

FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
THAI STEEL CABLE PUBLIC COMPANY LIMITED  
FOR THE PERIOD FROM JANUARY 1, 2012 TO  
SEPTEMBER 30, 2012 AND  
FOR THE YEAR ENDED DECEMBER 31, 2011

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

We have audited the financial statements of Thai Steel Cable Public Company Limited which comprise the statements of financial position as at September 30, 2012, the related statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the period from January 1, 2012 to September 30, 2012, and notes including summary of significant accounting policies and other explanation.

**Management's responsibility to the financial statements**

The management is responsible for the preparation and presentation of these financial statements in accordance with Thai Financial Reporting Standards and responsible for the internal control that management considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai standards on auditing. Those standards require that we have to comply with ethical requirements, including plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **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 September 30, 2012, and the financial performance and cash flows for the period from January 1, 2012 to September 30, 2012, in conformity with Thai Financial Reporting Standards.

#### **The emphasis paragraph**

As discussed in Notes 34 to the financial statements, the Company has changed accounting periods from ended December 31, to ended September 30, has been approved from the ordinary shareholders' meeting held on April 27, 2012, which started from January 1, 2012 and ended September 30, 2012.



**Dr. Junyaporn Techamontrikul**

Certified Public Accountant No. 6720

United Auditing Limited

Bangkok.

November 26, 2012.

THAI STEEL CABLE PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

(Baht)

		As at September 30, 2012	As at December 31, 2011
<b>ASSETS</b>			
<b>Current assets</b>	<b>Note</b>		
Cash and cash equivalents	6	140,999,571.93	98,155,297.20
Temporary investment	7	97,286.38	112,782,385.19
Accounts and other receivables	8	663,248,011.20	238,549,463.08
Inventories	9	415,162,391.61	513,977,380.46
Other current assets		37,823,925.77	40,012,893.28
Total current assets		<u>1,257,331,186.89</u>	<u>1,003,477,419.21</u>
<b>Non-current assets</b>			
Long - term investments	25.1	25,704,000.00	25,704,000.00
Investment property - net	10	138,002,815.43	139,897,816.54
Property, plant and equipment - net	11	977,129,696.51	764,518,785.71
Intangible assets - net	12	28,103,660.24	21,518,298.92
Other non - current assets		1,019,041.59	739,241.59
Total non - current assets		<u>1,169,959,213.77</u>	<u>952,378,142.76</u>
<b>Total assets</b>		<u><u>2,427,290,400.66</u></u>	<u><u>1,955,855,561.97</u></u>

THAI STEEL CABLE PUBLIC COMPANY LIMITED  
STATEMENTS OF FINANCIAL POSITION (Continued)

		('Baht)	
		As at September 30,	As at December 31,
		2012	2011
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>	<b>Note</b>		
Overdrafts from financial institution	13	-	745,181.60
Accounts and other payables	14	556,790,703.36	296,115,820.03
Asset payables		39,717,978.66	18,231,271.56
Hire-purchase payable due within 1 year	15	6,386,231.10	3,757,639.17
Long - term loan due within 1 year	16	56,250,000.00	-
Accrued expenses		101,945,413.12	29,666,593.29
Other current liabilities		6,667,333.66	21,510,111.97
<b>Total current liabilities</b>		<u>767,757,659.90</u>	<u>370,026,617.62</u>
<b>Non - current liabilities</b>			
Hire - purchase payable	15	8,495,690.78	5,869,932.93
Long - term loan	16	52,250,000.00	-
Post - employment benefits obligation	17	21,032,134.16	21,762,036.16
Provisions of liabilities	18	18,572,258.10	15,131,977.14
Other non - current liabilities		98,456.07	8,252,091.69
<b>Total non current liabilities</b>		<u>100,448,539.11</u>	<u>51,016,037.92</u>
<b>Total liabilities</b>		<u>868,206,199.01</u>	<u>421,042,655.54</u>
<b>Equity</b>			
Share capital	19		
Authorized share capital			
268,500,000 ordinary shares of Baht 1.00 each		268,500,000.00	268,500,000.00
Issued & paid-up share capital			
259,800,000 ordinary shares of Baht 1.00 each		259,800,000.00	259,800,000.00
Premium on share capital		464,870,184.55	464,870,184.55
Retained earnings			
Appropriated			
Legal reserve	20	26,850,000.00	26,850,000.00
Unappropriated		807,564,017.10	783,292,721.88
<b>Total equity</b>		<u>1,559,084,201.65</u>	<u>1,534,812,906.43</u>
<b>Total liabilities and equity</b>		<u>2,427,290,400.66</u>	<u>1,955,855,561.97</u>

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

THAI STEEL CABLE PUBLIC COMPANY LIMITED  
STATEMENTS OF COMPREHENSIVE INCOME

('Baht)

FOR THE PERIOD FROM    FOR THE YEARS  
JANUARY 1, 2012 TO    ENDED DECEMBER 31,  
SEPTEMBER 30,

2012

2011

Revenues	Note	2012	2011
Revenues from sales		2,354,725,048.75	2,252,614,063.75
Other incomes		25,982,805.64	43,415,364.20
<b>Total revenues</b>	29	<b>2,380,707,854.39</b>	<b>2,296,029,427.95</b>
<b>Expenses</b>	22		
Cost of goods sold		1,951,381,982.69	1,777,817,477.82
Selling expenses		65,950,075.16	53,246,799.01
Administrative expenses		154,844,705.49	190,159,070.18
Directors and managements' remuneration	24	44,744,082.75	59,441,598.00
<b>Total expenses</b>		<b>2,216,920,846.09</b>	<b>2,080,664,945.01</b>
<b>Profit before finance costs and income tax</b>		<b>163,787,008.30</b>	<b>215,364,482.94</b>
Finance costs		(1,008,401.67)	(1,369,329.99)
Profit before income tax		162,778,606.63	213,995,152.95
Income tax	23	(8,607,311.41)	(13,806,280.50)
Profit for the periods		154,171,295.22	200,188,872.45
Other comprehensive income - net of income tax		-	-
<b>Total comprehensive income for the periods</b>		<b>154,171,295.22</b>	<b>200,188,872.45</b>
<b>Earnings per share</b>			
Basic earnings per share		<b>0.59</b>	<b>0.77</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 EQUITY  
 FOR THE PERIOD FROM JANUARY 1, 2012 TO SEPTEMBER 30, 2012 AND  
 FOR THE YEAR ENDED DECEMBER 31, 2011

		('Baht)				
		Issued and paid-up share capital	Premium on share capital	Retained earnings Appropriated legal reserve	Unappropriated	Total equity
		_____	_____	_____	_____	_____
	Note					
Beginning balances as at January 1, 2011		259,800,000.00	464,870,184.55	26,850,000.00	790,943,849.43	1,542,464,033.98
Total comprehensive income for the periods		-	-	-	200,188,872.45	200,188,872.45
Dividend	21	-	-	-	(207,840,000.00)	(207,840,000.00)
Ending balances as at December 31, 2011		<u>259,800,000.00</u>	<u>464,870,184.55</u>	<u>26,850,000.00</u>	<u>783,292,721.88</u>	<u>1,534,812,906.43</u>
Beginning balances as at January 1, 2012		259,800,000.00	464,870,184.55	26,850,000.00	783,292,721.88	1,534,812,906.43
Total comprehensive income for the periods		-	-	-	154,171,295.22	154,171,295.22
Dividend	21	-	-	-	(129,900,000.00)	(129,900,000.00)
Ending balances as at September 30, 2012		<u>259,800,000.00</u>	<u>464,870,184.55</u>	<u>26,850,000.00</u>	<u>807,564,017.10</u>	<u>1,559,084,201.65</u>

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

## THAI STEEL CABLE PUBLIC COMPANY LIMITED

## STATEMENTS OF CASH FLOWS

('Baht)

	FOR THE PERIOD FROM JANUARY 1, 2012 TO SEPTEMBER 30, 2012	FOR THE YEARS ENDED DECEMBER 31, 2011
<b>Cash flows from operating activities</b>		
Profit before income tax	162,778,606.63	213,995,152.95
Item to reconcile net profit to net cash flows		
from operating activities		
Depreciation of assets	69,463,580.01	77,001,396.48
Depreciation of investment property	1,895,001.11	7,914,454.54
Amortization intangible asset	5,216,384.68	5,694,415.24
(Gain) loss from sale assets	(1,744,802.62)	(33,836.08)
Loss from write off fixed assets	317,204.14	18,779.75
Post-employment benefits obligation	1,418,703.00	2,437,777.00
Provision of liabilities	5,347,330.47	4,477,184.63
Unrealized (gain) loss on exchange rate	(762,114.84)	44,297.92
Interest income	(173,360.79)	(5,426,001.51)
Interest expenses	1,008,401.67	1,369,329.99
	<u>244,764,933.46</u>	<u>307,492,950.91</u>
(Increase) decrease in accounts and other receivables	(424,973,155.92)	223,319,310.43
(Increase) decrease in inventories	98,814,988.85	(226,521,037.73)
(Increase) decrease in other current assets	1,737,775.35	(14,447,915.90)
(Increase) decrease in other non-current assets	(279,800.00)	226,233.00
Increase (decrease) in accounts and other payables	261,711,605.98	(119,960,094.69)
Increase (decrease) in accrued expenses	75,140,146.54	(6,667,804.72)
Increase (decrease) in other current liabilities	(14,842,778.31)	(3,351,712.51)
Increase (decrease) in provision of liabilities	(1,907,049.51)	(2,759,900.64)
Increase (decrease) in post-employment benefits obligation	(2,148,605.00)	(4,883,449.84)
Increase (decrease) in other non-current liabilities	(8,153,635.62)	8,252,091.69
Cash received from operating	<u>229,864,425.82</u>	<u>160,698,670.00</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)

('Baht)

	FOR THE PERIOD FROM JANUARY 1, 2012 TO SEPTEMBER 30, 2012	FOR THE YEARS ENDED DECEMBER 31, 2011
Cash received from interest income	624,552.95	5,186,170.87
Cash payment for interest expenses	(1,008,401.67)	(1,369,329.99)
Cash payment for income tax	(11,463,110.62)	(17,107,554.46)
<b>Net cash provided by (used in) operating activities</b>	<b>218,017,466.48</b>	<b>147,407,956.42</b>
<b>Cash flows from investing activities</b>		
(Increase) decrease in temporary investment	112,685,098.81	7,286,295.25
Cash payment for purchase fixed assets	(256,319,206.38)	(125,436,302.59)
Cash payment for purchase intangible assets	(10,759,746.00)	(5,034,593.00)
Cash received from sale fixed assets	5,436,441.14	1,159,175.83
<b>Net cash provided by (used in) investing activities</b>	<b>(148,957,412.43)</b>	<b>(122,025,424.51)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in overdrafts from financial institution	(745,181.60)	745,181.60
Cash received from long-term loan	108,500,000.00	-
Cash payment for hire-purchase payable	(4,065,070.22)	(2,672,890.06)
Cash payment for dividend	(129,905,527.50)	(207,815,132.00)
<b>Net cash provided by (used in) financing activities</b>	<b>(26,215,779.32)</b>	<b>(209,742,840.46)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>42,844,274.73</b>	<b>(184,360,308.55)</b>
Cash and cash equivalents at beginning of the period	98,155,297.20	282,515,605.75
<b>Cash and cash equivalents at end of the period</b>	<b>140,999,571.93</b>	<b>98,155,297.20</b>

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

THAI STEEL CABLE PUBLIC COMPANY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM JANUARY 1, 2012 TO SEPTEMBER 30, 2012 AND  
FOR THE YEAR ENDED DECEMBER 31, 2011

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**1. Company operations**

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

**2. Basis of prepared and presentation of the financial statements**

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

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

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

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

**Thai Financial Reporting Standards**

TFRS 8                      Operating Segments

**Thai Accounting Standards**

TAS 12                      Income Taxes

TAS 20                      Accounting for Government Grants and Disclosure of Government Assistance

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

## Thai Accounting Standards Interpretation

TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders

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

### 4. Summary of significant accounting policies

- 4.1 The Company recognizes the revenue from sales when goods and right are delivered. Other revenues and expenses are recognized on accrual basis.
- 4.2 Cash and cash equivalents is cash on hand and at financial institution, not include cash at financial institution due over 3 months and cash at financial institution that is used for collateral.
- 4.3 Accounts receivable is carried at anticipated realizable value. Allowance for doubtful accounts is provided to cover the estimated losses that may be incurred in the collections. The allowance is valued in relation to the current financial status of each account receivables.
- 4.4 Inventories are stated at cost base on weighted average 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 amortized cost less impairment (if any). The Company amortized premium/discount debt value following effective interest rate. The amount that was amortized shown by the adjustment with income interest.
  - 4.5.3 Long term investment is the money that invest in non listed equity, The Company classify as general investment, which are stated at cost less impairment (if any).

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

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

4.7 Investment property

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

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

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

Software license	10	Years
Software	3	Years

## 4.9 Lease

### 4.9.1 Financial Leases

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

### 4.9.2 Operating Leases

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

## 4.10 Employee benefits

### 4.10.1 Short-term employee benefits

#### - Provident fund

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

#### - Workmen's compensation fund

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

#### 4.10.2 Long - term employee benefits

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

4.11 The Company recognized the income tax to be paid as expense during the accounting period by tax rate at the statements of financial position dated.

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

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

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

#### 4.14 Estimated liabilities

Estimated liabilities are recognized as liabilities in the statements of financial position 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.

#### 4.15 Critical judgment of management accounting policies and estimation

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

##### 4.15.1 Useful life for building and equipment

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

##### 4.15.2 Impairment of asset

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

##### 4.15.3 Allowance for intangible assets

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

##### 4.15.4 Fair value of financial instruments

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

#### 5. Supplement cash flows information

In 2012, the Company bought computer in the amount of Baht 9.32 million by making financial leases contract in the amount of Baht 11 million. This transaction was not related to cash flows in investing activities and financing activities.

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

#### 6. Cash and cash equivalents

Cash and cash equivalents are as follows:

	('Baht)	
	As at	As at
	September 30,	December 31,
	2012	2011
Cash	336,013.50	214,840.50
Saving account	113,626,666.65	75,822,315.62
Current account	27,036,891.78	22,118,141.08
Total	<u>140,999,571.93</u>	<u>98,155,297.20</u>

#### 7. Temporary investment

As at September 30, 2012 and as at December 31, 2011, the Company invests in fixed deposit 3 months and 6 months in the amount of Baht 0.097 million and Baht 112.78 million, respectively, with interest rate at 1.87 - 3.00% per annum for each year.

#### 8. Accounts and other receivables

Accounts and other receivables are as follows:

	('Baht)	
	As at	As at
	September 30,	December 31,
	2012	2011
Accounts receivable - related company	31,677,486.47	26,480,217.11
Accounts receivable - other company	631,268,128.42	210,850,452.42
Total account receivable	<u>662,945,614.89</u>	<u>237,330,669.53</u>
Other receivable	302,396.31	1,218,793.55
Total accounts and other receivables	<u>663,248,011.20</u>	<u>238,549,463.08</u>



Accounts receivable are reclassified by aging as follows:

	('Baht)	
	As at	As at
	September 30,	December 31,
	2012	2011
0 -3 months	643,983,248.96	234,834,044.73
3 -6 months	12,710,068.94	1,887,380.87
6 -12 months	6,252,296.99	609,243.93
Total	<u>662,945,614.89</u>	<u>237,330,669.53</u>

## 9. Inventories

Inventories are as follows:

	('Baht)	
	As at	As at December
	September 30,	31,
	2012	2011
Finished goods	86,455,347.95	94,614,628.77
Component part	43,619,176.70	51,515,627.87
Raw material	237,904,326.07	335,527,438.22
Raw material in transit	47,183,540.89	32,319,685.60
Total	<u>415,162,391.61</u>	<u>513,977,380.46</u>

The amount of inventories recognized as expenses in the financial statements for the period from January 1, 2012 to September 30, 2012 and for the year ended December 31, 2011 are in the amount of Baht 1,951.38 million and Baht 1,777.82 million, respectively.

## 10. Investment property - net

Investment property has movement transaction as follows:

	('Baht)			
	Balance as at December 31, 2011	Additions	Sale or Disposals	Balance as at September 30, 2012
<b>Cost</b>				
Land and improvement	93,510,200.01	-	-	93,510,200.01
Buildings and structures	137,611,595.37	-	-	137,611,595.37
Building improvement	24,265,323.14	-	-	24,265,323.14
Total cost	<u>255,387,118.52</u>	<u>-</u>	<u>-</u>	<u>255,387,118.52</u>
<b>Accumulated depreciation</b>			-	
Improvement	(3,793,688.27)	(135,079.17)	-	(3,928,767.44)
Buildings and structures	(94,846,748.02)	(1,130,577.99)	-	(95,977,326.01)
Building improvement	(16,848,865.69)	(629,343.95)	-	(17,478,209.64)
Total accumulated depreciation	<u>(115,489,301.98)</u>	<u>(1,895,001.11)</u>	<u>-</u>	<u>(117,384,303.09)</u>
Investment property - net	<u>139,897,816.54</u>	<u>(1,895,001.11)</u>	<u>-</u>	<u>138,002,815.43</u>
Depreciation of the assets for the periods	<u>7,914,454.54</u>			<u>1,895,001.11</u>

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

Investment property consisted of land and building of existing office that are not in use. It is stated at cost, less accumulated depreciation. The fair value information for the investment property as at September 30, 2012 and as at December 31, 2011, are in the amount of Baht 326.50 million for each year.

## 11. Property, plant and equipment - net

Property, plant and equipment has movement transaction as follows:

	Balance as at December 31, 2011	Additions	Disposals	Others	Balance as at September 30, 2012
<b>Cost</b>					
Lands and land improvement	140,922,008.98	-	-	-	140,922,008.98
Buildings and structures	263,095,198.58	-	-	-	263,095,198.58
Office buildings	81,150,153.42	-	-	-	81,150,153.42
Building-factory improvement	16,580,201.44	869,000.00	-	906,500.00	18,355,701.44
Machineries and equipments	545,104,883.71	80,320,413.67	(3,610,759.39)	45,615,506.92	667,430,044.91
Tools	83,301,041.76	7,304,376.64	(4,848,064.37)	3,851,945.15	89,609,299.18
Molds	68,580,208.96	24,074,360.43	(9,131,132.19)	-	83,523,437.20
Office equipments	70,677,892.88	4,864,619.75	(4,877,213.53)	2,163,905.75	72,829,204.85
Office equipments under financial lease	11,091,100.00	3,428,729.00	(2,200.00)	(1,994,690.00)	12,522,939.00
Furniture and fixtures	6,026,728.88	-	(18,040.00)	112,100.00	6,120,788.88
Vehicles	35,849,000.00	-	(4,500,000.00)	-	31,349,000.00
Assets under installation	42,515,783.57	32,994,527.30	-	(50,655,267.82)	24,855,043.05
Machinery in transit	-	6,436,521.08	-	-	6,436,521.08
Buildings and structures under construction	-	125,609,649.24	-	-	125,609,649.24
Total cost	<u>1,364,894,202.18</u>	<u>285,902,197.11</u>	<u>(26,987,409.48)</u>	<u>-</u>	<u>1,623,808,989.81</u>
<b>Accumulated depreciation</b>					
Land improvement	(10,132.88)	(4,866.12)	-	-	(14,999.00)
Buildings and structures	(65,735,588.99)	(9,848,098.97)	-	-	(75,583,687.96)
Office buildings	(20,274,936.97)	(3,037,587.73)	-	-	(23,312,524.70)
Building improvement	(2,654,538.71)	(666,183.08)	-	-	(3,320,721.79)
Machineries and equipments	(352,229,018.89)	(30,119,360.05)	3,391,630.24	-	(378,956,748.70)
Tools	(58,958,884.79)	(6,997,699.31)	4,823,683.99	-	(61,132,900.11)
Molds	(34,705,093.46)	(7,702,831.19)	7,366,671.70	-	(35,041,252.95)
Office equipments	(37,966,153.64)	(5,760,920.57)	4,441,131.02	-	(39,285,943.19)
Office equipments under financial lease	(4,786,985.59)	(2,331,053.49)	2,064.56	-	(7,115,974.52)
Furniture and fixtures	(2,743,386.05)	(480,874.05)	3,472.94	-	(3,220,787.16)
Vehicles	(20,310,696.50)	(2,514,105.45)	3,131,048.73	-	(19,693,753.22)
Total accumulated depreciation	<u>(600,375,416.47)</u>	<u>(69,463,580.01)</u>	<u>23,159,703.18</u>	<u>-</u>	<u>(646,679,293.30)</u>
Property, plant and equipment-net	<u>764,518,785.71</u>	<u>216,438,617.10</u>	<u>(3,827,706.30)</u>	<u>-</u>	<u>977,129,696.51</u>
Depreciation of the assets for the periods	<u>77,001,396.48</u>				<u>69,463,580.01</u>

	Balance as at	Additions	Disposals	Others	Balance as at
	December 31, 2010				December 31, 2011
<b>Cost</b>					
Lands and land improvement	140,922,008.98	-	-	-	140,922,008.98
Buildings and structures	263,095,198.58	-	-	-	263,095,198.58
Office buildings	81,150,153.42	-	-	-	81,150,153.42
Building-factory improvement	14,259,121.44	596,025.00	-	1,725,055.00	16,580,201.44
Machineries and equipments	478,220,280.55	41,686,382.11	(757,307.10)	25,955,528.15	545,104,883.71
Tools	75,056,785.95	7,299,944.32	(1,766,421.94)	2,710,733.43	83,301,041.76
Molds	44,902,637.30	24,131,671.66	(454,100.00)	-	68,580,208.96
Office equipments	62,823,358.52	10,679,603.89	(3,734,119.53)	909,050.00	70,677,892.88
Office equipments under financial lease	5,711,600.00	5,836,400.00	-	(456,900.00)	11,091,100.00
Furniture and fixtures	5,671,019.48	355,709.40	-	-	6,026,728.88
Vehicles	37,454,000.00	-	(1,605,000.00)	-	35,849,000.00
Assets under installation	21,341,871.36	52,017,378.79	-	(30,843,466.58)	42,515,783.57
<b>Total cost</b>	<b>1,230,608,035.58</b>	<b>142,603,115.17</b>	<b>(8,316,948.57)</b>	<b>-</b>	<b>1,364,894,202.18</b>
<b>Accumulated depreciation</b>					
Land improvement	(3,632.88)	(6,500.00)	-	-	(10,132.88)
Buildings and structures	(52,580,829.05)	(13,154,759.94)	-	-	(65,735,588.99)
Office buildings	(16,217,429.29)	(4,057,507.68)	-	-	(20,274,936.97)
Building improvement	(1,850,996.44)	(803,542.27)	-	-	(2,654,538.71)
Machineries and equipments	(320,821,134.98)	(31,926,284.90)	518,400.99	-	(352,229,018.89)
Tools	(51,759,611.71)	(8,921,073.89)	1,721,800.81	-	(58,958,884.79)
Molds	(30,581,641.06)	(4,568,194.52)	444,742.12	-	(34,705,093.46)
Office equipments	(34,374,161.65)	(6,789,650.82)	3,576,772.80	(379,113.97)	(37,966,153.64)
Office equipments under financial lease	(2,702,705.84)	(2,463,393.72)	-	379,113.97	(4,786,985.59)
Furniture and fixtures	(2,136,083.61)	(607,302.44)	-	-	(2,743,386.05)
Vehicles	(17,518,622.55)	(3,703,186.30)	911,112.35	-	(20,310,696.50)
<b>Total accumulated depreciation</b>	<b>(530,546,849.06)</b>	<b>(77,001,396.48)</b>	<b>7,172,829.07</b>	<b>-</b>	<b>(600,375,416.47)</b>
<b>Property, plant and equipment-net</b>	<b>700,061,186.52</b>	<b>65,601,718.69</b>	<b>(1,144,119.50)</b>	<b>-</b>	<b>764,518,785.71</b>
Depreciation of the assets for the periods	75,342,829.92				77,001,396.48

Asset with deduct all depreciation but can be used has book value before less accumulated depreciation as at September 30, 2012 and as at December 31, 2011, are in the amount of Baht 261.39 million and Baht 237.02 million respectively.

## 12. Intangible assets - net

Intangible assets has movement transaction as follows:

	('Baht)					
	Net balance as at December 31, 2011	Additions	Others	Total	Amortized	Net balance as at September 30, 2012
Computer program	21,232,623.92	10,759,746.00	285,675.00	32,278,044.92	(5,216,384.68)	27,061,660.24
Software under installment	285,675.00	1,042,000.00	(285,675.00)	1,042,000.00	-	1,042,000.00
Total	<u>21,518,298.92</u>	<u>11,801,746.00</u>	<u>-</u>	<u>33,320,044.92</u>	<u>(5,216,384.68)</u>	<u>28,103,660.24</u>
Amortized for the periods	<u>5,694,415.24</u>					<u>5,216,384.68</u>

	('Baht)					
	Net balance as at December 31, 2010	Additions	Others	Total	Amortized	Net balance as at September 30, 2011
Computer program	21,892,446.16	5,034,593.00	-	26,927,039.16	(5,694,415.24)	21,232,623.92
Software under installment	-	285,675.00	-	285,675.00	-	285,675.00
Total	<u>21,892,446.16</u>	<u>5,320,268.00</u>	<u>-</u>	<u>27,212,714.16</u>	<u>(5,694,415.24)</u>	<u>21,518,298.92</u>
Amortized for the periods	<u>3,342,814.34</u>					<u>5,694,415.24</u>

## 13. Overdrafts from financial institution

The Company has entered into overdraft agreement with several local financial institution in the amount of Baht 50 million with the interest rate of MOR per annum. These loans are unsecured. As at September 30, 2012, the Company do not used that loan and balance as at December 31, 2011 in the amount of Baht 0.75 million.

## 14. Accounts and other payables

Accounts and other payables are as follows:

	('Baht)	
	As at September 30, 2012	As at December 31, 2011
Accounts payable - related company	141,591,624.53	74,730,814.95
Accounts payable - other company	384,902,772.65	203,829,972.06
Notes payable	582,715.14	-
Total accounts payable	<u>527,077,112.32</u>	<u>278,560,787.01</u>
Other payables	29,713,591.04	17,555,033.02
Total accounts and other payables	<u>556,790,703.36</u>	<u>296,115,820.03</u>

## 15. Hire-purchase payable

Hire-purchase payable are as follows:

	('Baht)			
	Due within 1 year		Due over 1 year but not over 5 years	
	As at	As at	As at	As at
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Hire-purchase payable	7,667,351.15	4,565,966.37	9,486,429.54	6,582,735.17
<u>Less</u> deferred interest expenses	(838,517.47)	(581,709.35)	(502,948.82)	(480,404.19)
<u>Less</u> deferred input vat	(442,602.58)	(226,617.85)	(487,789.94)	(232,398.05)
Net	<u>6,386,231.10</u>	<u>3,757,639.17</u>	<u>8,495,690.78</u>	<u>5,869,932.93</u>

## 16. Long-term loan

Long-term loan are as follows:

	('Baht)	
	As at	As at
	September 30, 2012	December 31, 2011
Long-term loan	108,500,000.00	-
<u>Less</u> Long-term loan due within 1 year	(56,250,000.00)	-
Balance	<u>52,250,000.00</u>	<u>-</u>

The Company has entered into long-term loan with a financial institute in the amount of Baht 150 million, which withdrawal in the amount of Baht 108.50 million to construction of factory building. Due date of repayment 32 months from the first time of withdrawal (May 17, 2012) start first payment on January 2013, which repayment principle in the amount of Baht 6.25 million per month and repayment interest every month with interest rate at MLR - 2.40 per annum. This loan has no collateral and has special condition by debt to equity ratio (D/E) shall not exceed 2 times, and the ratio of earnings (loss) before interest and tax plus depreciation, and deferred expenses divide by principle repayment due within 1 year of corresponding period, plus interest expense, should not less than 1.5 times.

## 17. Post-employment benefits obligation

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

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

	('Baht)	
	For the period from January 1, 2012 to September 30, 2012	For the year ended December 31, 2011
Current service costs	994,266.00	1,708,535.00
Interest cost	424,437.00	729,242.00
Total	<u>1,418,703.00</u>	<u>2,437,777.00</u>

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

	('Baht)	
	As at September 30, 2012	As at December 31, 2011
Beginning balance present value of post-employee benefits obligation	21,762,036.16	24,207,709.00
<u>Add</u> Current service costs	994,266.00	1,708,535.00
Interest cost	424,437.00	729,242.00
	<u>23,180,739.16</u>	<u>26,645,486.00</u>
<u>Less</u> Payment for post-employee benefits obligation	(2,148,605.00)	(4,883,449.84)
Ending balance present value of post-employee benefits obligation	<u>21,032,134.16</u>	<u>21,762,036.16</u>

The actuarial assumptions used to calculate the defined benefits obligations as at September 30, 2012 and as at December 31, 2011 are as follows:

**Financial assumptions**

Discount rate	4.10 %
Inflation rate	3 %
Salary increase rate	7 %
Turnover rates	8-20 % by aging range
Retirement age	60 years

**18. Provision of liabilities**

Provision of liabilities are as follows:

	As at September 30, 2011	As at December 31, 2010
Beginning provision of liability - quality guarantee	15,131,977.14	13,414,693.15
<u>Plus</u> Increase provision of liability - quality guarantee	5,347,330.47	4,477,184.63
	<u>20,479,307.61</u>	<u>17,891,877.78</u>
<u>Less</u> Decrease provision of liability - quality guarantee	(1,907,049.51)	(2,759,900.64)
Ending provision of liability - quality guarantee	<u><u>18,572,258.10</u></u>	<u><u>15,131,977.14</u></u>

**19. Capital management**

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

**20. Legal reserve**

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



## 21. Dividend

Annual Ordinary Shareholders' Meeting 2012 held on April 27, 2012, approved to pay dividend to shareholders in the amount of Baht 0.80 per share, in amount of Baht 207.84 million, the Company paid interim dividend in year 2011 in the amount of Baht 0.30 per share, in the amount of Baht 77.94 million. The balance of dividend which to pay in the amount of Baht 0.50 per share, in the amount of Baht 129.90 million. The Company paid in May 2012.

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

## 22. Expenses by nature

Expenses by nature that occurred from important expenses are as follow:

		('Baht)
	For the period from January 1, 2012 to September 30, 2012	For the year ended December 31, 2011
Changing finish goods and work in process	16,055,731.99	(51,795,225.42)
Raw material and supply used	1,556,099,037.53	1,457,958,098.66
Staff expenses	272,870,525.07	283,625,083.20
Depreciation and amortization	76,574,965.80	90,610,265.54
Royalty	32,818,667.40	29,926,243.11

## 23. Income tax

The Company has been granted by the Board of Investment to transform the head office for manufacturing vehicles controls line and automobile window regulator. The Company has exemption from payment of corporate income tax from the promoted business. In 2012 and 2011, the Company has part of net profit from non-promoted business, that the Company has considered to be expense follow revenue code.

## 24. Directors and managements' remuneration

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

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

24.3 The management's benefits paid to management according to the TAS 24 (revised 2009) "Related Party Disclosures" are as follows:

	('Baht)	
	For the period from January 1, 2012 to September 30, 2012	For the year ended December 31, 2011
Short-term employee benefit	39,780,500.00	59,441,598.00
Post retirement benefits	30,984.75	247,791.00
Total	<u>39,811,484.75</u>	<u>59,689,389.00</u>

## 25. Related party transactions

### 25.1 Long-term investment

		Issued and Paid - up		Shareholding		Cost Method		('Baht)	
Type of Business	Nature of relationship	Share Capital		(%)					
		As at September 30, 2012	As at December 31, 2011	As at September 30, 2012	As at December 31, 2011	As at September 30, 2012	As at December 31, 2011		
<b>General Investment</b>									
Hi-Lex Vietnam Co., Ltd	Manufacturing	Shareholder	USD	USD	6.30	6.30	25,704,000.00	25,704,000.00	
	Composition of		11,150,000	11,150,000					
	Motor vehicle								
<b>Total</b>							<u>25,704,000.00</u>	<u>25,704,000.00</u>	

## 25.2 Related parties transaction

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

Purchase and sale, price are in normal trading conditions.

Royalty, price are follow contract agreement.

Purchase assets, price are in normal trading conditions.

	Nature of Relationship	As at September 30, 2012	(Million Baht) As at December 31, 2011
<b>Balances</b>			
<b>Related parties</b>			
<b>Accounts receivable</b>			
Summit Autoseats Industry Co., Ltd.	Common shareholder and director	1.63	0.84
Summit Autobody Industry Co., Ltd.	Common shareholder and director	1.31	0.72
Summit Laemchabang Autoseat Manufacturing Co., Ltd.	Common shareholder and director	2.25	1.59
Summit Anse Autopart Co., Ltd.	Common shareholder and director	3.99	2.38
Summit Osuka Manufacturing Co., Ltd.	Common shareholder and director	4.40	1.86
Johnson Controls and Summit Interiors Co., Ltd.	Common shareholder and director	8.00	5.26
Hi-Lex Vietnam Co., Ltd.	Affiliated company, Common shareholder and director	1.46	3.56
PT. Hi – Lex Indonesia	Common shareholder and director	2.85	0.69
Hi-Lex India Private Limited	Common shareholder and director	0.37	0.73
Hi-Lex Corporation	Shareholder	0.74	0.76
Armstrong Auto Parts SDN.BHD.	Common shareholder	4.11	7.32
Hi-Lex Hangary KFT	Common shareholder and director	0.55	1.17
<b>Accounts payable</b>			
Complete Autopart Co., Ltd.	Common shareholder and director	9.95	5.23
Complete Autorubber Manufacturing Co., Ltd.	Common shareholder and director	18.94	6.84
Summit Chugoku Seira Co., Ltd.	Common shareholder and director	0.97	0.25
Hi-Lex Vietnam Co., Ltd.	Affiliated company, Common shareholder and director	15.19	7.75
Hi-Lex Corporation	Shareholder	88.62	54.16
Yantai TSK Cable Sytem Co., Ltd.	Common shareholder and director	4.88	3.37
TSK (Korea) Co., Ltd.	Common shareholder and director	2.31	3.64
Chongqing Hi-Lex Control Cable System Co., Ltd.	Common shareholder and director	0.14	-
Hi-Lex America	Common shareholder and director	-	0.14
Hi-Lex India	Common shareholder and director	0.57	-
<b>Accrued royalty</b>			
Hi-Lex Corporation	Shareholder	13.07	13.40
<b>Assets payable</b>			
Complete Autorubber Manufacturing Co., Ltd.	Common shareholder and director	-	1.68
P. Tooling Co., Ltd.	Common shareholder and director	0.14	-

		(Million Baht)	
	Nature of Relationship	For the period from January 1, 2012 to September 30, 2012	For the year ended December 31, 2011
<b>Revenues and expenses</b>			
<b>Related parties</b>			
<b>Revenue from sales</b>			
Summit Autoseats Industry Co., Ltd.	Common shareholder and director	4.12	3.76
Summit Autobody Industry Co., Ltd.	Common shareholder and director	5.83	16.77
Summit Laemchabang Autoseats Manufacturing Co., Ltd.	Common shareholder and director	5.44	5.84
Summit Anse Autopart Co., Ltd.	Common shareholder and director	11.39	12.57
Summit Osuka Manufacturing Co., Ltd.	Common shareholder and director	13.39	16.39
Johnson Controls and Summit Interiors Co., Ltd.	Common shareholder and director	21.54	19.92
Hi-Lex Vietnam Co., Ltd.	Affiliated company, Common shareholder and director	6.06	19.26
Hi-Lex India Private Limited	Common shareholder and director	0.66	5.01
PT. Hi-Lex Indonesia	Common shareholder and director	13.07	19.27
Hi-Lex Corporation	Shareholder	5.00	5.53
Armstrong Auto Parts SDN. BHD.	Common shareholder	11.58	18.06
Hi-Lex Hangary KFT	Common shareholder and director	4.06	4.99
<b>Revenue from claim</b>			
Hi-Lex Corporation	Shareholder	0.10	0.11
<b>Purchase</b>			
Complete Autopart Co., Ltd.	Common shareholder and director	25.35	25.77
Complete Autorubber Manufacturing Co., Ltd.	Common shareholder and director	39.15	23.84
Thai Auto Industry Co., Ltd.	Common shareholder and director	0.03	0.03
Summit Chugoku Seira Co., Ltd.	Common shareholder and director	2.92	2.02
PT. Hi-Lex Indonesia	Common shareholder and director	0.72	0.30
Hi-Lex Corporation	Shareholder	423.63	629.61
TSK (Korea) Co., Ltd.	Common shareholder and director	19.48	8.44
Hi-Lex America	Common shareholder and director	0.91	0.77
Hi-Lex Vietnam Co., Ltd.	Affiliated company, Common shareholder and director	100.10	128.65
Yantai TSK Cable Sytem Co., Ltd.	Common shareholder and director	20.87	36.26
Chongqing Hi-Lex Cable System Co., Ltd.	Common shareholder and director	-	1.17
Chongqing Hi-Lex Control Cable System Co., Ltd.	Common shareholder and director	0.15	-
Hi-Lex India Private Limited	Common shareholder and director	1.75	-
<b>Purchase asset</b>			
Complete Autorubber Manufacturing Co., Ltd.	Common shareholder and director	1.61	4.64
P. Tooling Co., Ltd.	Common shareholder and director	5.59	-
TSK (Korea) Co., Ltd.	Common shareholder and director	7.37	2.44
Hi-Lex Corporation	Shareholder	4.28	2.00
<b>Royalty</b>			
Hi-Lex Corporation	Shareholder	32.82	29.93

## 26. Business segment information

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

## 27. Long - term contract

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

27.2 As at September 30, 2012 and as at December 31, 2011, the Company has rental expenses to spend in future under financial lease contact following:

	('Baht)	
	As at	As at
	September 30,	December 31,
	2012	2011
Due within 1 year	14,253,518.95	10,687,413.08
Over 1 year not over 5 years	14,803,634.17	14,922,784.17

## 28. Promotion privileges

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

28.1 Exemption from corporate income tax for profit derived from promoted activities for a period of seven years.

28.2 Permission to deduct loss occurring throughout promotional period from the net profit arising after a period of exemption from corporate income tax and not exceeding 5 years commencing from the expiry date in 28.1 above.

28.3 Exemption of income tax on dividends paid from the Company which has been promoted privileges throughout the corporate income tax exemption period.

28.4 Permission to bring money in foreign currency in or out from a Kingdom.

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

## 29. Reporting to revenue of a promoted industry

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

	('Baht)		
	For the period from January 1, 2012 to September 30, 2012		
	Promoted business	Non-promoted business	Total
Revenue			
Revenue from sale	2,160,493,720.68	194,231,328.07	2,354,725,048.75
Interest revenue	-	173,360.79	173,360.79
Other revenue	1,746,038.79	24,063,406.06	25,809,444.85
Total	<u>2,162,239,759.47</u>	<u>218,468,094.92</u>	<u>2,380,707,854.39</u>

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

## 30. Letters of guarantee

As at September 30, 2012 and as at December 31, 2011, the Company has obtained letters of guarantee issued by a local financial institution to the Provincial Electricity Authority and Metropolitan Power Board in the amount of Baht 2.40 million for each year, which use collateral together with financial institution.

## 31. Presentation and disclosure for financial instruments

### 31.1 Default risk

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

### 31.2 Accounts receivable risk

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

### 31.3 Foreign exchange rate risk

The Company is exposed to foreign exchange rate risk subject to purchase goods and assets. The Company has enter into forward contracts for protect currency exposure for high transaction. As at September 30, 2012 and as at December 31, 2011, the Company not has balance of foreign exchange contracts. The Company has currency financial assets and financial liabilities, as follows:

Currency	Financial assets		Financial liability	
	As at September 30, 2012	As at December 31, 2011	As at September 30, 2012	As at December 31, 2011
USD	866,573.87	760,356.69	1,645,669.41	972,554.17
YEN	1,889,348.97	1,896,631.09	238,348,427.00	148,750,561.00
TWD	-	-	110,500.00	-

### 31.4 Interest rate risk

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

### 31.5 Fair value of financial instruments

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

- Cash and cash equivalents, temporary investment and accounts receivable are financial assets, therefore book value are equal to the estimated fair value.
- Long-term investment has book value that are equal to the estimated fair value. The fair value calculated by estimated from net book value.
- Accounts and other payable, asset payables, book value are equal to the estimated fair value.
- As at September 30, 2012 and as at December 31, 2011, fair value of financial assets and liabilities are not materiality different from book value.

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

### 32. Changing in accounting estimates

In 2012, the Company has changing in accounting estimates about useful life of investment property for real useful life and changing useful life of buildings and structures as follows:

	Old rate	New rate
Building and structures in 1995 - 2004	20 years	40 years

From these changing in accounting estimates, the Company calculated depreciation of building and structures from remaining useful life. Effect of changing in estimates recognized depreciation for the period from January 1, 2012 to September 30, 2012 decrease in the amount of Baht 4.02 million and have an effect with depreciation in 2013 - 2044 totaling Baht 8.06 million.

### 33. Transaction reclassification

As at September 30, 2012, the financial statements in 2011, was reclassified to conform with the presentation in the financial statements in 2012. The significant reclassification are as follows:

- Software under installment which shown in property, plant and equipment in the amount of Baht 0.29 million has reclassified to present including in intangible assets.

### 34. Other

According to the Annual Ordinary Shareholders' Meeting 2012 held on April 27, 2012, approved to change accounting periods from ended December 31, to ended September 30. The Company has been approved from Revenue Department on September 22, 2011, which started from January 1, 2012 and ended September 30, 2012.

### 35. Approving of the financial statements

The financial statements are approved by authorized directors of the Company held on November 26, 2012.