96	32.79

## 23. 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.

## 24. Long - term contract

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

24.2 As at December 31, 2009, the Company has rental expenses to spend in future under financial lease contact following;

	(*Baht)
Due within 1 year	1,386,162.00
Over 1 year not over 5 years	1,223,280.42

## 25. 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:

- 25.1 Exemption from corporate income tax for profit derived from promoted activities for a period of seven year.
- 25.2 Permission to deduct loss occurring throughout promotional period from the net profit arising after a period of exemption from corporate income tax and not exceeding 5 years commencing from the expiry date in 25.1 above.
- 25.3 Exemption of income tax on dividends paid from the Company which has been promoted privileges throughout the corporate income tax exemption period.
- 25.4 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 25.1 expired in year 2013.

## 26. 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:

				(‘Baht)
For the year ended December 31, 2009				
	Promoted business	Non-promoted business	Total	
Revenue				
Revenue from sale	1,611,195,476.49	140,186,552.53	1,751,382,029.02	
Interest revenue	1,502,531.84	487,159.08	1,989,690.92	
Other revenue	5,070,429.79	34,274,998.22	39,345,428.01	
Total	<u>1,617,768,438.12</u>	<u>174,948,709.83</u>	<u>1,792,717,147.95</u>	

				(‘Baht)
For the year ended December 31, 2008				
	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>	

## 27. Letters of Guarantee

- 27.1 As at December 31, 2009 and 2008, 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 2.17 million and Baht 1.74 million respectively. Which use collateral together with bank overdrafts.
- 27.2 As at December 31, 2009 and 2008, the Company has obtained letters of guarantee issued by a local commercial bank to import duty payment in the amount of Baht 22.17 million and Baht 8.62 million respectively.

## 28. Presentation and disclosure for financial instruments

### 28.1 Default risk

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

### 28.2 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.

### 28.3 Foreign exchange rate risk

The Company is exposed to foreign exchange rate risk subject to purchase goods and assets. The Company has enter into forward contracts for protect currency exposure for high transaction. As at December 31, 2009 and 2008, the Company not has balance of foreign exchange contracts.

As at December 31, 2009 and 2008, the company has currency financial assets and financial liabilities, as follow:

<b>Currency</b>	<b>Financial assets (million)</b>	<b>Financial liability (million)</b>
USD	0.44	0.46
YEN	6.55	112.46

### 28.4 Interest rate risk

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

### 28.5 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.
- Long-term investment has book value that are equal to the estimated fair value. The fair value calculated by estimated from net book value.
- Accounts payable, asset payables and other book value are equal to the estimated fair value.
- As at December 31, 2009 and 2008, 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.

## 29. Transaction reclassification

The brief particulars in the financial statements for the year ended December 31, 2008, are reclassified in order to be in line for the financial statements for the year ended December 31, 2009, as follow:

- Selling expenses in the amount of Baht 4.81 million and other expenses in the amount of Baht 1.72 million are reclassified to shown including administrative expenses.

## 30. Approving of the financial statements

The financial statements are approved by authorized directors of the Company held on February 25, 2010

## 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 58,800 baht (fifty-eight thousand and eight hundred baht).

### 2. Non - audit fee

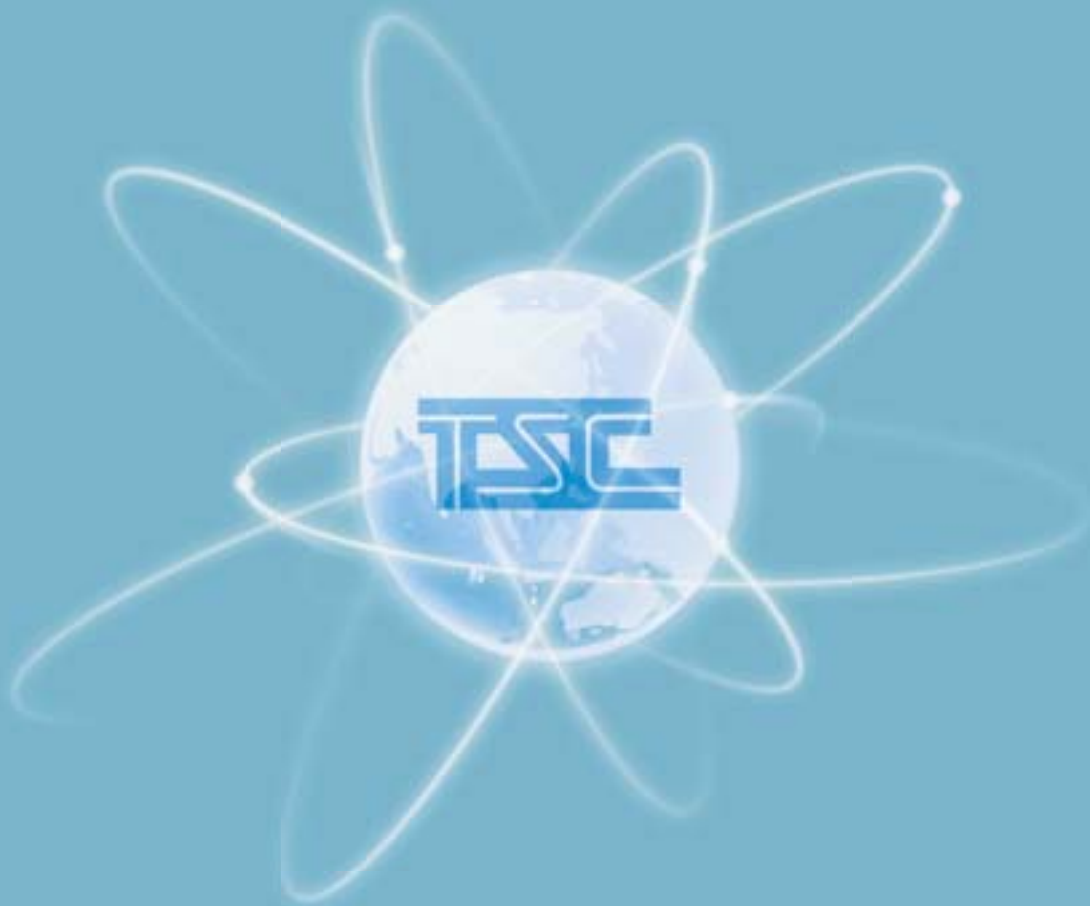
- Professional fee remitted for BOI auditing amounted to 50,000 baht.

It was noted that the auditors have worked as the Company's auditors for six years during 2004 - 2009 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.<br>62, Stock Exchange of Thailand Building<br>Ratchadapisek Road, Klongtoey, Bangkok 10110.<br>Tel. (02) 229 2800<br>Fax. (02) 359 1259                 |
| 2) Auditor           | Dr. Junyaporn Techamontrikul<br>Certified Public Accountant No. 6720<br>United Auditing PKF Limited<br>100 Rama IV Road, Samphanthawong, Bangkok 10100.<br>Tel. (02) 623 3300<br>Fax. (02) 623 3020 - 1 |





### **นโยบายคุณภาพ (Quality Policy)**

*ยกระดับประสิทธิภาพอย่างต่อเนื่อง เน้นเรื่องความพึงพอใจลูกค้า  
การออกแบบการส่งมอบและราคา สูงคุณค่าพร้อมพัฒนาสู่สากล*

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### บริษัท ไทยสตีลเคเบิล จำกัด (มหาชน)

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