



บริษัท ไทยสตีลเคเบิล จำกัด (มหาชน)

Thai Steel Cable Public Company Limited

รายงานประจำปี 2556  
Annual Report 2013

## / Vision

To be world class automotive control cable manufacturer



## / Mission

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



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# Financial Highlights

	(หน่วย : ล้านบาท / Unit : Million Baht)		
งบการเงินของบริษัทร่วม ๓๐ กันยายน Financial Statement as of September 30 <sup>th</sup>	2554* 2011	2555 2012	2556 2013
<b>ผลการดำเนินงาน</b> Operating Performance			
รายได้จากการขาย Revenues from sales	2,253	2,355	3,656
รายได้ทั้งหมด Total Revenues	2,296	2,381	3,733
ค่าใช้จ่ายรวม Total Expenses	2,081	2,217	3,379
กำไรก่อนต้นทุนทางการเงินและภาษีเงินได้ Earnings Before Finance Costs and Income Tax	215	164	354
กำไรสุทธิ Net Earnings	200	154	321
<b>ฐานะทางการเงิน</b> Financial Situation			
สินทรัพย์หมุนเวียน Current Assets	1,003	1,257	1,273
สินทรัพย์รวม Total Assets	1,956	2,427	2,597
หนี้สินรวม Total Liabilities	421	868	925
ส่วนของผู้ถือหุ้น Shareholders' Equity	1,535	1,559	1,672
<b>ข้อมูลต่อหุ้น (หน่วย : บาท)</b> Per Share Data (Unit : Baht)			
กำไรสุทธิต่อหุ้น Earnings per Share (EPS)	0.77	0.59	1.23
เงินปันผลต่อหุ้น Dividend per Share	0.80	0.50	0.80
มูลค่าตามบัญชีต่อหุ้น Book Value per Share	5.91	6.00	6.44
<b>อัตราส่วนทางการเงิน (หน่วย : %)</b> Financial Ratios (Unit : %)			
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น (เท่า) Debt/Equity Ratio	0.27	0.56	0.55
อัตรากำไรสุทธิต่อรายได้รวม Net Earnings Margin	9	6	9
อัตราผลตอบแทนต่อส่วนผู้ถือหุ้น Return on Equity (ROE)	13	10	19
อัตราผลตอบแทนจากสินทรัพย์รวม Return on Asset (ROA)	10	6	12

\* งบการเงินของบริษัทร่วม ๓๑ ธันวาคม  
Financial Statement as of December 31<sup>st</sup>

## รายได้จากการขาย / Revenues from sales



## รายได้ทั้งหมด / Total Revenues



## กำไรสุทธิ / Net Earnings



## สินทรัพย์รวม / Total Assets



## Message from the Management

The year 2013 was the most challenging year because Thai economy in the first and second half of the year was dramatically different. The implementation of several populist policies, such as rice pledging scheme, minimum wage's increase, first car policy, public expenditure policy and fiscal stimulus policy, contributed to a satisfactory economic growth in the first half of 2013. Instead, the second half of the year saw termination of various government measures, global economic slowdown, capital outflow, and household debt burden stemming from over consumption and lack of financial discipline. All these factors put great pressure on Thai economy, causing rapid contraction of the economic growth.

The Company is entering its 36<sup>th</sup> year of operation. Our current goal is to further strengthen our business so as to achieve the defined vision and mission statements and ensure sustenance of our long-term growth. Essentially, the organization's philosophy and values are still upheld as guiding principles of the Company's business conducts because they are imperative for building sustainable competitiveness. Moreover, the Company still places great emphasis on reduction of operating expenses; sensible spending of investment budget, improved operational efficiency and continuous skill development of its personnel. These will ensure that the Company can cope with dynamic changes and can be well prepared to promptly capitalize on opportunities that may arise from economic recovery and the industry's turnaround.

The Board of Directors and the management team would like to express sincere gratitude to every manager and employee for your dedication and commitment to hard works that have contributed to great success year after year. We can be confident that the Company will overcome challenges in the future and will be able to capitalize on great opportunities in the ever-growing automotive industry. This is because our operation is not only equipped to respond to crisis or grasp opportunities, but also prepared to proactively capture utmost benefits from any crisis and opportunities.

Lastly, we would like to thank our shareholders, customers, business partners and all concerned parties for consistent support and never-ending trust. You can rest assured that the Company is committed to continuous development, proper governance and tireless efforts to achieve consistent and balanced growth. And we will continue to strive to become a sustainable, world-class automobile cable regulator manufacturer.



A handwritten signature in blue ink, appearing to read 'Sunsurin Jurangkool'.

(Mr. Sunsurin Jurangkool)



A handwritten signature in blue ink, appearing to read 'Choothong Patanatmarueng'.

(Mr. Choothong Patanatmarueng)  
Deputy Chief Executive Officer



A handwritten signature in blue ink, appearing to read 'Sarit Patanatmarueng'.

(Mr. Sarit Patanatmarueng)  
Managing Director

## Board of Directors



นายสรรเสริญ จุฬางกูร  
Mr. Sunsum Jurangkool  
ประธานกรรมการ



นายชูทอง พัฒนะเมลิอง  
Mr. Choothong Patanatmarueng  
รองประธานกรรมการ



นายสริศ พัฒนะเมลิอง  
Mr. Sarit Patanatmarueng  
กรรมการ



นายมากาโตะ เทราอูรา  
Mr. Makoto Teraura  
กรรมการ



นายทวีศักดิ์ จุฬางกูร  
Mr. Thaveechat Jurangkool  
กรรมการ



นายกรกฤษ จุฬางกูร  
Mr. Kornkrit Jurangkool  
กรรมการ



นายคาซุฮิโร ทาเคชิตะ  
Mr. Kazuhiro Takeshita  
กรรมการ



นายกวี วสุวัต  
Mr. Kavee Vasuvat  
กรรมการอิสระ และ  
ประธานกรรมการตรวจสอบ



นายอภิรักษ์ ณ ระนอง  
Mr. Apinan Na Ranong  
กรรมการอิสระ และ  
กรรมการตรวจสอบ



นายปริญา ไววัฒนา  
Mr. Prinya Waiwatana  
กรรมการอิสระ และ  
กรรมการตรวจสอบ



นายฉัตรชัย เอียสกุล  
Mr. Chatchai Earsakul  
กรรมการอิสระ และ  
กรรมการตรวจสอบ

## Executives



นายสรรเสริญ จุฬางกูร  
Mr. Sunsurin Jurangkool  
ประธานเจ้าหน้าที่บริหาร



นายชูทอง พัฒนะเมลิอง  
Mr. Choothong Patanatmarueng  
รองประธานเจ้าหน้าที่บริหาร



นายสริต พัฒนะเมลิอง  
Mr. Sarit Patanatmarueng  
กรรมการผู้จัดการ และ  
รักษาการผู้จัดการทั่วไป  
(ส่วนงานปฏิบัติการธุรกิจ)  
รักษาการผู้จัดการทั่วไป  
(ส่วนงานจัดหา)



นายคาซุฮิโร ทาเคชิตะ  
Mr. Kazuhiro Takeshita  
ผู้จัดการทั่วไปอาวุโส  
(ส่วนงานวิจัย และพัฒนา)



นายสุทน เปรมปรี  
Mr. Suthon Prempree  
ผู้จัดการทั่วไป  
(ส่วนงานผลิต)



นายสวัสดิ์ สุขะอาจิณ  
Mr. Sawat Sukaachin  
ผู้จัดการทั่วไป  
(ส่วนงานคุณภาพ)



นางสาวสิริณา พัฒนะเมลิอง  
Ms. Sirina Patanatmarueng  
ผู้จัดการทั่วไป  
(ส่วนงานบริหารธุรกิจ)

## Directors' Background

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
1. Mr.Sunsum Jurangkool	70	Secondary School  Training : IOD  - None -	83,115,000 Share (31.99%)	Father of Mr. Thaveechat Jurangkool and Mr. KornkritJurangkool	1978 - Present	Chairman, Chief Executive Officer, Authorized Director	Thai Steel Cable Pcl.	Manufacturerof control cable for automobile/motorcycle and car window regulator	None
					1991 - Present	Chairman, Director, Authorized Director	Summit Corporation Co., Ltd.	Investment and shareholding in various business	
					1972 - Present	Chairman, Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat	
					1986 - Present	Chairman, Director, Authorized Director	Summit Auto Body Industry Co., Ltd.	Manufacture of automobile body parts, mold and die	
					1991 - Present	Chairman, Director, Authorized Director	Summit Laemchabang Auto Body Work Co., Ltd.	Produce body parts and exhaust system equipment	
					1991 - Present	Chairman, Authorized Director	Summit Laemchabang Auto Seats Manufacturing Co., Ltd.	Manufacture of automobile seat frame and adjusting devices	
					1991 - Present	Chairman, Authorized Director	Auto Advance Material Manufacturing Co., Ltd.	Manufacturedry 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 and automotive parts	
					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 Component Co., Ltd.	Produce electronic parts						

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
1. Mr.Sunsum Jurangkool (continue)					1988 - Present	Vice Chairman	Bangkok Eagle Wings Co., Ltd.	Press Part	
					1988 - Present	Chairman, Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture and distribute steering wheel and transmission	
					1990 - Present	Chairman, Director, Authorized Director	Summit Advanced Material Co., Ltd.	Import of steel sheet/coil, coil center	
					1993 - Present	Chairman, Authorized Director	Summit Showa Manufacturing Co., Ltd.	Manufacturer shock absorbers, engine parts, transmission system, braking system, suspension system consciously or bearings.	
					1994 - Present	Chairman, Authorized Director	SNC Sound Proof Co., Ltd.	Manufacture and export of raw material for making of automobile sound proof part	
					1994 - Present	Chairman, Authorized Director	Thai Seat Belt Co., Ltd.	Manufacture and distribute of seat belts and seat belts cable	
					1995 - Present	Chairman, Authorized Director	STB Textiles Industry Co.,Ltd.	Manufacture of fabric for automobile use	
					1995 - Present	Chairman, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry and other	
					1996 - Present	Chairman, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
					1996 - Present	Chairman, Director, Authorized Director	Summit Kurata Manufacturing Co., Ltd.	Produce steering columns, Neck axis drive. Including spare parts and accessories for all kinds of vehicles .	
					1997 - Present	Chairman, Authorized Director	Summit Ansei Auto Parts Co., Ltd.	Produce car door lock and hood lock, tailgate, door lock loop.	
					1998 - Present	Director, Authorized Director	Summit Industry (Thailand) Co., Ltd.	Business rental	
					1999 - Present	Director , Authorized Director	Johnson Controls & Summit Interiors Co., Ltd.	Manufacture of automobile seat and interior parts	
					2002 - Present	Director	HSH Co., Ltd.	Investment and shareholding in various business	
					2002 - Present	Chairman, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf club service	
2003 - Present	Director	HayamaIntertrade Co., Ltd.	Sale floor carpet						

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
1. Mr.Sunsum Jurangkool (continue)					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 all types of machinery parts, including parts and accessories of vehicles for all kinds.	
					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 FujikikoKurata Manufacturing Co., Ltd.	Produce steering columns	
					2006 - Present	Chairman, Authorized Director	Top Flight Electronic & Automotive Co., Ltd.	Produce automotive electronic parts	
					2007 - Present	Chairman, Authorized Director	Summit Ongreen media Co., Ltd.	Produce printing	
					2007 - Present	Chairman, Authorized Director	Summit Green Valley ChiangmaiGolf 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.	Automotive Product quality , capacity testing service , Calibration, Research and technology development, Design tools, Molds for automotive parts.	
					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 Slitter Steel	
2013 - Present	Chairman	Summit Keylex (Thailand) Co., Ltd.	Produce vehicles parts and accessories.						

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
1. Mr.Choothong Patanatmarueng	69	M.A., Political Science, Ramkhamhaeng University  <u>Training</u> : IOD - Director Accreditation Program (DAP 35/2005)	16,997,400 Share (6.54%)	Father of Mr. Sarit Patanatmarueng and Ms. Sirina Patanatmarueng	1978 - Present	Vice Chairman, Deputy Chief Executive Officer, Authorized Director	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1982 - Present	President, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch, and accelerator cable	
					1995 - Present	President, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry and other	
					1996 - Present	President, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
					1988 - Present	Executive Director, Authorized Director	Summit Steering Wheel Co., Ltd.	Manufacture and distribute steering wheel and transmission	
					2004 - Present	President, Authorized Director	Amata Summit Ready Built Co., Ltd.	Factory Lease/Rental Service	
3. Mr.Sarit Patanatmarueng	38	M.A., Business Administration, New Hampshire College, USA  <u>Training</u> : IOD - Director Certification Program (DCP 42/2004)	460,200 Share (0.18%)	Son of Mr. Choothong Patanatmarueng	2010 – 2013 (July)	Director, Authorized Director	P. Tooling Co.,Ltd.	Manufacturerof mold and related equipment.	None
					2004 – Present	Director, Managing Director, Nomination Committee, Authorized Director	Thai Steel Cable Pcl.	Manufacturerof control cable for automobile/motorcycle and car window regulator	
					2004 – Present	Director, Authorized Director	Complete Auto Parts Co., Ltd.	Manufacturer of component parts for brake cable, clutch, and accelerator cable	
					2004 – Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry and other	
					1996 – Present	Director, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
4. Mr.Makoto Teraura	75	Mechanical Engineering, Faculty of Technology, Shizuoka University, Japan  <u>Training</u> : IOD  - None -	None	None	1981- Present	Director	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1995 - Present	Director	Chongqing HI-LEX Cable System Group Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2003 - Present	Director	Dae Dong HI-LEX Inc. (Korea)	Manufacturer of car window regulator and door module	
					1980 - Present	Director	Dae Dong System Co., Ltd.	Manufacturer of control cable for automobile	
					2002 - Present	Director	Guangzhou TSK Control Cable Co., Ltd.	Manufacturer of car component	
					2000 - Present	Director	HI-LEX Cable System Co., Ltd.	Manufacturer of control cable for automobile and car window regulator	
					1989 - Present	Director	HI-LEX Controls Inc.	Manufacturer of car window regulator and rear slider	
					1975 - Present	Chairman	HI-LEX Corporation	Manufacturer of control cable for automobile/motorcycle	
					1999 - Present	Director	HI-LEX India Private Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					1999 - Present	Director	HI-LEX Vietnam Co., Ltd.	Manufacturer of control cable for motorcycle	
					1985 - Present	Director	Izushi Cable, Inc.	Manufacturer of control cable for automobile	
					1973 - Present	Director	HI-LEX KANTO, Inc.	Manufacturer of control cable for automobile	
					1981- Present	Director	HI-LEX Saitama, Inc.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					1989 - Present	Director	HI-LEX Shimane, Inc.	Manufacturer of control cable for automobile and car window regulator	
					1978 - Present	Audit Committee	PT. HI-LEX Indonesia	Manufacturer of control cable for automobile/motorcycle and car window regulator	
1989 - Present	Audit Committee	PT. HI-LEX Parts Indonesia	Manufacturer of car component						

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
4. Mr.Makoto Teraura (continue)					1973 - Present	Director	Tajima TSK, Inc.	Manufacturer of car component	
					1972 - Present	Director	TSK (Korea) Co., Ltd.	Manufacturer of control cable for automobile/motorcycle	
					2002 - Present	Director	Yantai TSK Cable System Co., Ltd.	Manufacturer of control cable for automobile and car window regulator	
					1992 - Present	Director	HI-LEX America Inc.	Manufacturer of control cable for automobile/motorcycle	
					2008 - Present	Director	Daedong HI-LEX of America Inc. LLC.	Manufacturer of car window regulator and door module	
					1993 - Present	Director	HI-LEX Mexicana, S.A DE.C.V	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2000 - Present	Director	HI-LEX Cable System Co., Ltd. (Europe)	Manufacturer of control cable for automobile and car window regulator	
					2006 - Present	Director	HI-LEX Hungary Cable System Manufacturing LLC.	Manufacturer of control cable for automobile	
					2007 - Present	Director	Guangdong HI-LEX Cable System Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2007 - Present	Director	Changchun HI-LEX Auto Cable Co., Ltd.	Manufacturer of control cable for automobile/motorcycle and car window regulator	
					2012 - Present	Director	Sun Medical Technology Research Corp.	Manufacturer of medical devices	
5. Mr.Thaveechat Jurangkool	42	MBA., Finance, Webster University  <u>Training</u> : IOD - None -	19,365,000 Shares (7.45%)	Son of Mr.SunsumJurangkool	2003 - Present	Director, Chairman of the Nomination, Authorized Director	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					1993 - Present	Director, Authorized Director	Summit Auto Body Industry Co., Ltd.	Manufacture of automobile body parts, mold and die	
					1994 - Present	Director, Authorized Director	SNC Sound Proof Co., Ltd.	Manufacture and export of raw material for making of automobile sound proof part	
					1995 - Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry and other	

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
5. Mr.Thaveechat Jurangkool (continue)					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 and automotive parts	
					1996 - Present	Director, Authorized Director	Summit Chugoku Seira Co., Ltd.	Manufacture welding nuts for automotive industry	
					1998 - Present	Director, Authorized Director	Modern Products Industry Co., Ltd.	Manufacture of wood printing and coating of auto parts	
					1998 - Present	Director	Summit Industry (Thailand) Co., Ltd.	Business Rental	
					2002 - Present	Director, Authorized Director	Summit Corporation Co., Ltd.	Investment and shareholding in various business	
					2002 - Present	Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat	
					2002 - Present	Director, Authorized Director	Summit Laemchabang Auto Seats Manufacturing Co., Ltd.	Manufacture of automobile seat frame and adjusting devices	
					2002 - Present	Director, Authorized Director	Summit Laemchabang Auto Body Work Co., Ltd.	Produce body parts and exhaust system equipment	
					2002 - Present	Director, Authorized Director	Summit Advanced Material Co., Ltd.	Import of steel sheet/coil, coil center	
					2002 - Present	Director, Authorized Director	Summit Engineering Center Co., Ltd.	Design & manufacture of various kinds of die and mold	
					2002 - Present	Director, Authorized Director	Auto Interior Products Co.,Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					2002 - Present	Director, Authorized Director	Auto Advance Material Manufacturing Co., Ltd.	Manufacturedry 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						

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
5. Mr.Thaveechat Jurangkool (continue)					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 FujikikoKurata Manufacturing Co., Ltd.	Produce steering columns	
					2007 - Present	Director, Authorized Director	Summit On Green Media Co., Ltd.	Printing service	
					2007 - Present	Director, Authorized Director	Summit Green Valley Chiangmai Golf Club Co.,Ltd.	Golf club service	
					2007 - Present	Director, Authorized Director	Casma Racing Co., Ltd.	Produce automotive electronic parts	
					2007 - Present	Director, Authorized Director	J-Max Monopoly Corporation Co., Ltd.	Purchase sell, and rent real estate property	
					2007 - Present	Director, Authorized Director	J-Max Property Assesst Co., Ltd.	Produce, purchase, and rent of machine supply and spare parts	
					2008 - Present	Director, Authorized Director	Summit Auto Body Skill Development Center Co., Ltd.	Training service	
					2008 - Present	Director, Authorized Director	Summit R&D Center Co., Ltd.	Automotive Product quality, capacity testing service, Calibration, Research and technology development, Design tools, Molds for automotive parts.	
2009 - Present	Director	Steel Alliance Service CenterCo.,Ltd.	Coil steel Slitter Steel						

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
6. Mr.Kornkrit Jurangkool	35	M.A., Technology Management Program, American Inter Continental University, Los Angeles, USA  <u>Training</u> : IOD -Director Accreditation Program (DAP(2009/77) -RE-CU SENIOR (RE-38 / 2011) - TLCA Executive Development Program (9/2012) - TOISC : 2012 - Future Entrepreneurs Forum (FEF 1/2013)	4,000,000 Shares (1.54%)	Son of Mr. Sunsum Jurangkool	2009 - Present	Director, Nomination Committee, Authorized Director	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2009 - Present	Director, Managing Director Authorized Director	Summit Corporation Co., Ltd.	Investment and shareholding in various business	
					2009 - Present	Managing Director, Authorized Director	Summit Auto Body Industry Co., Ltd.	Manufacture of automobile body parts, mold and die	
					2009 - Present	Director, Authorized Director	Summit Auto Seats Industry Co., Ltd.	Manufacture of automobile and motorcycle seat	
					2009 - Present	Director, Managing Director Authorized Director	Summit Laemchabang Auto Body Work Co., Ltd.	Produce body parts and exhaust system equipment	
					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 and automotive parts	
					2009 - Present	Director, Authorized Director	Auto Interior Products Co., Ltd.	Manufacture, import, export of automobile floor carpet and headrest	
					2009 - Present	Director, Authorized Director	Summit Windmill Golf Club Co., Ltd.	Golf club service	
					2009 - Present	Director	Bangkok Eagle Wings Co., Ltd.	Press Part	
					2009 - Present	Director, Authorized Director	Complete Auto Rubber Manufacturing Co., Ltd.	Manufacture rubber parts for automotive and electronic industry	
					2009 - Present	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						

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
6. Mr.Kornkrit Jurangkool (continue)					2008 - Present	Director, Authorized Director	Summit R&D Center Co., Ltd.	Automotive Product quality , capacity testing service , Calibration, Research and technology development, Design tools, Molds for automotive parts.	
					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, tailgate, door lock loop.	
					2006 - Present	Vice president, 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, Neck axis drive. Including spare parts and accessories for all kinds of vehicles .	
					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 all types of machinery parts, including parts and accessories of vehicles for all kinds.	
					2009 - Present	Director	Hiruta Asteer Summit Co., Ltd.	Produce automotive parts	
					2009 - Present	Director	Steel Alliance service center Co., Ltd.	Coil steel Slitter Steel	
					2013 - Present	Director	Summit Keylex (Thailand) Co.,Ltd	Produce vehicles parts and accessories.	
					2010 - Present	Director, Authorized Director	Summit Showa Manufacturing Co.,Ltd.	Manufacturer shock absorbers, engine parts, transmission system, braking system, suspension system consciously or bearings.	
					2010 - Present	Director, Authorized Director	Complete Auto Parts Co.,Ltd	Manufacturer of component parts for brake cable, clutch and accelerator cable	
2010 - Present	Director, Authorized Director	Thai Progress Rubber Co.,Ltd.	Manufacturing rubber parts for automotive electronics and other industries.						

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
7. Mr.Kazuhiro Takeshita	57	Ritsumeikan University, Mechanical Engineering  <u>Training</u> : IOD  - None	None	None	2013 - Present	Director, Senior General Manager (R&D Division), Authorized Director	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2010 - Present	Manager of Purchasing Section at Head office.	HI-LEX Corporation	Manufacturer of control cable for automobile/motorcycle	
					2006 - 2010	Manager of Production planning Section at Head office			
					2002 - 2006	Manager of Cable Design Section at Head office.			
					1999 - 2002	Manager of Cable Design Section in the Utsunomiya Technical Center			
					1995 - 1999	Manager of Cable Design Section at Head office			
					1990 - 1994	Assistant manager of Cable Design Section at Head office			
					1987 - 1990	Assistant manager of Cable Design Section in the Utsunomiya Technical Center.			
					1985 - 1987	Engineer of Cable Design Section in the Utsunomiya Technical Center			
					1980 - 1985	Engineer of Cable Design Section at Head office			
1979 - 1980	Engineer of Production section in the Kaibara Plant								

**Note** : Mr. Kazuhiro Takeshita was appointed to replace a resigning director, and his appointment was approved by the Board of Directors Meeting No. 3/2013, effective since May 9, 2013.

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense	
					Time	Position	Company			
8. Mr.Kavee Vasuvat	79	B.A., Engineering Electric Power, Royal Melbourne Institute of Technology (RMIT), Australia  <u>Training</u> : IOD - Director Accreditation Program (DAP 23/2004) - Director Certification Program (DCP 58/200(5) - Audit Committee Program (ACP (2005/10 - Finance for Non-Finance Director (FND18/2005) -Monitoring the System of Internal Control and Risk Management) MIR 2/2008) - Role of the Compensation Committee (RCC 6/2008)	None	None	2005 - Present	Independent Director, Chairman of the Audit Committee, Chairman of the Remuneration Committee	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None	
					1992 - Present	Honorable Chairman	Automotive Industry Club, Federation Thai Industries			
					1997 - Present	Advisor	Society of Automotive Engineers - Thailand			
					2000 - 2012	Independent Director, Audit Committee	Thai Rung Union Car Pcl.			Parts manufacturer, modify and assemble motor vehicles
9. Mr.Apinan Na Ranong	64	B.A., Business Administration, Chiang Mai University  <u>Training</u> : IOD - Director Accreditation Program (DAP 35/2005) - Audit Committee Program (ACP 9/2005) -Monitoring the System of Internal Control and Risk Management (MIR 2/2008)	None	None	2005 – Present	Independent Director, Audit Committee Member Remuneration Committee	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None	
					1998 – Present	Director, President	Terrene Intertrade Co., Ltd.			Catering Business
					2008 – Present	Independent Director	Apex Development Pcl.			Organizer of real estate development project

First name - Last name	Age	Education	Shareholding (%) (As of October 31, 2013)	Relationship	Work Experiences			Business	Record of Offense
					Time	Position	Company		
10. Mr.Prinya Waiwatana	67	B.A., Accounting, Chulalongkorn University  Training : IOD - Director Accreditation Program (DAP3 5/2005) - 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 (RCC2010/10 )	None	None	2005 – Present	Independent Director, Audit Committee Member, Remuneration Committee	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2010 – Present	Independent Director Nomination and Remuneration Committee Investment Committee Chairman of Risk Management Committee	AIRA Capital Co., Ltd.	Holding Company	
					2010 – Present	Independent Director CG Director	Samart Corporation Pcl.	Technology / Communication	
11. Mr.Chatchai Earsakul	59	M.A., Economies of Planning & Policy, Northeastern University  Training: IOD - Director Accreditation Program (DAP 84/2010)	None	None	2010 – Present	Independent Director, Audit Committee Member	Thai Steel Cable Pcl.	Manufacturer of control cable for automobile/motorcycle and car window regulator	None
					2003 - 2007	Advisor	Pacific Group Co.,Ltd.	Property development	
					2011 - Present	Director	Thanyakij Service Co., Ltd.	Warehouse and Dockyard	
					2001 - Present	Director	Phutthatham Pcl.	Insurance	

## General Corporate Information

### Company Profile

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">www.thaisteelcable.com</a>
Telephone	: (038) 447 200 – 21
Fax	: (038) 185 025
Capital	: 268,500,000 baht (paid-up capital 259,800,000 baht)
Other	: Investors can further study the listed company from annual statement (Form 56-1) at <a href="http://www.sec.or.th">www.sec.or.th</a> or above link.

### Information on shareholding over 10 percent

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

### Information on other cited persons

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

## Policy and Overall Business Operations of the Company

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

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

At end of 2013, 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 from Suzuki Motor (Thailand) Co., Ltd. to supply the window regulators for the next car model.

### **Business Goals**

The Company's principal goal is to maintain the status of a leading world-class manufacturer of automobile and motorcycle cable regulators and automobile window regulators, whereby it mainly supplies components to companies affiliated with Hi-Lex Corporation. To achieve such goal, the Company realizes that key contributing factors lie with maintenance and improvement of product quality, production cost control, improved efficiency of delivery and enhanced relationship with other affiliates among Hi-Lex Corporation in respect of maintenance and improvement of product quality that meets requirements of particular automobile and motorcycle manufacturers. To address this issue, the Company must pursue continuous improvement of production quality. Over the years, the Company has recognized these underlying factors and strived to develop and upgrade its production standard until obtaining an international standard certification ISO/TS 16949.

Regarding production cost control, the Company aims at reducing production cost and improving manufacturing processes to higher efficiency. In this undertaking, the Company has raised production targets consistently, modernized the production lines, focused on preventing mistakes and utilizing automatic control systems in order to uplift the Company's competitiveness and ensure that it can compete at regional level. Moreover, the Company also engaged outside experts in warehouse management (only raw materials) to undertake management and improvement of warehouse operation by using new technology and service approaches. Furthermore, various systems have been developed to increase efficiency and computer programs have been used to support warehouse management in order to ensure accuracy of stock quantities, storage location, optimize space utilization, reduce quantity of expired products and reduce inventory to improve cash flow.

Regarding delivery issues, the Company aims at developing distribution channels and improving their efficiency. To fulfill this goal, logistics specialists will be hired to manage product distribution, where necessary, in order to facilitate delivery of products to local and foreign customers. The engagement of these specialists will ensure that the Company can collect products ordered by several parties, which are destined for the same destinations, and deliver them at the same time. This practice will help reduce transportation cost of each delivery. Moreover, such engagement will also lower the Company's insurance cost, which provides transportation-related loss coverage, because these specialists will be responsible for making insurance arrangements.

### Corporate Background and Major Developments

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

### Key changes and developments

- 2006 - Relocated production facilities and head office from Samutprakarn province to Amata Nakorn Industrial Estate in Chonburi province.
- 2007 - Received two BOI investment promotion certificates, including:
  - Card 1: Promotional incentives for relocation of the existing facilities
  - Card 2: Promotional incentives for plant expansion project
- Received Q1 Award from Auto Alliance (AAT). This award is presented to parts manufacturer with outstanding quality management.
- 2008 - Received Quality Control Cycle (QCC) Award from Thai Hino Co-Operation Club. This award recognizes quality control improvement through waste reduction in production process.
- Received the first prize of Toyota Production System (TPS) Award in the category of Group Sub Leader for the second consecutive year from Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd. This award recognizes cost reduction from optimum utilization through resource management.
- Set up a product testing center certified by experts of HI-LEX Corporation.
- 2009 - Received Quality Award "The Satisfies 2009" from Mitsubishi Motors (Thailand) Co., Ltd.
- Received "Gold Certificate TCC Safety Activity of Level A" Award from Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd.
- Received Thank You Award from Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd. The award is presented to companies that have expertise in Toyota Production System (TPS) and provide consultation to other companies on system development until achieving a successful outcome.
- Received D 2009 Delivery Award from Honda Group. This award is presented to parts manufacturers with outstanding delivery records on annual basis.
- Utilized SAP program for management of the entire production process, ranging from production planning and product delivery to collection.
- Provided testing services of control cables and various parts to parts manufacturers of the Company.

- 2010
- Received Award of Quality for quality achievement from Mitsubishi Motors (Thailand) Co., Ltd.
  - Officially received a certificate of laboratory quality standards from HI-LEX Corporation, thus enabling the Company to expand the provision of testing services to HI-LEX affiliates worldwide. Moreover, the Company also prepared to apply for ISO/IEC 17025 certification to guarantee its laboratory's technical capabilities according to international standards and to improve its capabilities to test window regulator sets.
  - Received three awards from the Productivity Facilitator 2010 project organized by the Thailand Productivity Institute, including outstanding management, outstanding company in the auto parts industry and outstanding productivity facilitator.
- 2011
- Received Bronze Award for outstanding supplier from Hino Motors Manufacturing (Thailand) Ltd.
  - Received 2010 QCD Improvement Supplier Award for outstanding quality, cost and delivery improvement and development from an individual group of Isuzu parts manufacturers.
  - Received Supplier Evaluation Score in Delivery Award for the most outstanding job delivery during 2008 - 2010 from Isuzu Motors Thailand Co., Ltd.
- 2012
- Received laboratory accreditation under TIS 170258-2548 17025-2548 (ISO/IEC 17025: 2005) sanctioned by the Thai Industrial Standards Institute under the Ministry of Industry. This accreditation guarantees that technical competence of the company's laboratory meets international standards.
  - Received Improvement Award from Thai Suzuki Motor Co., Ltd., which is awarded to parts manufacturers with outstanding product delivery performance for three years in a row.
  - Investment Promotion Card 3 contributes to the investment in the Company's facility expansion project.
- 2013
- Received a public award that recognizes the Company as a business site that complies with the Promotion and Development of Quality of Life of Persons with Disabilities Act for the year 2013 from Chon Buri governor, for the Company's financial contribution to the Persons with Disabilities Fund and employment of disabled persons.
  - Received the cost reduction award from Yamaha Motor (Thailand) Co.,Ltd.

## Products

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

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

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

### Revenue structure

Product line	2011		2012**		2013	
	Revenue Million Bt.	Ratio (%)	Revenue Million Bt.	Ratio (%)	Revenue Million Bt.	Ratio (%)
<b>Revenue from domestic sales</b>	2,127	93	2,292	96	3,587	96
- automobile control cables	1,320	58	1,501	63	2,494	67
- motorcycle control cables	495	22	447	19	504	14
- automobile window regulators	304	13	339	14	578	15
- others	8	-	5	-	11	-
<b>Revenue from overseas sales</b>	125	5	63	3	69	2
- automobile control cables	14	1	15	1	22	1
- motorcycle control cables	37	1	-	-	-	-
- automobile window regulators	-	-	-	-	-	-
- others	75	3	48	2	47	1
<b>Other income</b>						
- others	43	2	26	1	78	2
<b>Total revenues</b>	<b>2,296</b>	<b>100</b>	<b>2,381</b>	<b>100</b>	<b>3,733</b>	<b>100</b>

\*\* Cumulative data over a period of nine months (January – September 2012) due to revision of accounting period.

## Industrial Trends and Competitive Situation in the Future

### Overview of the automotive industry in 2013

The automotive industry in the second half of this year has been expanding at a declining growth rate because business operators already produced and delivered vehicles to completely fill backorders for customers qualified under the first car policy. Subsequently, auto makers have adjusted their production lines to fulfill more export orders. However, the domestic auto market is still highly volatile because auto sales are now below 100,000 vehicles per month again. Meanwhile, high growth of auto export volume still faces a risk factor stemming from volatile exchange rates and the recovery of global economy.

During the last three months of 2013, it is expected that the market will show some sign of recovery due to two positive factors, i.e. initial launch of Toyota eco car (Toyota holds the largest market share in Thai market) and the Motor Expo.

### Trends of the automotive industry in 2014

It is believed that the automobile production volume in 2014 may exceed the 2013 level, whose volume is estimated at 2.55 million vehicles. This is due to consistently rising export volume to ASEAN, Australia, New Zealand, Middle East and South America, especially huge orders of pickup trucks. Such high volume could be attributed to backorders accumulated since 2012 when manufacturers could not produce and deliver ordered vehicles because production must be geared towards serving high domestic demand, which had been spurred by the government's first car incentive. Such high export volume is expected to offset a slowdown in the domestic automobile market. (Mr. Supparat Sirisuwannangkul, chairman of automotive industry group, Federation of Thai Industries, November 1, 2013).

Meanwhile, the Office of the Board of Investment (BOI) has officially announced the promotion of eco car 2 manufacturers. This measure is a positive factor in the automotive industry which will contribute to long-term, sustainable growth of the industry. Moreover, such support will also enhance competitiveness of Thai automotive industry, especially against Indonesia, because Indonesia is also proposing a green car project. It is anticipated that this project can contribute to increased production volume of eco car 1 and 2 whose targets have been raised to 930,000 vehicles in 2018. Such increase will push the total production volume above three million vehicles from 2017 onwards.

### 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 (%)
2554	1,457,795	733,950	723,845	(11)	2,043,039	1,821,875	221,164	1
2555	2,453,717	1,427,046	1,026,671	68	2,606,161	2,292,170	313,991	28
2555*	1,975,783	1,129,245	846,538		2,226,162	1,962,673	263,489	
2556*	2,115,375	1,168,354	947,021	7	1,910,287	1,634,138	276,149	(14)

\*Cumulative data over a period of ten months (January – October)

Source: The Federation of Thai Industries as of November 29, 2013

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

- **Risks from reliance on majority shareholders**

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

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

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

Regarding risks arising from such agreements, it is anticipated that HI-LEX Corporation definitely renews the contract because it is a major shareholder in the Company and the Company already received an assurance in writing. Therefore, when the present agreements, each renewal will be effective for a period of five years (this is the contract renewal policy of HI-LEX Corporation which applies to all affiliated companies in its group). In addition, both companies have been joint venture partners and enjoyed a good partnership for more than 35 years. The Company is therefore confident that HI-LEX Corporation will remain a shareholder and continue to support the Company for years to come.

Consequently, these risks are rather low.

- **Risks from foreign competition**

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

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

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

In 2013, the Company purchased basic raw materials, including steel, metal wire, plastic pellets and rubber, valued more than 50% of the total value of raw materials and components purchased by the Company. The prices of these raw materials were affected from fluctuation of trading prices based on supply and demand situations of these basic raw materials in the world market, and such factors are beyond the control of the Company.

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

- **Risks from foreign exchange rate fluctuation**

In 2013, the Company procured imported raw materials and components, accounting for around 41% of the total purchase value of all raw materials and components. Throughout the year, the total purchase value of raw materials and components made in foreign currencies was equivalent to approximately 755 million Baht. Thus, the Company faced risks from foreign exchange rate fluctuation if exchange rates have gone up.

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

- **Risks from reliance on major customers**

At present, the Company has eight key customers, six of which are major automobile manufacturers and two of which are major motorcycle manufacturers. Combined sales value to these major customers accounted for around 86% of the Company's revenue in 2013. Consequently, the Company might face income risk if any of these manufacturers curtailed production volume or stopped ordering products from the Company. Such events might adversely affect the Company's business operation, financial status and operating performance in the future.

Nonetheless, the Company has been a manufacturer of automobile and motorcycle control cables as well as window regulators for more than 35 years. Over the years, the Company has boosted its production efficiency up to a reputed level. The Company possesses production technology which earns widely respected quality and efficiency as well as has competitive production cost and its own product testing facility which effectively reduces operational time and improves turnaround time. Furthermore, the Company has maintained business relationship with major automobile and motorcycle manufacturers for a long time, and its major shareholder, HI-LEX Corporation, is a leading control cables manufacturer in Japan. Additionally, the Company is also affiliated with Summit Corporation which is a major automobile and motorcycle components manufacturer in Thailand with long experiences in this industry, and Summit Corporation is a manufacturer reputed for its reliable product quality. The product range offered by Summit Corporation covers almost every type of automobile and motorcycle components, such as body parts, seats, side door panels, and so

forth. With such attributes, there is a small possibility that these automobile and motorcycle companies will place orders with our competitors instead.

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

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

At present, the Company has three major shareholder groups, that is, Jurangkool family, Pattanatmarueng family and Hi-Lex Corporation, which hold a combined share of around 80% of the Company's registered and paid-up capital. Consequently, they can control almost all resolutions passed at shareholders' meetings. As a result, other shareholders may be unable to gather sufficient votes to ensure checks and balances of any matter proposed by majority shareholders. In some cases, the interest of majority shareholders may conflict with the interest of the Company or other shareholders. Moreover, majority shareholders also have management control in the Company, holding 7 out of 11 director seats in the Board of Directors. Hence, there is a risk that majority shareholders may exercise absolute management control and manage the Company in a way that might conflict with the interest of the Company and/or minority shareholders, which may adversely affect the Company's business.

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

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

- **Risks from warranty claims**

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

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

- **Risks from reliance on automobile and motorcycle industries**

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

Presently, the automotive industry is recognized as an industry that can create tremendous economic value. Therefore, many countries have been endeavoring to foster local production as much as possible. Thailand is now the ninth largest auto maker in the world, and total production volume in 2013 is estimated at 2.5 million vehicles. The government has launched the Eco Car 2 project as a supplementary policy to promote Thailand as an automotive hub in the ASEAN region, so there is less likelihood that the automotive industry would face a slump soon.

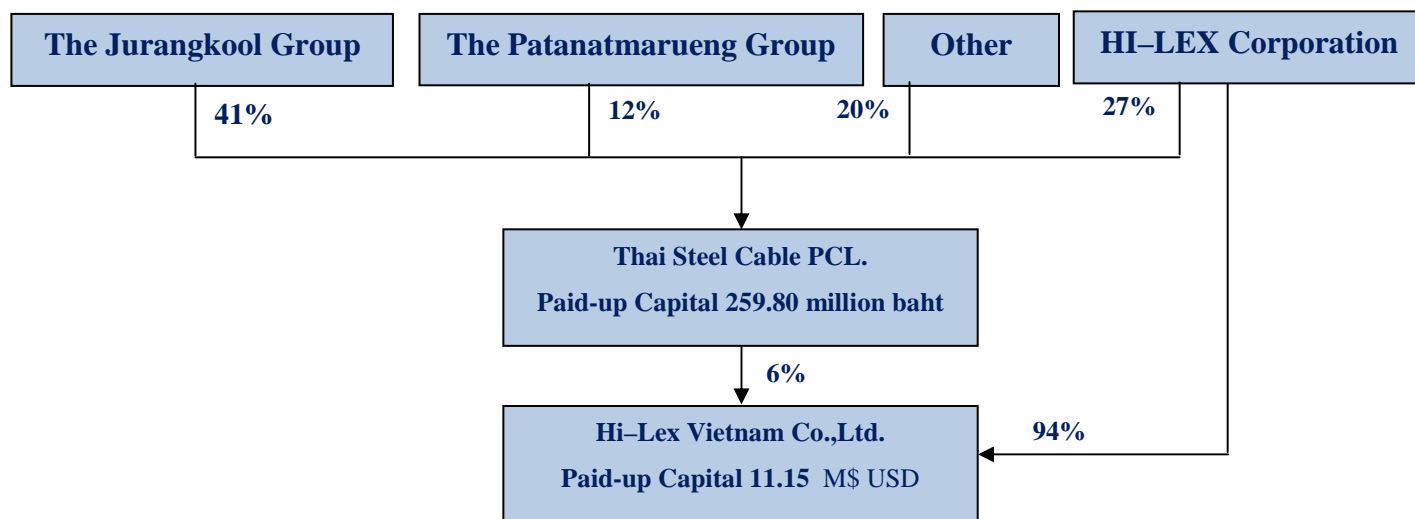
- **Risks from competition within automobile and motorcycle components manufacturing industries**

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

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

The Company has been a manufacturer of automobile and motorcycle control cables as well as window regulators for more than 35 years and it is one of the country's largest manufacturers of these products. With widely acclaimed track records and long-standing reputation among automobile and motorcycle manufacturers, the Company thus enjoys a considerable advantage over local competitors in the production of automobile and motorcycle control cables and window regulators in Thailand. Therefore, the Company is confident that it will be able to compete effectively against other industry players.

## Shareholding Structure of the Company as of October 31, 2013



### Major shareholders

The major shareholders of the Company as of October 31, 2013 are presented as below.

No.	Name	Paid-up capital 259,800,000 Baht	
		Number of shares	% of shares hold
1	The Jurangkool Group	106,480,000	40.99
2	HI-LEX Corporation	70,000,000	26.94
3	The Patanatmarueng Group	30,638,600	11.79
4	Thai NVDR Company Limited	12,801,600	4.93
5	Mr. Sagha Veeravathaganon	8,000,000	3.08
6	Mr. Chaitat Chaipipatsuke	6,500,000	2.50
7	Mr. Dumrong Kulthanapong	6,000,000	2.31
8	AIRA Securities Public Company Limited	4,376,800	1.68
9	Ms. Waraporn Songpracha	2,105,400	0.81
10	Other	12,897,600	4.97
	<b>Total</b>	<b>259,800,000</b>	<b>100</b>

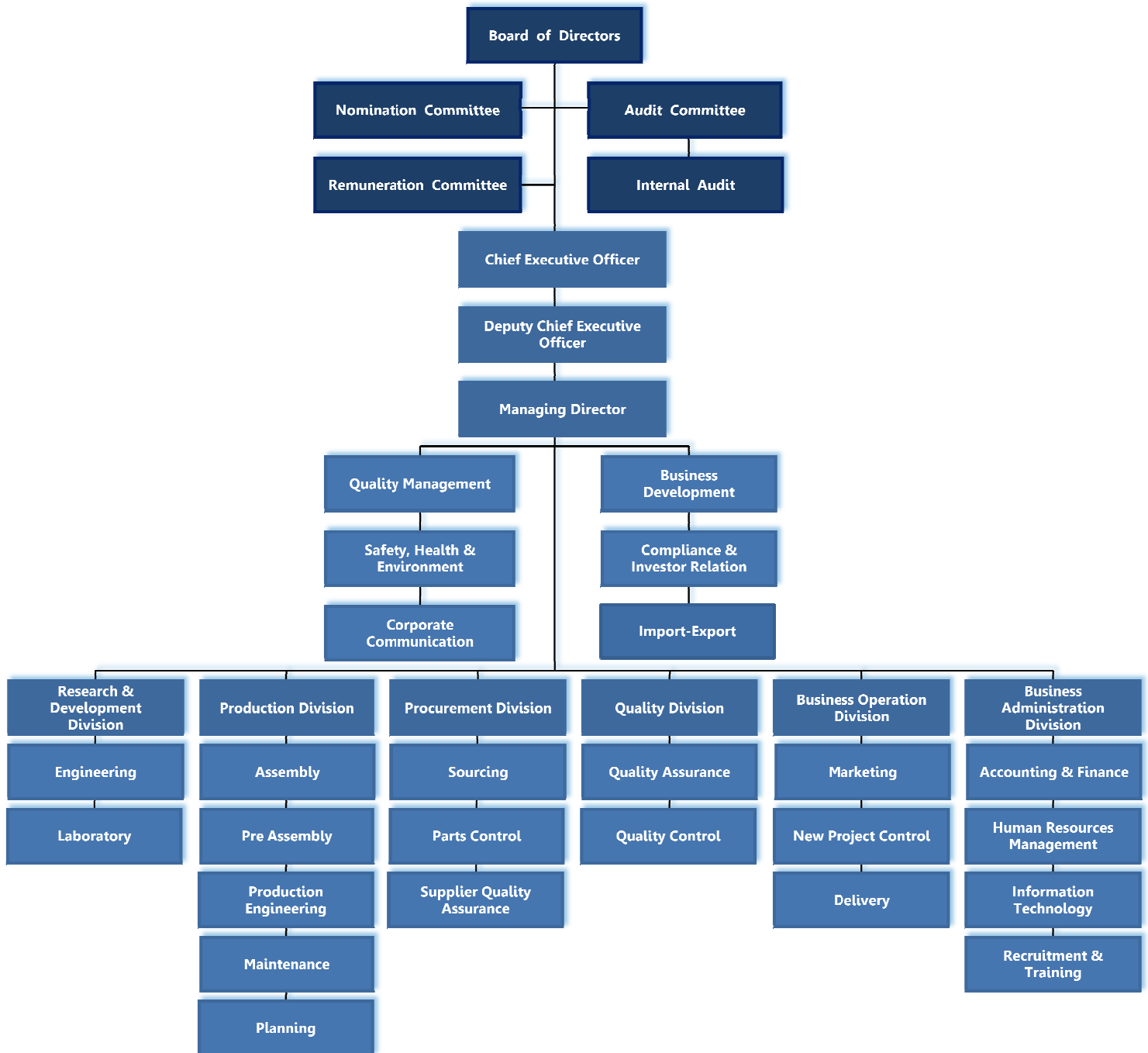
- Note :**
- 1) The Jurangkool Group comprises 4 shareholders of the same family name and related individuals as follows :
 

- Mr. Sunsurm Jurangkool	holds	83,115,000	shares, or	31.99%	of paid up capital
- Mr. Thaveechat Jurangkool	holds	19,365,000	shares, or	7.45 %	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 (as of April 30, 2013) are :
 

1. Teraura Investment Co., Ltd.	holds	19.83
2. JP Morgan Chase Bank	holds	4.62
3. Teraura Scholarship Foundation	holds	4.06
4. Japan Trustee Services Bank, Ltd.	holds	3.86
5. Nippon Life Insurance Company	holds	3.66
6. State Street Bank and Trust Company	holds	3.56
7. BBH For Fidelity Low-Priced Stock Fund	holds	3.13
8. NISHIKAWA RUBBER CO., LTD.	holds	2.70
9. Northern Trust Company	holds	2.49
10. Melon Bank Treaty Clients Omnibus	holds	2.26
  
  - 3) The Patanatmarueng Group comprises 5 shareholders of the same family name and related individuals as follows :
 

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

# Organization Chart



As of September 30, 2013

## Management Structure

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

### 1. The Board of Directors

The Board of Directors as per the certification of the Ministry of Commerce dated August 29, 2013 shows that there are 11 Directors comprises of:

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

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

\*Mr. Kazuhiro Takeshita's appointment was approved by the Board of Directors' Meeting No. 3/2013, which has been in effect since May 9, 2013, as a replacement of the resigning director (Mr. Katsuyoshi Ogaki resigned from the office on May 19, 2013).

### Directors with signatory authority

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

On May 9, 2013, the Board of Directors' Meeting No. 3/2013 resolved to approve the Board of Directors Charter, which conforms to the published notifications of the SEC and the Stock Exchange of Thailand, which has been effective since May 10, 2013. This Charter has been posted on the Company's website for acknowledgement of the Board, management, employees and stakeholders.

Thai [http://www.thaisteelcable.com/upload/charter\\_file/num1\\_charter.pdf](http://www.thaisteelcable.com/upload/charter_file/num1_charter.pdf)

English [http://www.thaisteelcable.com/upload/charter\\_file/Attachment%.201pdf](http://www.thaisteelcable.com/upload/charter_file/Attachment%.201pdf)

To enhance performance efficiency of the Board of Directors, the Board of Directors' Meeting No. 1/2014 held on 27 November 2013 resolved to approve performance evaluation criteria of the Board (the entire Board and individual directors), which shall be effective from 2014 onwards (accounting period of October 2013 – September 2014). The details are described in Annex 6.

## **Scope of duties and authority of the Board Chairman**

The Board Chairman presides over board meeting and exercises his power and duties granted by the Board of Directors Charter of Thai Steel Cable Public Company Limited.

### **2. Audit Committee**

The Meeting of the Board of Directors No. 5/2013 held on September 26, 2013 resolved to re-appoint the Audit Committee to resume their office for a term of 3 years each. Directors are independent and qualified as specified by the law pertaining to requirement of Stock Exchange Commission (SEC) and Stock Market of Thailand (SET) and all independent directors.

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

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

Ms. Benjamas Muangthong, Supervisor Internal Audit Department, serves as Secretary to the Audit Committee.

The Board of Directors Meeting No. 3/2013 held on May 9, 2013 resolved to approve the Audit Committee Charter which conforms to the guidelines of the SEC Office and the Stock Exchange of Thailand which have been announced and effective since May 10, 2013. The Charter has been posted on the Company's website for acknowledgement by the Board, management, employees and stakeholders.

Thai [http://www.thaisteelcable.com/upload/charter\\_file/num2\\_charter.pdf](http://www.thaisteelcable.com/upload/charter_file/num2_charter.pdf)  
English [http://www.thaisteelcable.com/upload/charter\\_file/Attachment%.202pdf](http://www.thaisteelcable.com/upload/charter_file/Attachment%.202pdf)

### **3. Nomination Committee**

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

No.	Name of Directors	Designation	Total number of meetings	Meeting attendance
1	Mr. Thaveechat Jurangkool	Chairman of the Nomination Committee	1	1
2	Mr. Sarit Patanatmarueng	Nomination Committee	1	1
3	Mr. Kornkrit Jurangkool	Nomination Committee	1	1

Ms. Sirina Patanatmarueng, General Manager of Business Administration Division, serves as Secretary to the Nomination Committee.

On November 26, 2013, the Board of Directors Meeting No. 1/2014 resolved to approve the Nomination Committee Charter, which has been effective since November 27, 2013. The Charter has been posted on the Company's website for acknowledgement by the Board, management, employees and stakeholders.

Thai [http://www.thaisteelcable.com/upload/charter\\_file/Nomination\\_TH.pdf](http://www.thaisteelcable.com/upload/charter_file/Nomination_TH.pdf)  
 English [http://www.thaisteelcable.com/upload/charter\\_file/NC%20Charter\\_EN.pdf](http://www.thaisteelcable.com/upload/charter_file/NC%20Charter_EN.pdf)

#### 4. Remuneration Committee

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

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

Ms. Sirina Patanatmarueng, General Manager of Business Administration Division, serves as Secretary to the Remuneration Committee.

On September 26, 2013, the Board of Directors Meeting No. 5/2013 resolved to approve the Remuneration Committee Charter, which has been effective since September 27, 2013. The Charter has been posted on the Company's website for acknowledgement by the Board, management, employees and stakeholders.

Thai [http://www.thaisteelcable.com/upload/charter\\_file/CommitCharterThai.pdf](http://www.thaisteelcable.com/upload/charter_file/CommitCharterThai.pdf)  
 English [http://www.thaisteelcable.com/upload/charter\\_file/RC-charter\\_EN.pdf](http://www.thaisteelcable.com/upload/charter_file/RC-charter_EN.pdf)

#### 5. Executives

Name and designation of executive and management structure

No.	Name of Executives	Designation
1	Mr. Sunsurm Jurangkool	Chief Executive Officer
2	Mr. Choothong Patanatmarueng	Deputy Chief Executive Officer
3	Mr. Sarit Patanatmarueng	Managing Director, Acting General Manager, Business Operations Division, Acting General Manager, Procurement Division
4	Mr. Kazuhiro Takeshita	Senior General Manager, Research & Development Division
5	Mr. Suthon Prempree	General Manager, Production Division
6	Mr. Sawat Sukaachin	General Manager, Quality Division
7	Ms. Sirina Patanatmarueng	General Manager, Business Administration Division
8	Mrs. Kanokwan Ngamkitcharoenlap	Manager Accounting & Finance Department

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

## **Scope and authority of the Managing Director**

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

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

## **6. Company Secretary**

The Board of Directors appointed Mrs. Kasita Pitaksongkram as company secretary whose purview is stipulated in the Securities and Exchange Act B.E. 2535, 4<sup>th</sup> Amendment Issue B.E. 2551 (2008). The qualifications and the scope of duties are as follows:

### **Qualifications**

Since qualifications of company secretary are not stipulated by the law, it is incumbent upon the Board of Directors to dutifully select a competent person with suitable qualifications to assume these duties. As an employee of the Company, company secretary is not allowed to assume the duties of company secretary in other companies but may assume the duties of company secretary in a subsidiary of the Company.

### **Scope of duties of company secretary**

The Company designates a company secretary to liaise between directors and management, oversee and coordinate various matters concerning relevant laws and regulations, facilitate compliance with corporate governance principles as well as the rules and notifications of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The company secretary shall have the following duties and responsibilities as prescribed by the bylaws and the Company.

1. Provide preliminary recommendations to directors concerning legal provisions and the Company's rules and regulations; follow up and ensure proper and regular compliance; and report significant changes to directors.
2. Liaise between directors and management; oversee and coordinate various matters concerning relevant laws and regulations; and ensure that actions are taken in conformity with the Board's resolutions.
3. Organize shareholders meeting and board meeting in accordance with statutory requirements, the articles of association of the Company, and pertinent guidelines.
4. Record minutes of shareholders meeting and board meeting. Follow up and ensure compliance with resolutions of shareholders meeting and board meeting.
5. Oversee disclosure of information and issuance of pertinent reports in accordance with regulations and statutory requirements of the SEC and SET.

6. Prepare and keep the following documents:
  - (a) Directors register;
  - (b) Notices of board meeting, minutes of board meeting, and annual reports;
  - (c) Notices of shareholders meeting and minutes of shareholders meeting.
7. Keep conflict of interest reports submitted by directors or management.
8. Perform other tasks stipulated in notifications of the Capital Market Supervisory Board.
9. Organize a new director orientation program, and promote awareness and understanding of good corporate governance among directors, management and employees.
10. Liaise and communicate with shareholders to ensure that they are informed of shareholder's rights and keep them abreast of the Company's news and development.

#### **7. Department head - Internal Audit Department**

The Company conducts internal audit to maintain confidence and provide impartial and independent consultation in order to provide added value and improve efficiency and effectiveness of the Company's operation under suitable risk management expenditure. The scope of duties of the Supervisor of the Internal Audit Department is as follows:

1. Supervise internal auditors and ensure that internal audit practices adhere to international professional standards of internal auditing.
2. Define objectives, goals and scope of internal audit as well as develop an annual audit plan to be proposed to the Audit Committee for consideration and approval before the plan is carried out.
3. Develop standard operating procedure and review audit performance to ensure compliance with the stipulated standard operating procedure.
4. Review and approve audit program.
5. Review audit findings report and give recommendations for improvement and corrective actions before presenting a proposal to the Audit Committee and the management.
6. Monitor audit performance to ensure consistency with the audit plan in order to increase performance efficiency of the Internal Audit Department when serving the management.
7. Offer advice, opinions and recommendations for compliance with regulations, operating procedures, internal control and relevant bylaws of audited operating units.
8. Organize training to develop capacities of internal auditors to ensure that they can competently conduct audit according to the objectives, and conduct performance evaluation of internal audit staff.
9. Assume the duties of secretary of the Audit Committee by preparing meeting agenda, collecting information, making a summary of discussion and preparing minutes of meeting as well as informing concerned parties of meeting resolutions. Assist the Audit Committee to ensure that the Committee's practices properly comply with the Charter and mandated responsibilities, and administer audit works according to professional standards to support the Audit Committee's actions.
10. Oversee annual budget preparation of the Internal Audit Department.
11. Supervise internal audit coordination by outsourcing internal audit tasks according to defined targets.
12. Perform other tasks assigned by the Audit Committee.

## **8. Stock exchange coordinating and investor relations officer**

Investor relations activities are vital to listed companies, all types of investors and the capital market. Concerned staff must contact and work with different people, such as stock analysts or investors; facilitate preparation and storage of important documents on behalf of the Company or the Board of Directors; carry out planning and ensure that business operation complies with the securities and exchange law and the public limited company law as well as relevant rules, regulations and bylaws. In addition, they are required to prepare and submit stipulated information and reports in transparent manner. The scope of duties and responsibilities is as follows:

1. Compile key information in the capital market for senior management and company directors.
2. Report publicly disclosed information to senior management.
3. Update information to ensure correctness, completeness and timeliness.
4. Build the Company's credibility by disseminating accurate and complete reports and disclosing information in consistent and systematic manners.
5. Prepare welcoming arrangement for stock analysts and investors.
6. Coordinate and examine matters to be tabled at shareholders meeting and board meeting.
7. Prepare, deliver and keep vital documents and evidences pertaining to policies and regulations approved by shareholders meetings and board meetings in proper and complete manners so that they can be examined later (e.g. directors register, annual report and minutes of meeting).
8. Carry out planning and oversee business operation to ensure compliance with the securities and exchange law and the public limited company law as well as other relevant rules, regulations and bylaws.
9. Prepare information and reports disclosed to the stock exchange and other concerned agencies in accordance with the aforementioned laws and regulations (e.g. annual report, Form 56-1, financial statements, and public announcements in newspapers required by bylaws).
10. Provide preliminary recommendations and advice to company directors and assist them pertaining to legal provisions, guidelines and regulations, and keep them abreast of significant changes of statutory requirements.

## **9. Nomination of Company Directors and Executives**

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

### Nomination of directors

#### 1. Criteria and method

The Nomination Committee determines suitable qualifications which are consistent with the Board of Directors Charter. A suitable candidate must be competent and can devote sufficient work time for the Company. According to the articles of association, board of directors must comprise at least 5 members but not more than 12, whereby at least one-half of the total number of directors must be domiciled in Thailand. Directors may or may not be a shareholder of the Company.

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

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

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

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

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

3. Criteria and method for director's election by shareholders meeting

- Each shareholder is entitled to one vote for each share.
- Each shareholder may cast his entire votes to elect one or several persons as a director. However, he may not split votes unequally for any candidate.
- The candidates receiving the highest number of votes in a successive order shall be elected as directors, and the number of elected candidates shall be equal to the number of directors required in that particular election. In case elected candidates with the least votes receive tie vote and exceed the required number of directors, the meeting chair shall cast a deciding vote.
- Shareholders meeting may pass a resolution to remove any director before the end of a term with no less than three-fourths of the total number of attending shareholders with voting rights that accounts for more than one-half of the number of attending shareholders with voting rights.

Nomination of senior executives

The Board of Directors empowers the Managing Director to determine policy, criteria and method pertaining to nomination of senior executives. Such consideration pertains to competency criteria and depends on the Company's situation at certain times.

**10. Remuneration of Directors and Executives\*\*\***

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

## (1) Remuneration

### (1.1) Remuneration of Directors (only for director's capacity)

director's remuneration within a budget of 5,000,000 (five million) baht as detailed below:

- Meeting allowance (for each meeting attended) is the same as the 2012 rate.
  - Chairman of the Board of Directors 35,000 baht
  - Directors and committee members 25,000 baht
- A bonus is paid to directors at a rate of 1.50% of total dividend payout based on the 2012 operating results.

The Company already requested an approval of director's remuneration from the shareholders meeting.

Details of remuneration of each director in 2013 are as follows:

Name	Designation	Remuneration Committee in cash (Baht)					
		Board of Directors (Baht)	Audit Committee (Baht)	Remuneration Committee (Baht)	Nomination Committee (Baht)	Bonus (Baht)	Total net (Baht)
1. Mr. Sunsum Jurangkool	Chairman of the Board	175,000	-	-	-	177,136.36	<b>352,136.36</b>
2. Mr. Choothong Patanatmarueng	Vice Chairman	125,000	-	-	-	177,136.36	<b>302,136.36</b>
3. Mr. Sarit Patanatmarueng	Director	175,000	-	-	25,000	177,136.36	<b>377,136.36</b>
4. Mr. Makoto Teraura	Director	-	-	-	-	177,136.36	<b>177,136.36</b>
5. Mr. Thaveechat Jurangkool	Director	125,000	-	-	25,000	177,136.36	<b>327,136.36</b>
6. Mr. Kornkrit Jurangkool	Director	175,000	-	-	25,000	177,136.36	<b>377,136.36</b>
7. Mr. Katsuyoshi Ogaki*	Director	50,000	-	-	-	177,136.36	<b>227,136.36</b>
8. Mr. Kazuhiro Takeshita**	Director	50,000	-	-	-	-	<b>50,000.00</b>
9. Mr. Kavee Vasuvat	Independent Director	175,000	125,000	75,000	-	177,136.36	<b>552,136.36</b>
10. Mr. Apinan Na Ranong	Independent Director	175,000	125,000	75,000	-	177,136.36	<b>552,136.36</b>
11. Mr. Prinya Waiwatana	Independent Director	175,000	125,000	75,000	-	177,136.36	<b>552,136.36</b>
12. Mr. Chatchai Earsakul	Independent Director	175,000	125,000	-	-	177,136.36	<b>477,136.36</b>
<b>Total</b>		<b>1,575,000</b>	<b>500,000</b>	<b>225,000</b>	<b>75,000</b>	<b>1,948,500</b>	<b>4,323,500</b>

\*Mr. Katsuyoshi Ogaki submitted a letter of resignation as a director, which has been effective since February 19, 2013.

\*\*Mr. Kazuhiro Takeshita was appointed to replace a resigning director, and his appointment was approved by the Board of Directors Meeting No. 3/2013. Mr. Takeshita's appointment has been effective since May 9, 2013.

Total amount of remuneration packages paid to executives\*\*\* of the Company:

Remuneration	2012** Amount (MB baht)	2013 Amount (MB baht)
Salaries, bonus etc.	62.87 (7 executives)	76.55 (10 executives)

\*\* Cumulative data over a period of nine months (January – September 2012) due to revision of accounting period

(1.2) **Remuneration of Executives \*\*\***

- The remuneration of the Chief Executive Officer in 2013 was increased less than 10% the previous year's rate.
- Remuneration of lower-ranking executives\*\*\* depends on discretion of the Chief Executive Officer.

In 2013, total amount of salaries and bonuses (remuneration) paid to 10 executives\*\*\* was 75,214,680 baht.

(2) **Other compensation**

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

Provident fund

The Company established a provident fund in which employees are required to contribute 5% of their salaries and the Company is required to make the same rate of contribution. In 2013, the Company's contribution to the provident fund for ten executives amounted to 1,305,467 baht.

Social security

In 2013, the Company's social security contribution for 10 executives was 33,600 baht.

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

## Dividend Payment Policy

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



## Corporate Governance

The Company manages and conducts its business operation in accordance with the good corporate governance guideline, while recognizing the importance of and accountability to shareholders and stakeholders of the Company, with full commitment and cooperation of all parties, including the Board of Directors, management and every employee. To support this endeavor, the Company already disseminated the Corporate Governance Manual which describes the code of conduct of board members, management and employees as well as business ethics and the code of conduct of investor relations as well as key policies and relevant regulations. The Board, management, employees and concerned parties can read this information on the Company's website.

Thai	<a href="http://www.thaisteelcable.com/upload_images/file/TSC-CG-Handbook-TH-Version-resize.pdf">http://www.thaisteelcable.com/upload_images/file/TSC-CG-Handbook-TH-Version-resize.pdf</a>
English	<a href="http://www.thaisteelcable.com/upload_images/file/TSC-CG-Handbook-ENG-Version-resize.pdf">http://www.thaisteelcable.com/upload_images/file/TSC-CG-Handbook-ENG-Version-resize.pdf</a>

The Company fosters compliance with the Corporate Governance Manual by implementing the following measures:

1. The Board annually reviews the Corporate Governance Manual.
2. The management is regularly briefed on the essence of the Corporate Governance Manual at an annual management meeting.
3. A training roadmap is developed for each position in order to encourage employees to regularly read and review the Corporate Governance Manual.
4. Promote the Corporate Governance Manual by having it posted on a bulletin board to inform employee thoroughly.

Assessment results of concerned agencies:

### Assessment by Thai Investors Association

Among 475 companies participating in this project, the quality of the organization of the 2013 Annual General Shareholders Meeting was graded as "Excellent" with a score of 93.38.



## Social Responsibility

The Board of Directors issues a mandate to ensure that the Company operates with responsibility towards the society, environment and stakeholders. The details of relevant policies are described in the Corporate Governance Manual, which has been posted on the Company's website for acknowledgement of the Board, management, employees and stakeholders.

Thai [http://www.thaisteelcable.com/upload\\_images/file/TSC-CG-Handbook-TH-Version-resize.pdf](http://www.thaisteelcable.com/upload_images/file/TSC-CG-Handbook-TH-Version-resize.pdf) (Page 53-75)

English [http://www.thaisteelcable.com/upload\\_images/file/TSC-CG-Handbook-ENG-Version-resize.pdf](http://www.thaisteelcable.com/upload_images/file/TSC-CG-Handbook-ENG-Version-resize.pdf) (Page 55-77)

The Board of Directors regularly reviews pertinent policies in the Corporate Governance Manual on annual basis.

Investors can read additional information about security-issuing companies in the Company's Annual Report Form (Form 56-1) shown in [www.sec.or.th](http://www.sec.or.th) or its website above.



### Key comments of the Board of Directors

At the Board of Directors Meeting No. 1/2014 held on 26 November 2013, the Board evaluated the internal control system based on the assessment results report of the Audit Committee. Based on the assessment of various aspects of the internal control system, the Board discerned that the Company has an adequate internal control system in all respects.

The Company has developed and maintained the internal control system and regularly reviewed the efficiency of the internal control system, which encompasses financial control, operational control, and stewardship of legal and regulatory compliance, asset protection and risk management. To ensure internal control, the Company has engaged Dharmniti Co., Ltd. and has been operating the Internal Control Department, whereby auditors were required to conduct internal audit of the operation of various operating units according to the guidelines prescribed in the approved annual audit plan and to examine ad hoc matters assigned by the Audit Committee or the management (if any). Under such circumstances, the Internal Audit Department was designated to regularly monitor outcomes of corrective actions and directly report audit findings to the Audit Committee.

According to the 2013 audit findings report jointly prepared by Dharmniti Co., Ltd. and the Internal Audit Department, no major discrepancies were found, and it was concluded that the Company has an adequate, strict internal control system and properly complied with relevant regulations, statutory requirements and laws of concerned authorities. Moreover, it was also concluded that the Company safeguarded its assets from improper uses by managers and employees and consistently improved quality of its operational systems.

- (1) **Connected transactions with parties having potential conflict of interest in the past year**  
During the year, the Company had connected transactions with associated companies, wherein the purchase/sale price of products and services to such associated businesses was calculated at comparable prices adopted with outsiders. Furthermore, the various trading conditions for the transactions constituted normal business practice. These transactions with associated companies are disclosed in Item 25 of the Notes to the Financial Statements for year ended September 30, 2013.
  
- (2) **Necessity and rationale of connected transactions**  
The Audit Committee reviewed connected transactions stated in 10.1 and determined that buy-sell transactions of products and services as well as asset purchase between related parties were normal transactions of the Company executed reasonably and necessarily in the normal course of business. Such transactions were engaged with the best interests of the Company and shareholders in mind. Thus, the conditions of connected transactions were consistent with common trade terms and the prices were set under competition mechanism or deemed reasonable. Moreover, such trade terms did not differ from the transactions between the Company and external parties.
  
- (3) **Measure or procedure for approval of connected transactions**  
The Company stipulates a procedure for approval of connected transactions. Importantly, connected transaction must be engaged on the basis of necessity and reason, and practices must be similar to transactions between the Company and external parties. In case of connected transaction between the Company or a party which may have conflict of interest or personal interest or conflict of interest in the future, the Audit Committee will give opinions about necessity of such transaction and suitability of the price deal in this transaction by scrutinizing the conditions to ensure that trade terms are consistent with regular transactions in the normal course of business in the industry and by comparing the price deal with prices quoted by external parties or market prices. Furthermore, in case of significant connected transactions the Company requires approval from the Audit Committee and the Board of Directors as well as shareholders' meeting, as the case may be. If the Audit Committee does not have experience in scrutinizing potential connected transaction, the Company will seek an independent expert who can give opinions about such connected transaction which will be scrutinized by the Board of Directors, Audit Committee or shareholders, as the case may be. In this instance, a director who has personal interest in such transaction does not have voting right. In practice, connected transactions are disclosed under the notes to financial statements or subject to oversight of company auditors.

**(4) Policy governing or trend of connected transactions**

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

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

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

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

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

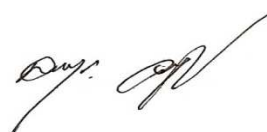
The Board of Directors of the Company has implemented an effective system of internal controls, in order to ensure that the recording of accounting transactions is accurate and complete. The Company's financial statements have been audited by United Auditing PKF Limited. During such audit, the Board 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 September 30, 2013. The Company has complied with generally accepted accounting principles and also complied with the relevant Laws and regulations.



(Sarit Patanatmarueng)  
Managing Director



(Sunsun Jurangkool)  
Chairman of the Board of Directors

## Report of the Audit Committee

The Audit Committee is appointed by the Board of Directors. There are four committee members whose qualifications fully conform to the Audit Committee Charter and statutory requirements of the Office of the Securities and Exchange Commission. The names of committee members are listed below:

- |                          |                                 |
|--------------------------|---------------------------------|
| 1. Mr. Kavee Vasuvat     | Chairman of the Audit Committee |
| 2. Mr. Apinan Na Ranong  | Audit committee member          |
| 3. Mr. Prinya Waiwatana  | Audit committee member          |
| 4. Mr. Chatchai Earsakul | Audit committee member          |

The Audit Committee has performed its duties under the scope of duties and responsibilities mandated by the Board of Directors, which conforms to the Stock Exchange of Thailand's notification.

During 2013 (starting from October 1, 2012 till September 30, 2013), the Audit Committee convened five times and also attended management meetings occasionally. In essence, the performance of the Audit Committee is summarized as follows:

1. Reviewed quarterly and annual financial statements to ensure that the Company's financial statements were prepared properly and reliably. Generally, the Audit Committee agreed with auditors that these financial statements were accurately prepared in accordance with the accounting standards, accounting principles and generally accepted accounting practices in all material respects. Moreover, the Audit Committee held quarterly meetings with auditors without the management's presence.
2. Conducted reviews to ensure the Company has suitable, adequate and efficient internal control and internal audit systems, whereby internal audit experts were engaged to perform necessary audits. Moreover, the Internal Audit Department also dutifully performed internal audits according to the annual audit plan covering critical work systems, which was scrutinized and approved by the Audit Committee. Furthermore, the Internal Audit Department was also assigned to monitor outcomes of corrective actions taken to address deficiencies identified in the audit report. It was concluded that the Company has an adequate internal control system which is suitable with business characteristics, and no significant deficiencies or weaknesses of the internal control system were identified. It was also noted that assets were properly safeguarded and full information disclosure was observed.

Furthermore, the Audit Committee also reviewed the internal control system by scrutinizing the Internal Audit Department's mission, scope of duties and responsibilities, head count and independence. To this end, the Internal Audit Department was required to present an audit findings report and a management report to the Audit Committee and Managing Director respectively. It was concluded that the Company's internal control has been executed independently, adequately and effectively.

3. Reviewed risk management in which the Company conducted risk management activities relating to operational risk. In this process, operating units identified pertinent risks, assessed various risks stemming from internal and external factors, and managed such risks. In addition, the Audit Committee also monitored progress of each operating unit to ensure that set targets could be achieved. If there were incidents which could adversely impact on achievement of the organization's objectives, they could manage risks and control them within an acceptable level in time. In this regard, the Audit Committee discerned that the Company has a suitable, adequate and effective risk management system.

4. Conducted reviews to ensure that the Company has been complying with the securities and exchange law, statutory requirements of the Stock Exchange of Thailand or the laws relating to its business operation. It was concluded that no material deficiencies in respect to compliance with relevant laws and provisions were identified.
5. Reviewed and expressed opinions regarding connected transactions or transactions which might have potential conflict of interest as well as compliance with the code of business ethics and the code of conduct of directors, management and employees. It was discerned that no transactions that might pose a conflict of interest were identified. Moreover, the Company fully disclosed accurate information about these transactions and duly adhered to the code of business ethics and the code of conduct.
6. Considered and selected accounting auditors and determined audit fee which were proposed to the Board of Directors and later proposed to the shareholders' meeting for approval. The Audit Committee considered nominating new auditors to replace present auditors wishing to resign by scrutinizing candidates based on audit experience in the same industry, the number of auditors required for audit tasks of a listed company, as well as their independence and audit fee by comparing them with the same level of audit firms. Then, the Audit Committee proposed candidates to the Board of Directors so that the shareholders meeting would consider approving proposed appointment of Mr. Khitsada Lerdwana and/or Ms. Vissuta Jariyathanakorn and/or Ms. Sumalee Reewarabandith of Ernst & Young Co.,Ltd. as auditors for the year 2014 (for the accounting period of October 1, 2013 – September 30, 2014). Total audit fee is 1,050,000 baht (excluding 200,000 baht audit fee for compliance with BOI certificate's conditions).

In conclusion, the Audit Committee fully performed its duties according to the provisions stipulated in the Audit Committee Charter approved by the Board of Directors. It was discerned that the Company maintained accurate and complete reporting of its financial data and business operation, and has suitable and effective internal control and internal audit systems and risk management. Moreover, the Company also complied with the laws, statutory requirements and obligations and properly addressed connected transactions; and its business operation was conducted in conformity with the corporate governance system adequately, transparently and reliably. Furthermore, the Audit Committee also examined auditors' independence for the appointment and proposed an audit fee.



(Mr. Kavee Vasuvat)  
Chairman of the Audit Committee

## **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, 2013, the related statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year ended September 30, 2013, 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, 2013, and the financial performance and cash flows for the year then ended, in conformity with Thai Financial Reporting Standards.

**Miss Pranee Phonngam**  
Certified Public Accountant No. 4987  
United Auditing Limited

Bangkok.  
November 25, 2013.

**THAI STEEL CABLE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2013**

		('Baht)	
		2013	2012
<b>ASSETS</b>			
<b>Current assets</b>	<b>Note</b>		
Cash and cash equivalents	6	213,006,575.24	140,999,571.93
Temporary investment	7	99,354.09	97,286.38
Accounts and other receivables	8	620,624,026.21	674,736,439.72
Inventories	9	414,201,304.99	415,162,391.61
Other current assets		<u>25,283,075.67</u>	<u>26,335,497.25</u>
Total current assets		<u>1,273,214,336.20</u>	<u>1,257,331,186.89</u>
<b>Non-current assets</b>			
Long - term investments	25.1	25,704,000.00	25,704,000.00
Investment property - net	10	135,922,606.93	138,002,815.43
Property, plant and equipment - net	11	1,137,113,834.28	977,129,696.51
Intangible assets - net	12	23,714,452.54	28,103,660.24
Other non - current assets		<u>1,019,041.59</u>	<u>1,019,041.59</u>
Total non - current assets		<u>1,323,473,935.34</u>	<u>1,169,959,213.77</u>
<b>Total assets</b>		<u><b>2,596,688,271.54</b></u>	<u><b>2,427,290,400.66</b></u>

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

**THAI STEEL CABLE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (Continued)**  
**AS AT SEPTEMBER 30, 2013**

		('Baht)	
		2013	2012
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>	<b>Note</b>		
Overdrafts from financial institution	13	100,000,000.00	-
Accounts and other payables	14	640,921,304.39	658,736,116.48
Asset payables		21,295,790.90	39,717,978.66
Hire-purchase payable due within 1 year	15	6,770,521.24	6,386,231.10
Long - term loan due within 1 year	16	75,000,000.00	56,250,000.00
Other current liabilities		<u>6,864,287.98</u>	<u>6,667,333.66</u>
Total current liabilities		<u>850,851,904.51</u>	<u>767,757,659.90</u>
<b>Non - current liabilities</b>			
Hire - purchase payable	15	4,811,266.20	8,495,690.78
Long - term loan	16	18,750,000.00	52,250,000.00
Post - employment benefits obligation	17	32,158,236.00	21,032,134.16
Provisions of liabilities	18	18,077,142.75	18,572,258.10
Other non - current liabilities		<u>66,856.07</u>	<u>98,456.07</u>
Total non current liabilities		<u>73,863,501.02</u>	<u>100,448,539.11</u>
<b>Total liabilities</b>		<u><b>924,715,405.53</b></u>	<u><b>868,206,199.01</b></u>

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

**THAI STEEL CABLE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (Continued)**  
**AS AT SEPTEMBER 30, 2013**

**Equity**

Share capital	19		
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	20	26,850,000.00	26,850,000.00
Unappropriated		926,684,440.46	807,564,017.10
Other components of equity		<u>(6,231,759.00)</u>	<u>-</u>
<b>Total equity</b>		<b><u>1,671,972,866.01</u></b>	<b><u>1,559,084,201.65</u></b>
<b>Total liabilities and equity</b>		<b><u>2,596,688,271.54</u></b>	<b><u>2,427,290,400.66</u></b>

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

**THAI STEEL CABLE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

		('Baht)	
		For the period from	
		January 1, 2012 to	
		September 30,	
		2013	2012
<b>Revenues</b>	<b>Note</b>		
Revenues from sales		3,655,872,053.81	2,354,725,048.75
Other incomes		77,575,102.97	25,982,805.64
<b>Total revenues</b>	29	<u><b>3,733,447,156.78</b></u>	<u><b>2,380,707,854.39</b></u>
<b>Expenses</b>	22		
Cost of goods sold		2,895,085,119.90	1,951,381,982.69
Selling expenses		109,292,016.41	65,950,075.16
Administrative expenses		288,518,923.28	154,844,705.49
Directors and managements' remuneration	24	86,025,701.92	44,744,082.75
<b>Total expenses</b>		<u><b>3,378,921,761.51</b></u>	<u><b>2,216,920,846.09</b></u>
<b>Profit before finance costs and income tax</b>		354,525,395.27	163,787,008.30
Finance costs		(11,081,640.07)	(1,008,401.67)
Profit before income tax		343,443,755.20	162,778,606.63
Income tax	23	(16,483,331.84)	(8,607,311.41)
Profit for the periods		326,960,423.36	154,171,295.22
<b>Other comprehensive income</b>			
Gain (loss) on change estimate the actuarial		(6,231,759.00)	-
<b>Total comprehensive income</b>		<u>(6,231,759.00)</u>	<u>-</u>
<b>Total comprehensive income for the periods</b>		<u><b>320,728,664.36</b></u>	<u><b>154,171,295.22</b></u>
<b>Earnings per share</b>			
Basic earnings per share		<u><b>1.23</b></u>	<u><b>0.59</b></u>
Weighted average number of ordinary shares (shares)		259,800,000	259,800,000

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

**THAI STEEL CABLE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

			Retained earnings		Other components	(Baht)
	Issued and paid-up share capital	Premium on share capital	Appropriated legal reserve	Unappropriated	of equity Gain (loss) on change estimate the actuarial	Total equity
<b>Note</b>						
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)
<b>Ending balances as at September 30, 2012</b>	<b><u>259,800,000.00</u></b>	<b><u>464,870,184.55</u></b>	<b><u>26,850,000.00</u></b>	<b><u>807,564,017.10</u></b>	<b><u>-</u></b>	<b><u>1,559,084,201.65</u></b>
Beginning balances as at October 1, 2012	259,800,000.00	464,870,184.55	26,850,000.00	807,564,017.10	-	1,559,084,201.65
Total comprehensive income for the periods	-	-	-	326,960,423.36	(6,231,759.00)	320,728,664.36
Dividend	21 -	-	-	(207,840,000.00)	-	(207,840,000.00)
<b>Ending balances as at September 30, 2013</b>	<b><u>259,800,000.00</u></b>	<b><u>464,870,184.55</u></b>	<b><u>26,850,000.00</u></b>	<b><u>926,684,440.46</u></b>	<b><u>(6,231,759.00)</u></b>	<b><u>1,671,972,866.01</u></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 YEAR ENDED SEPTEMBER 30, 2013**

('Baht)

**For the period from  
January 1, 2012 to  
September 30,**

	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	343,443,755.20	162,778,606.63
Item to reconcile net profit to net cash flows from operating activities		
Depreciation of assets	100,022,489.17	69,463,580.01
Depreciation of investment property	2,080,208.50	1,895,001.11
Amortization intangible asset	9,046,906.70	5,216,384.68
Doubtful debt	39,277,341.30	-
(Gain) loss from sale assets	(10,273,606.42)	(1,744,802.62)
Loss from write off fixed assets	62,670.57	317,204.14
Post-employment benefits obligation	6,383,422.84	1,418,703.00
Provision of liabilities	11,457,911.23	5,347,330.47
Unrealized (gain) loss on exchange rate	(370,232.29)	(762,114.84)
Interest income	(796,921.24)	(173,360.79)
Interest expenses	9,702,923.17	1,008,401.67
	510,036,868.73	244,764,933.46

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

**THAI STEEL CABLE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>2013</b>	<b>(‘Baht)</b> <b>For the period from</b> <b>January 1, 2012 to</b> <b>September 30,</b> <b>2012</b>
(Increase) decrease in accounts and other receivables	15,010,905.49	(424,973,155.92)
(Increase) decrease in inventories	961,086.62	98,814,988.85
(Increase) decrease in other current assets	1,052,421.58	1,737,775.35
(Increase) decrease in other non-current assets	-	(279,800.00)
Increase (decrease) in accounts and other payables	68,519,213.14	261,711,605.98
Increase (decrease) in accrued expenses	(99,387,059.71)	75,140,146.54
Increase (decrease) in other current liabilities	196,954.32	(14,842,778.31)
Increase (decrease) in provision of liabilities	(11,953,026.58)	(1,907,049.51)
Increase (decrease) in post-employment benefits obligation	(1,489,080.00)	(2,148,605.00)
Increase (decrease) in other non-current liabilities	<u>(31,600.00)</u>	<u>(8,153,635.62)</u>
Cash received from operating	482,916,683.59	229,864,425.82

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 YEAR ENDED SEPTEMBER 30, 2013**

		('Baht) For the period from January 1, 2012 to September 30,
	2013	2012
Cash received from interest income	796,921.24	624,552.95
Cash payment for interest expenses	(9,702,923.17)	(1,008,401.67)
Cash payment for income tax	(3,244,876.12)	(11,463,110.62)
<b>Net cash provided by (used in) operating activities</b>	<b>470,765,805.54</b>	<b>218,017,466.48</b>
<b>Cash flows from investing activities</b>		
(Increase) decrease in temporary investment	(2,067.71)	112,685,098.81
Cash payment for purchase fixed assets	(286,809,530.54)	(256,319,206.38)
Cash payment for purchase intangible assets	(4,657,699.00)	(10,759,746.00)
Cash received from sale fixed assets	22,452,701.69	5,436,441.14
<b>Net cash provided by (used in) investing activities</b>	<b>(269,016,595.56)</b>	<b>(148,957,412.43)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in overdrafts from financial institution	-	(745,181.60)
Cash received from long-term loan	41,500,000.00	108,500,000.00
Cash payment from long-term loan	(56,250,000.00)	-
Cash received from short-term loan	100,000,000.00	-
Cash payment for hire-purchase payable	(7,161,184.47)	(4,065,070.22)
Cash payment for dividend	(207,831,022.20)	(129,905,527.50)
<b>Net cash provided by (used in) financing activities</b>	<b>(129,742,206.67)</b>	<b>(26,215,779.32)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>72,007,003.31</b>	<b>42,844,274.73</b>
Cash and cash equivalents at beginning of the period	140,999,571.93	98,155,297.20
<b>Cash and cash equivalents at end of the period</b>	<b>213,006,575.24</b>	<b>140,999,571.93</b>

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

## Audit fee

### 1. Audit fee

No.	Name of paying company	Auditor's name	Type of audit	Audit fee
1	Thai Steel Cable PCL.	United Auditing Limited	Accounting audit	530,000
2			BOI audit	70,000
<b>Total audit fee</b>				<b>600,000</b>

The auditors worked as the Company's auditors during 2004-2013, totaling 10 years, and performed auditor duties satisfactorily throughout this period. These auditors did not have any relationship or stakes in the Company or with any executives, major shareholders or persons connected to these individuals in any respect.

### 2. Non-audit fee

No.	Name of paying company	Type of non-audit service	Service provider	Non-audit service fee	
				Amount paid in the accounting period	Amount to be paid in the future
1	Thai Steel Cable PCL.	Accounting system consultant	PwC*	1,755,000	630,000
2		Completion of Form PhorNgorDor. 50 for the year 2012		228,365	-
<b>Total non-audit fee</b>				<b>1,983,365</b>	<b>630,000</b>

\*PwC = PricewaterhouseCoopers ABAS Ltd.

## Performance

Unit : Million Baht	2011	% on sale	2012	% on sale	2013	% on sale
Revenue	2,296.0	100.0%	2,380.7	100.0%	3,733.4	100.0%
Cost of goods sold	(1,777.8)	(77.4%)	(1,951.4)	(82.0%)	(2,895.1)	(77.5%)
Selling & Administrative expenses	(302.9)	(13.2%)	(265.5)	(11.1%)	(483.8)	(13.0%)
Finance cost	(1.4)	(0.1%)	(1.0)	0.0%	(11.1)	(0.3%)
Income tax	(13.8)	(0.6%)	(8.6)	(0.4%)	(16.5)	(0.4%)
Gain (loss) on change estimate the actuarial	0.0	0.0%	0.0	0.0%	(6.2)	(0.2%)
<b>Total comprehensive income</b>	<b>200.2</b>	<b>8.7%</b>	<b>154.2</b>	<b>6.5%</b>	<b>320.7</b>	<b>8.6%</b>

Total revenues of year 2013 was increased from the previous 2 years since the result of the huge flood situation at end of 2011 that hindered the operation of several customers, especially Honda which has just started production in April 2012. Moreover the year 2012 our fiscal year has been changed from end of December to be end of September which was started from 30 September 2012. Therefore, our performance of 2012 was based on 9 months operation which was reduced from last year that was based on 12 months operation.

Cost of goods sold of the year 2012 was the increase in raw material cost due to huge flood situation in Thailand impact on the local supplier.

## Financial Position

Unit : Million Baht	2011	2012	2013
Current asset	1,003.5	1,257.3	1,273.2
Total Assets	1,955.9	2,427.3	2,596.7
Current Liabilities	370.0	767.8	850.8
Total liabilities	421.1	868.2	924.7
Total equity	1,534.8	1,559.1	1,672.0

Ratio	2011	2012	2013
Gross Profit Ratio	22.6%	18.0%	22.5%
ROE	13.0%	9.9%	19.2%
Current Ratio	2.71	1.64	1.50
Debt/Equity Ratio	0.27	0.56	0.55

Gross Profit Ratio of year 2013 better than year 2012 Cost of goods sold of the year 2012 was the increase in raw material cost due to huge flood situation in Thailand impact on the local supplier.

Return on Equity : ROE of the year 2012 better than the previous 2 years due to increased revenue.

Current Ratio of the year 2012 and 2013 were decreased from year 2011 due to loan for new factory construction and working capital.

Debt/Equity Ratio of the year 2012 and 2013 were decreased from year 2011 due to loan for new factory construction and working capital.



## TSC Philosophy

- Well-balance of work and life
- Maximum value to all stakeholders
- People and organization that grow together
- Moving forward at all time
- Promote good society

Value • People • Society • Environment  
Ethic • Knowledge • Quality



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