

ANNUAL REPORT

2009

Charoong Thai Wire & Cable  
Public Company Limited





## General Information

### Corporate Information

Charoong Thai Wire & Cable Public Company Limited ("CTW" or the "Company"), or in Thai บริษัท จรุงไทยไวร์แอนด์เคเบิล จำกัด (มหาชน), is located at 1093/71 Central City Tower 12A Floor, Bangna-Trad Road, KM 3, Bangna, Bangkok, 10260. Its telephone numbers are (662) 745-6118 to 30 and facsimile numbers are (662) 745-6131 to 32. The Company's home page on the internet is [www.ctw.co.th](http://www.ctw.co.th) and its registration number is 0107537000599 (Former number is Bor Mor Jor 306). CTW has been a manufacturer and distributor of Aluminium Cables, Low Voltage Copper Cables, XLPE Insulated High Voltage Cables, Telephone Cables, Fibre Optic Cables and Enameled Wires sold to the domestic and export market. The Company is also an Original Equipment Manufacturer (OEM) which manufactures products for customers since 1967. As at 21 January 2010, it had paid-up capital in the amount of Baht 1,989,531,420.

### Reference Person

#### Share Registrar

Thailand Securities Depository Co., Ltd.

Capital Market Academy Building 2/7 Moo 4 (North Park), Vipavadeerangsit Road,

Tung Song Hong, Laksee, Bangkok 10210

Tel. : (662) 569-9000 (Center)

(662) 596-9343-63 (Registration Service)

Fax : (662) 832-4994-6

#### Auditor

Mr. Supachai Phanyawattano, Certified Public Accountant License No.3930 or

Mr. Narong Puntawong, Certified Public Accountant License No.3315 or

Ms. Sirapron Ouaanunkun, Certified Public Accountant License No.3844

Ernst & Young Office Limited 33rd Floor, Lake Rajada Office Complex,

193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110.

Tel. : (662) 264-0777

Fax : (662) 264-0789-90

Website : [www.ey.com](http://www.ey.com)

#### Lawyer

Legal Adviser & Secretary of the Board of Directors : Mr. Pairoj Tansuriwongse

Suriyatham Law Office, 423 Nakornsawan Road, Wat Sommanut, Pomprabsatrupai, Bangkok 10110

Tel. : (662) 629-8594, 281-7338

Fax : (662) 629-8594

## General Information

### Shareholding in Other Companies

Company Name and Location	Kind of Activity	Type	Issued Shares Numbers (Shares)	Shareholding Portion Numbers (Shares)	%
1. CTW-Beta Co., Ltd.	Investment & Holding Company	Ordinary Shares	10,000	9,993	99.93
2. Siam Fiber Optics Co., Ltd. Head office : 1093/71 Central City Tower Fl. 12 A, Bangna-Trad Rd., Km.3, Bangna, Bangna, Bangkok 10260 Tel : (02) 745-6118-30 Fax : (02) 745-6575	Manufacturer and distributor of Fibre optic cables	Ordinary Shares	24,000,000	14,399,994	59.99
3. Siam Pacific Electric Wire & Cable Co., Ltd.	Manufacturer and distributor of wire and cable products, and enameled copper wires	Ordinary Shares	6,700,000	6,700,000	100.00
4. Pacific - Thai Electric Wire & Cable Co., Ltd. Head Office : 30 Fl., Charn Issara Tower 2, 2922/312 New Petchburi Rd., Bangkok 10320 Tel : (02) 308-2091 (Auto, 15 Lines) Fax : (02) 308-2081-2	Manufacturer and distributor of enameled copper wires	Ordinary Shares	3,000,000	3,000,000	100.00
5. Shanghai Yayang Electric Co., Ltd. Head Office : 2525 Day R (d), Wuqiao Town, Feng Xian District, Shanghai, China Tel : (86 21) 5740 3196 Fax : (86 21) 5740 2366	Manufacturer and distributor of enameled copper wires	Ordinary Shares	7,048,737	6,548,737	92.91
6. Loxley Pacific Co., Ltd. Head Office : 102 Soonthonkosa Rd., Klong Toey, Bangkok 10110 Tel : (02) 240-3000 Fax : (02) 240-3180	Telecommunications	Ordinary Shares Preferred Shares	45,000,000 25,000,000	12,690,000 5,594,500	**24.56
7. Prospex Ltd. (Formally NCL Finance Ltd.) * Head Office : 2 Heather Street, Parnell, Auckland, New Zealand Tel : (649) 917-8338	Public Shell Company	Ordinary Shares	1,343,236	437,597	32.58
8. H.R. Silvine Electronics (Thailand) Co., Ltd. * Head Office : 22nd Floor, Vorawat Building, Unit 2201, 849 Silom Rd., Kwang Silom, Bangrak, Bangkok 10500 Tel : (02) 529-0948-51 Fax : (02) 529-0952	Production of Electronic wires	Ordinary Shares	90,625	13,594	15.00
9. Thai Metal Processing Co., Ltd. Head Office : 25Fl., Two Pacific Place Bldg. 142 Sukhumvit Rd., Klongtoey, Bangkok 10110 Tel : (02) 653-2550 (30 lines) Fax : (02) 653-2617	Fabrication of Copper Rods	Ordinary Shares	1,500,000	225,000	15.00

Remarks : \* It is currently inactive.

\*\* Voting Rights.

## Financial Highlights for 2007 - 2009

### Financial Information of the Company and its subsidiaries for 2007 - 2009

For the year ended December 31

(Unit : Million Baht)

	2009	2008	2007
<b>Operating Results</b>			
Total Revenues	4,994.85	8,531.53	10,104.79
Revenue from Sales	4,950.12	8,491.08	9,910.95
Selling and Administrative Expenses	199.32	398.54	304.57
Total Expenses	4,619.74	8,972.95	9,536.20
Net income (loss)	304.33	(624.86)	189.49
Earning (loss) per share (Baht)	0.76	(1.57)	0.48
Par Value (Baht/Share)	5.00	5.00	5.00
<b>Financial Position</b>			
Current Assets	3,443.68	4,388.33	6,040.11
Total Investments	139.57	142.81	153.03
Property, Plant and Equipment-Net	859.83	978.11	1,067.17
Total Assets	4,735.50	5,801.07	7,672.39
Current Liabilities	1,216.51	2,572.14	3,611.52
Total Liabilities	1,220.70	2,575.95	3,623.44
Equity attributable to CTW's Shareholders	3,429.64	3,133.07	3,934.43
Total Shareholders' Equity	3,514.80	3,225.12	4,048.95
Book Value (Baht/Share)	9.00	8.11	10.18
<b>Financial Ratio</b>			
Current Ratio (times)	2.83	1.71	1.67
Quick Ratio (times)	1.91	1.05	1.07
Gross Profit (%)	12.13	0.18	6.86
Net Profit (Loss) (%)	5.97	(7.61)	1.74
Return on Equity (%)	8.85	(17.85)	4.29
Debt to Equity Ratio (times)	0.35	0.80	0.89
Return on Assets (%)	5.66	(9.64)	2.23
Total Assets Turnover Ratio (times)	0.95	1.27	1.28

## •• Nature of Business

### Features of Business of the Group

Charoong Thai Wire & Cable Plc. ("CTW" or the "Company") is a subsidiary of Pacific Electric Wire and Cable Co., Ltd. ("PEWC"), a Taiwan-based conglomerate with interests in cable manufacturing, retailing, banking, construction and telecommunications that span Asia and North America. PEWC provides marketing and financial assistance to CTW.

Although, the business of the Company and its parent company mainly involve one single industry segment of the manufacture and distribution of wire and cable products. But they are distinctly divided by the different geographical region segment.

The Company currently has five subsidiaries and one associated company. The product line or business group of the Company can be divided into three major categories according the nature of the business, as follows:

#### Category 1: Manufacturing

CTW, Siam Fiber Optics Co., Ltd. ("SFO"), Siam Pacific Electric Wire and Cable Co., Ltd. ("SPEWC"), Pacific - Thai Electric Wire and Cable Co., Ltd. ("PTEWC") and Shanghai Yayang Electric Co., Ltd. ("Shanghai Yayang") are significant manufacturers and distributor of Aluminium Cables, Low Voltage Copper Cables, XLPE Insulated High Voltage Cables, Telephone Cables, Fibre Optic Cables and Enameled Wires sold to the domestic and export market. The Company is also an Original Equipment Manufacturer ("OEM") which manufactures products for customers.

#### Category 2: Investment Holding

CTW-Beta Co., Ltd. which is engaged solely in investments for capital gain.

#### Category 3: Telecommunications

CTW holds other associated company that is engaged in the telecommunications business namely, Loxley Pacific Co., Ltd. ("Loxpac").

### Revenue Structure

#### Revenue Structure of the Company by business group.

(Expressed in Million Baht)

Product Line / Business Category	By	% of Investment	2009		2008		2007	
			Revenue	%	Revenue	%	Revenue	%
Manufacturing / Revenue	Charoong Thai Wire & Cable Plc.		1,828.17	36.60	3,084.29	36.15	3,416.82	33.82
	Siam Fiber Optics Co., Ltd.	60.00	181.62	3.63	127.09	1.49	165.07	1.63
	Siam Pacific Electric Wire & Cable Co., Ltd.	100.00	1,107.13	22.17	1,848.84	21.67	2,096.99	20.75
	Pacific-Thai Electric Wire & Cable Co., Ltd.	100.00	1,048.99	21.00	2,176.66	25.51	2,626.85	26.00
	Shanghai Yayang Electric Co., Ltd.	92.91	828.95	16.60	1,294.66	15.18	1,799.02	17.80
Investment / Revenue	CTW-Beta Co., Ltd.	100.00	-	-	-	-	-	-
<b>Total</b>			<b>4,994.86</b>	<b>100.00</b>	<b>8,531.54</b>	<b>100.00</b>	<b>10,104.79</b>	<b>100.00</b>

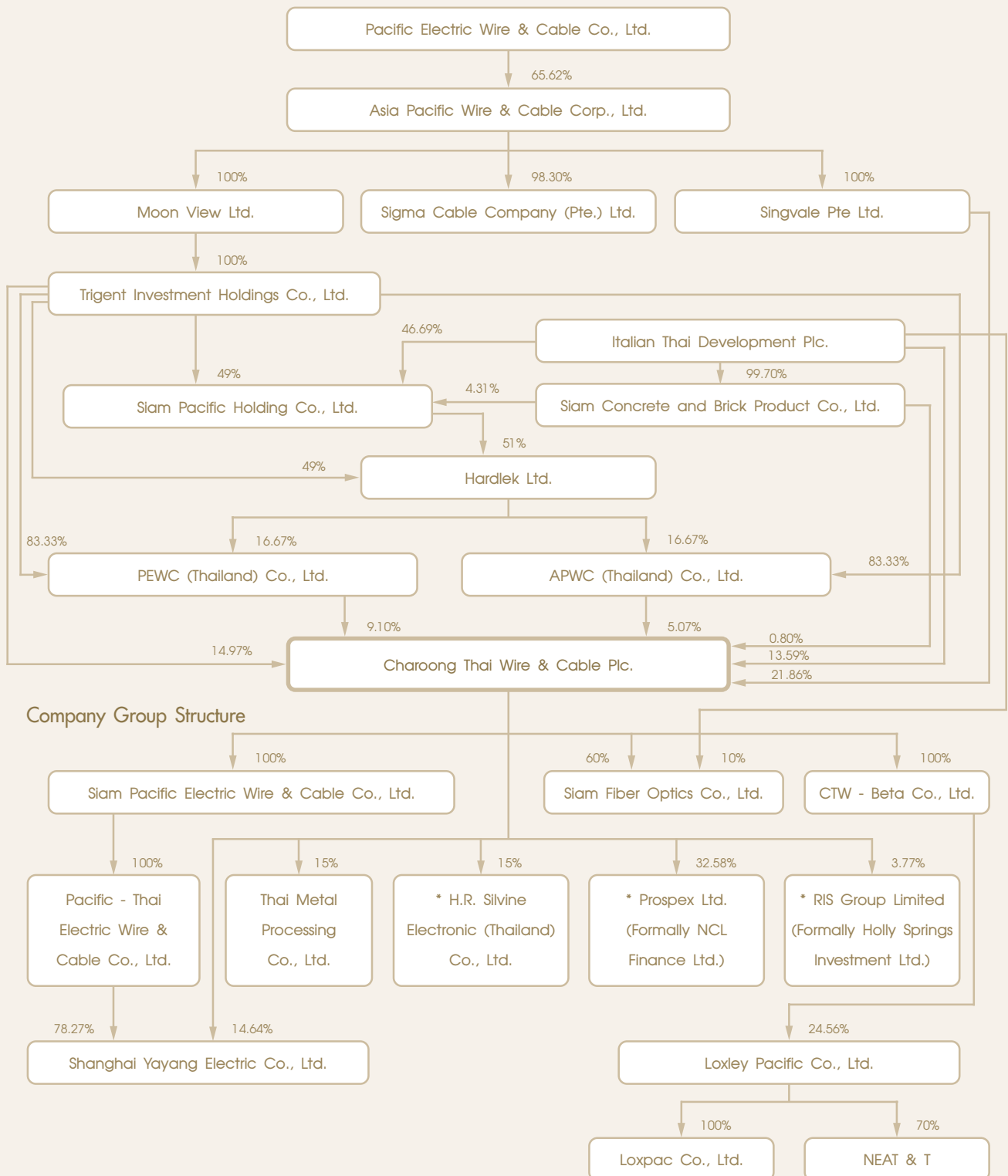
(Expressed in Million Baht)

Product Line / Business Category	By	% of Investment	2009	2008	2007
Telecommunication* / Revenue	Loxley Pacific Co., Ltd.	24.56	81.29	37.85	35.39

Remarks : \* Figures were represented total revenues of its an associated company, which were not calculated by holding percentage of CTW.

## ☼ Nature of Business

Shareholding Structure of the Company Group  
Parent Group Structure (as at 31 December 2009)



\* It is currently inactive.

## ❖ Nature of Business

### Top 10 Shareholders of PEWC, its Parent Company

Shareholders	Number of shares	Holding (%)
1. National Financial Stabilization Fund	23,841,129	3.56
2. Kuo Hua Life Insurance Co., Ltd.	5,400,000	0.81
3. Tai He Investment Co., Ltd.	5,317,960	0.80
4. PEWC Employee Welfare Committee	4,808,585	0.72
5. Qiu Xiao Xian	4,405,865	0.66
6. Qiu Xiao Qi	4,018,110	0.60
7. Liao Guang Rong	3,900,000	0.58
8. Ding-Hao ACME Co., Ltd.	3,703,354	0.55
9. Bao Hua Investment Co., Ltd.	3,146,447	0.47
10. Tony Yu Jie	3,027,653	0.45
11. Minority Shareholders	607,430,897	90.80
Total shares issued	669,000,000	100.00

### Product Line/Business Group

#### 1. The Manufacturing Group

##### 1.1 Features of Products

###### A). Products

Products of the group are classified into Six categories as follow:

1. Aluminium Cable
2. Low Voltage Copper Cable
3. XLPE Insulated High Voltage Cable
4. Telephone Cable
5. Fiber Optic Cable
6. Enameled Wire

###### B). Sales by product

Product	Sales (%) 2009	Description
Aluminium electrical wire	6.54	- ACSR1272 - AAC - PVC Insulated Aluminium Cable
Copper electrical wire	18.08	- Building Wire (THW, NYY, VSF) - Bare Copper
High voltage power cable	6.86	- Space Aerial - XLPE Copper Cable 12/20 KV, 24 KV, 115 KV



## •• Nature of Business

Product	Sales (%) 2009	Description
Telephone cable	15.37	- Self-Supporting Drop Wire - Figure 8 Alpeth - PE Alpeth - Foam/Skin Alpeth
Fiber optic cable	3.63	- Single/Multi Fiber Optics
Enameled Wire	49.52	- Enameled Copper Wire
<b>Total</b>	<b>100.00</b>	

Most of the Company's products in the manufacturing group, Enameled Wires are sold to the private sectors and export. In regard to Electric Wires and Cable, and Fiber Optic Cables are sold to state enterprises such as Provincial Electricity Authority, Metropolitan Electricity Authority including the transformed state enterprises such as TOT Corporation Plc. etc.

### 1.2 Marketing and Competition

#### A). Marketing Strategy

The Company has emphasized the marketing mix (4P) to enhance its target as follows:

##### 1. Product

The Company manufacture quality Aluminum Cables, Low Voltage Copper Cables, XLPE Insulated High Voltage Cables, Telecommunication Cables, Fiber Optic Cables and Enameled Wires which meet certain high standard by reputed institution such as, Thai Industrial Standard (TIS), International Standard (IEC: International Electrotechnical Commission), British Standard (BS), American Standard (ASTM). Furthermore, its products also received many product certificates from Thai Government and other creditable institution as the followings:

- License of Compulsory Thai Industrial Standard e.g. TIS 11-2531 (1988), TIS 293-2541 (1998), TIS 2202-2547 (2004) etc. and License of Thai Industrial Standard e.g. TIS 64-2517 (1974), TIS 85-2548 (2005), TIS 838-2531 (1988), TIS 2143-2546 (2003) etc.
- Type Test Approval of High Voltage Power Cable (69 & 115 KV.) from Engineering Faculty, Chulalongkorn University and King Monkut's Institute of Technology Ladkrabang.
- Product License of Fire Resistance Cable from PSB Corporation, Singapore.
- Certificate of Laboratory Accreditation, ISO/IEC 17025:2005 from National Accreditation Body of Thai Industrial Standards Institute, Ministry of Industry, such as TLAS : Thai Lanoratory Accreditation Scheme.

With the above credentials, it would definitely helpful to convince the customers to choose and select the Company's products.

##### 2. Price

In the previous year, although the overall Thailand's economic has not yet returned to normal due to the effect from both inside and outside the country. The Company has tried to improve business plan in order to increase sales volume. Since the fluctuation of raw material price and high oil price during the first quarter through third quarter. The Company then faced the severe markets competition. And the customers delay to order the products. During the fourth quarter, the price of raw materials and oil drop down sharply. The Company had to lower the products' price for competitiveness. Although, the product cost would rise and the gross margin would narrow but the Company always focuses to continuously meet the quality standard and production efficiency and cost control.

## ❖ Nature of Business

### 3. Place

The Company goal always to expand its cable product across the country so to increase its market share. Our sales mainly focus on electrical contractors and existing distributors as well as new distributors with high potential. We also put effort to expand our distribution channels through large retail stores such as Home Work, Home Pro so that customers would recognize our brand name & products.

### 4. Promotion

The Company made advertising and public relations through media that relate to electrical industry such as Thai Electrical & Mechanical Contractors which aiming directly to targeted potential customers. The Company also invited agencies, contractors on electricity group, engineer supervisor group or electricity system designers to visit our factory as witness on our manufacturing and calibrating process. In addition, it also participate some related exhibition i.e. Electrical and Equipment Exhibitions of Constructors Society of Thailand. Moreover the Company does Road Show in big province such as Chiang Mai, Rayong for group customers, and provides the Company's products samples to wider their knowledge on our products and our brand name.

For offshore projects, in the previous year, the Company has got into Lao, Vietnam, Malaysia and Australia market and faced competition from other foreign manufactures whom have lower labor cost, then its export declined.

SFO has been certified environmental management system ISO 14001: 2000 and always remains commitment to preserving our environment as well as assure our product safety. We regularly provide the customers Guide Material Safety Data Sheets (Guide MSDS) about the proper use or handling of optic fiber cable correctly and securely regard to environmental protection.

### B). Market Share and Competition

#### Aluminum electric wire

As the latest world economy crisis also affect Thai economy, the domestic demand drop dramatically which force the Company lower its productivity. And the aluminum wires price fluctuated widely due to large swing on raw material cost and oil price; moreover the Company also faces the domestic political uncertainty. The government sectors (state enterprises) which were the main customers of the Company reduced its purchase order on wires and cables, and so are the private sector orders since they are also contract with the state enterprises' project. In Thailand, there are only a few domestic manufactures and pretty much split evenly on market share in the aluminum wire and cable market.

#### Copper electrical wire

The copper electrical wire market trend does toward higher but the price competition also severe in this market especially on the fluctuation of raw material price and high oil price. Due to the lack of domestic political confidence then derive more uncertainty to the present market situation. Under such circumstances the Company made a lot effort and focuses to the private industrial projects, the housing development and condominium towers, etc.

#### High voltage power cable

This cable product market was narrow in Thailand due to many years of financial crisis and world economy effect. The industry demands experiencing severe decline to the company. Also facing cheaper cable import from overseas such as China, South Korea, Taiwan R.O.C. which make the Company sales disappointed in year 2009.

#### Telephone cable

This market segment competition is heavily among many manufactures that include several local large ones and many small ones as well as foreign producers. In the previous years, government and private sectors conduct the e-auction method which makes more severe on price competition.

## •• Nature of Business

### Fiber optic cable

At present, there are still only three major domestic companies manufacturing fiber optic cable, however, there are lots of foreign manufactures to compete in Thai market since there are free duty tax as well as lower production cost. Right now the domestic manufacturers do fight hard in prices although the Company's production cost usually higher than foreign producer due to the raw materials are mainly imported from offshore. As current the company mainly supply to the contractors or sub-contractors of the State Enterprise projects.

### Enameled Copper Wire

SPEWC is one of the top-three enameled copper wires manufacturers in Thailand but with the highest quality standard. It also obtains standard of United Laboratories Inc. (UL) which is accepted by domestic and overseas electrical manufactures that distribution into USA and EU market. The enameled copper wires market used to be in stern competition both by pricing and servicing aspects. SPEWC always emphasized its competitiveness of quality, quick delivery and service, fair and full responsibilities for any products problem. With intensified competition environment SPEWC, per its Policy, has focused on selling products to targeted customers with true demand for the Company's products (Niche Market). In addition SPEWC attempted to attract existing customers in existing markets. And find new customers in existing markets with a new markets, export markets and domestic market. At present, SPEWC has developed a cost accounting system for product definition more accurate and timely (Real Time). This will result helping SPEWC capacity to filter customers. Or has more orders from customers.

## 1.3 Procurement of Products

### A). Manufacturing of products

Plants of the Company and SFO are located at 35/1 and 35/2 Moo 22, Suwintawong Road, Saladaeng Subdistrict, Bang Nam Prieo District, Chachoengsao Province.

The compound consists of four plants as follow :

1. Aluminium Cable Production Plant
2. Power Cable Production Plant
3. Telephone Cable Production Plant
4. Fiber Optic Cable Production Plant

Plants of Subsidiary Companies such as SPEWC and PTEWC are located at 8 Moo 5, Tiwanon Road, Banmai Sub-district, Muang District, Pratumtanee Province.

Shanghai Yayang Electric Co., Ltd. plant is located at 2525 Daye R(d), Wuqiao Town, Feng Xian District, Shanghai, China.

Production Capacity and Utilisation Rate :

	Full Capacity (metric tones/year)	Annualised Utilisation Rate (%)		
		2009	2008	2007
<b>CTW</b>				
Aluminium electrical wires	14,400	24	50	58
Copper electrical wires	9,600	34		
	7,200		68	63
Telephone cables (pairs-km)	1,440,000	18	10	7
High voltage power cables	4,800	21	46	50
<b>SPEWC, PTEWC, SFO</b>				
Enameled copper wires	21,600	35	54	60
Power cables	3,600	0.66	0.06	0.1
Communication cables (pairs-km)	2,304,000	10.80	14	23
Fiber optic cables (km-fiber)	500,000	19.84	22	28
<b>Shanghai Yayang</b>				
Enameled copper wires	8,400	43	53	
	7,200			72

## ❖ Nature of Business

### B). Sources and Acquisition of Raw Materials

The technology used in the production process is obtained from its Taiwanese shareholders and the Company has continually developed. It has also received technology support from Fujikura Ltd. of Japan for more than 20 years.

#### Effects on the Environment

The Company never experience any detrimental environmental effects which exceeds government standard from the production process due to the advanced nature of the technology in use.

#### Raw materials

In 2009, around eighty percent (80%) of the raw material used in the production process is imported from various countries through various agencies in Thailand and twenty percent (20%) from domestic market. There were total 45 suppliers of raw materials, 26 suppliers from domestic and 19 suppliers from overseas.

Raw material of CTW and its subsidiaries can be divided into three principal categories :

#### Conductors :

The important conductors are aluminium and copper with a purification rate of 99.70 per cent and 99.90 per cent, respectively. Aluminium and copper are imported from Indonesia, Australia, and Philippine.

#### Insulator (Semi-Insulator) :

There are three types of insulators used in the production process

- Thermoplastic insulators
  - Polyvinyl chloride is supplied by domestic suppliers.
  - Polyethylene is supplied by domestic suppliers and imported from oversea suppliers in USA, Japan, Finland, Belgium and China etc.
- Thermosetting insulators are imported from international suppliers in Belgium, USA, Japan, Sweden and Finland.
- Semi-conductive insulators are imported from international suppliers in Belgium, USA, Japan, Sweden and Finland.

Fiber Optics : Fujikura Co., Ltd. is the Company's only supplier of fiber optics to SFO.

## 2. The Holding Group

CTW - Beta Co., Ltd. is solely engaged in investing in entities with a view to realise a capital gain.

## 3. The Telecommunications Group

Loxley Pacific Co., Ltd. is a telecommunications operator for domestic and international telephone and facsimile, pay phone, paging, mobile phone, earth station, Internet and cable TV service provider for FETZ (Free Economic and Trade Zone) in DPRK (Democratic People's of Korea). The company set up a local operator NEAT&T (North East Asia Telephone & Telecommunications Co., Ltd.) since 1996 in FETZ which is a Joint Venture with KPTC (Korea Postal & Telecommunications Co., Ltd.). NEAT&T has a consistent operating profit ever since it established especially for the last four years it starts quarterly cash dividends payout in 2005, 2006, 2007, 2008 and 2009 in the amount of US\$ 0.60, 0.48, 0.41, 0.37 and 0.37 million, respectively.

## •• Risk Factors

### 1 Exposure to the cost of key raw materials

Raw materials in general that used by the Company to manufacture cable products i.e. copper, aluminium, polyvinyl chloride, polyethylene and optic fibers etc.. All of those are commodities and traded on the global market which are subject to price fluctuations in accordance with supply and demand. These international commodities almost all priced in US dollars but Company sales revenue being largely quoted in Baht which does involved currency risk and its significance would pending on the size of the contract. Copper price has increased consistently throughout the year 2009 which has affected cost and gross margin. Moreover, the fluctuation of oil price also affect the Company's major raw materials price i.e. polyethylene and polyvinyl chloride which are mainly used in cable products.

#### **Steps taken to mitigate the risk:**

In an effort to mitigate any FX related risk on procuring of raw materials, the Company would first try to pass such exposure to the customer if possible, in other words to have the customer pay for raw material. It is now a common method for the customer to provide raw material to the Company directly and it has been a successful strategy with most State Agencies. In some cases, if otherwise, then the Company will purchase the same amount of FX forward contract at the time to issue its L/C in order to cover the exposure so to minimize any FX risk. In addition, the Company monitors price trend regularly and compares the raw material price from several suppliers for getting the best condition. The Company sometimes also raise its raw materials reserve by conforming to the Company's order projections.

### 2 Risk Factors associated with movements in currency exchange rates

As at 31 December 2009, the Company and its subsidiaries have outstanding liabilities denominate in foreign currencies of USD 22.80 million. In additional, they are also exposure to foreign exchange movements on their foreign subsidiary and associated company, which the Company seeks to reduce this risk by entering into Forward exchange contracts when it considers appropriate. Generally, the Forward contracts mature within one year. They might be exposed to a significant foreign exchange loss if the Baht move weaker against USD.

#### **Steps taken to mitigate the risk:**

Although the Company and Subsidiaries had no Forward exchange contracts outstanding as at 31 December 2009 but during the year 2009, the Company group had entered into forward exchange contracts when it considered appropriate. In additional, the Company and subsidiaries always focus to continuously and aggressively promote its export business which will be based on US dollars and thereby it could help as a natural hedge mechanics. One subsidiary has total sales in foreign currency due to its export 100 %.

### 3 Control by major shareholders

There are four major shareholders of CTW that ultimately relate to PEWC group, with a total shareholding about 53 per cent plus few individual shareholders that may comprised by PEWC's management and representatives, so PEWC can thus make decisions that directly affect the policy of the Company. Minority shareholders are therefore at risk for its inability to vote against major shareholders.

#### **Steps taken to mitigate the risk:**

The Company, as SET rulings, has appointed an Audit Committee to inspect the management team and to comment on transactions that could lead to a conflict of interest between the Company and its related shareholders. Such four major shareholders are prohibited from voting on connected transactions in which they may have conflict of interest.

### 4 Long-term loans to its subsidiary company

As of 31 December 2009, the CTW's individual financial statements showed long-term loans to its a 100% subsidiary company, the amount of Baht 114.06 million which was brought forward from the past years. CTW's purpose for making these loans to its a subsidiary were mainly for financial support which it has invested in overseas through its an associated company. The Company had the value of equity-accounted investment in such associated company totaling Baht 113.5 million as at 31 December 2009.

#### **Steps taken to mitigate the risk:**

The Company has resisted providing any further financial support to its a subsidiary if such company's profitability is in doubt. However, CTW will assist its subsidiaries to lower their dependence to the parent company and also enforce their profitability.

## Shareholding and Management Structure

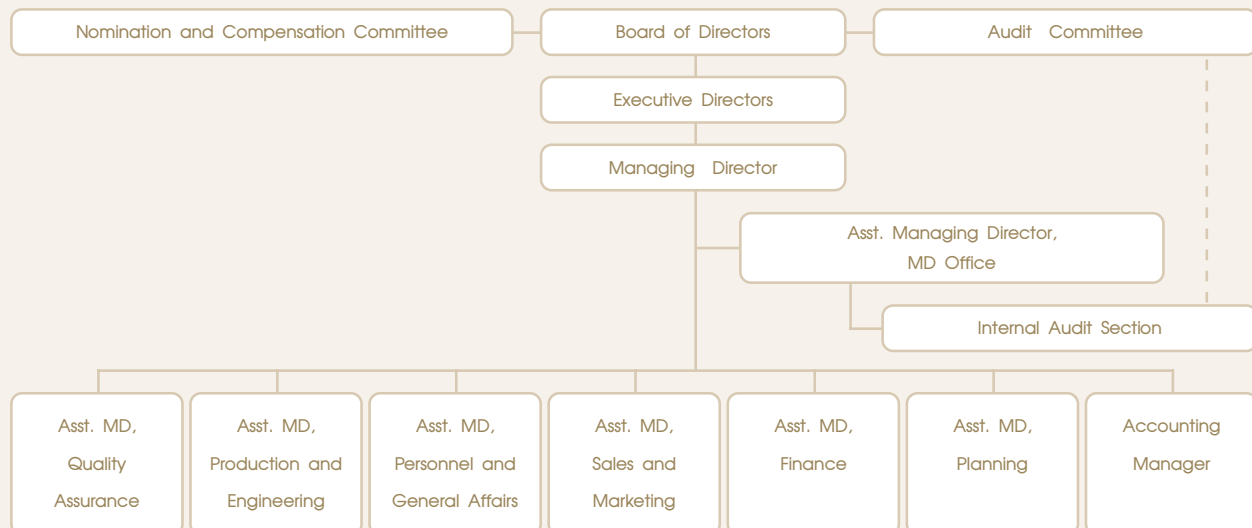
### Major Shareholders

Major Shareholders as at 16<sup>th</sup> April 2009

Shareholders Group	No. of Shares	% of holding	Notes
<b>Pacific Electric Wire &amp; Cable Co., Ltd. (PEWC) Group</b>			
1. Singvale Pte Ltd.	86,999,500	21.86	International Juristic Person
2. PEWC (Thailand) Co., Ltd.	36,206,398	9.10	Domestic Juristic Person
3. Trigent Investment Holdings Ltd.	28,568,514	7.18	International Juristic Person
4. APWC (Thailand) Co., Ltd.	20,186,272	5.07	Domestic Juristic Person
	<u>171,960,684</u>	<u>43.21</u>	
<b>Italian-Thai Development Plc. Group</b>			
5. Italian-Thai Development Plc.	54,059,871	13.59	Domestic Juristic Person
6. Siam Concrete and Brick Products Co., Ltd.	3,188,686	0.80	Domestic Juristic Person
	<u>57,248,557</u>	<u>14.39</u>	
<b>Bangkok Insurance Plc. Group</b>			
7. Bangkok Insurance Plc.	23,804,124	5.98	Domestic Juristic Person
8. Mr. Chai Sophonpanich	2,896,210	0.73	Domestic Natural Person
	<u>26,700,334</u>	<u>6.71</u>	
<b>Management Group</b>			
9. Mr. Sun Tao-Heng	6,667,263	1.68	International Natural Person
<b>Other Group</b>			
10. Mellon Bank, N.A.	42,312,600	10.64	International Juristic Person
11. Thai NVDR Co., Ltd.	31,533,468	7.92	Domestic Juristic Person
12. Fortis Global Custody Services N.V.	11,812,700	2.97	International Juristic Person
13. Quam Securities Company Limited A/C Client	10,000,000	2.51	International Juristic Person
14. Mr. Si Lok Mark Lee	3,500,000	0.88	International Natural Person
15. Minority Shareholders	36,170,678	9.09	
Total	<u>397,906,284</u>	<u>100.00</u>	

### Management Structure

#### Organization Chart of Charoong Thai Wire & Cable Public Company Limited



## Shareholding and Management Structure

### Directors Structure

#### 1. Board of Directors

The Company's 13 Directors as at 31 December 2009 were :

Name	Position
1. Mr. Chai Sophonpanich	Chairman
2. Mr. Premchai Karnasuta	Vice-Chairman
3. Mr. Sun Tao-Heng*	Managing Director
4. Mr. Pornwut Sarasin	Chairman of Audit Committee and Independent Director
5. Mr. Cheng Andy Chow-Chun	Director
6. Mr. Pathai Chakornbundit	Director
7. Mr. Kasem Kularbkeo*	Director and Member of the Nomination and Compensation Committee
8. Mrs. Sununtha Phaengsook*	Director and Asst. Managing Director, Finance
9. Mrs. Nijaporn Charanachitta	Director and Member of the Nomination and Compensation Committee
10. Mr. Sai Wah Simon Suen	Chairman of the Nomination and Compensation Committee, Audit Committee Member and Independent Director
11. Mr. Steven Suey Ku	Audit Committee Member and Independent Director
12. Mr. Yuan Chun - Tang	Director
13. Mr. Lee Michael Chao Chun	Director

Remark: \* Authorised directors

Mr. Pong Sarasin is the Honorary Chairman of the Company.

#### Authorities and Duties of directors :

The Board of Directors' duties and responsibilities, as included in but not limited to the Articles of Association of the Company are:

- To appoint an Executive Board of Directors consisting of the Executive Chairman, Executive Vice- Chairman and other positions as necessary, to have the authority to administer and manage the operations of the Company as assigned by the Board of Directors.
- To arrange meetings at least once in every three months at the Head Office of the Company or the province nearby in the meeting.
- To implement and direct the Company's policies, as well as monitor and supervise its operations to maximize economic value and shareholders' wealth.
- To notify shareholders immediately or call a shareholders' meeting in regard to events that might have a significant impact on the Company's operations or financial status and/or shareholders' benefits.

Besides, the Board of Directors delegates management authority to manage or make decisions relating to the normal business practices of the Company, but it is not allowed to approve transactions that may cause a conflict of interest among members of the executive management.

In addition to the above, the Board of Directors has granted the Managing Director the authority to approve purchases or sales of assets in the maximum value of Baht 50 million, with any amount higher than that to requiring the approval from the Board of Directors.

#### 2. Audit Committee

The Company's Audit Committee as at 31 December 2009 :

Name	Position	Meeting Attendance (Total 4 times)
Mr. Pornwut Sarasin	Chairman of Audit Committee and Independent Director	4/4
Mr. Sai Wah Simon Suen*	Audit Committee Member and Independent Director	2/4
Mr. Steven Suey Ku**	Audit Committee Member and Independent Director	0/4

Remark : \* To be appointed on 25 August 2009.

\*\* To be appointed on 17 November 2009.

## Shareholding and Management Structure

### Scope of duties and responsibilities of the Audit Committee member :

- (1) To review the Company's financial reporting process to ensure that it is accurate and adequate;
- (2) To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
- (3) To review the Company's compliance with the law on securities and exchange, the regulations, and the laws relating to the Company's business;
- (4) To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
- (5) To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
- (6) To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
  - (a) An opinion on the accuracy, completeness and creditability of the Company's financial report,
  - (b) An opinion on the adequacy of the Company's internal control system,
  - (c) An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - (d) An opinion on the suitability of an auditor,
  - (e) An opinion on the transactions that may lead to conflicts of interest,
  - (f) The number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - (g) An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
  - (h) Other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
- (7) To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

### 3. Nomination and Compensation Committee

The Company's Nomination and Compensation Committee as at 31 December 2009 :

Name	Position	Meeting Attendance (Total 3 times)
1. Mr. Sai Wah Simon Suen*	Chairman of the Nomination and Compensation Committee	1/3
2. Mrs. Nijaporn Charanachitta	Member of the Nomination and Compensation Committee	3/3
3. Mr. Kasem Kularbkeo	Member of the Nomination and Compensation Committee	3/3

Remark : \* To be appointed on 25 August 2009

### Duties and responsibilities of member of Nomination and Compensation Committee :

1. To set the policy, the criteria and process of nominating Board members and top executives.
2. To consider and select the list of qualified candidates for presenting to become the Board member and top executives.
3. To consider and formulate the criteria and the form of payment to directors and top executives.
4. To consider and recommend the directors' compensation to the Shareholders' meeting for approval.

Chairman and Member of the Nomination and Compensation Committee are in 3 years per a period.



## Shareholding and Management Structure

### 4. Executive Directors and Management Team

The Company's Executive Directors and Management Team as at 31 December 2009 :

Name	Position
1. Mr. Premchai Karnasuta	Executive Vice-Chairman
2. Mr. Sun Tao-Heng	Managing Director
3. Mr. Kasem Kularbkeo	Executive Director
4. Mrs. Sununtha Phaengsook	Director and Asst. Managing Director, Finance
5. Mr. Tanasit Aungkasit	Asst. Managing Director, Sales and Marketing
6. Mr. Suvit Veerapong	Asst. Managing Director, Production and Engineering
7. Mr. Kuei Chih-Chung	Asst. Managing Director, Planning
8. Mr. Ponrawat Charoengsukpaisarn	Asst. Managing Director, Personnel and General Affairs
9. Mr. Sathit Tabpech	Asst. Managing Director, Quality Assurance
10. Mr. Chang Hsiao-Chun	Asst. Managing Director, Office of Managing Director
11. Mrs. Apanut Wongjarit	Accounting Manager

#### Duties and responsibilities of the Executive Directors and Management Team :

- To carry out the Company's policies and to develop strategies according to policies set out by the Board of Directors, exclude approve to benefit or conflict of the company and subsidiaries.
- To ensure that such policies and strategies are applied properly.
- To manage their respective assignments and departments.
- Be responsible for day-to-day operations.

#### Secretary of the Board of Directors.

Mr. Pairoj Tunsuriwongse

#### Secretary of the Company

Miss. Kanjana Anekwasinchai

#### Criteria of selecting an independent director (s)

- The independent director shall meet all the following criteria 1.1 through 1.9 :
  - Holds shares not exceeding 1% of the total shares with voting right of the applicant, its parent company, subsidiaries, associates, major shareholders, and controlling of the company, provided that the shares held by the related parties of such independent director shall be included.
  - Is not or has never been an executive director, employee, staff, advisor who receives salary, nor controlling parties of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years, provided that such prohibition shall not include the case that such independent director has ever been official or advisor of the government sector that is the major shareholder or controlling party of the applicant.
  - Is not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of management, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the applicant or its subsidiary.
  - Have no or never had business relationship with its parent company, subsidiaries, associates, major shareholders, or controlling of the company in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the company, its parent company, subsidiaries, associates, major shareholders, or controlling of the company unless the foregoing status ended at least 2 years.

## Shareholding and Management Structure

- 1.5 Is not or has never been the auditor of the company, its parent company, subsidiaries, associates, major shareholders, or controlling of company, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the company, its parent company, subsidiaries, associates, major shareholders, or controlling of company unless the foregoing status ended at least 2 years.
- 1.6 Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years.
- 1.7 Is not the director who is nominated to be the representative of directors of the company, major shareholders, or any other shareholder related to the major shareholders.
- 1.8 Do not operate the same and competitive business with the business of the company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the company, or its subsidiaries.
- 1.9 Is not any otherwise which is unable to have the independent opinion regarding the business operation of the company.

2. The board of directors is responsible for nominating and considering an appropriate person whom has to be competent and matching all above listed criteria, and willing to take such position as an independent director of the company, In proceeding the independent director selection, the Board shall first conduct a searching for qualified individuals whom shall meet all required criteria with his/her own willingness then send their nomination to the Board meeting or shareholders meeting for final consideration and formal appointment.

### The Meeting Attendance of Directors for 2009

Name	Board Meeting (total 4 times)	2009 AGM (29 <sup>th</sup> April, 2009)
1. Mr. Chai Sophonpanich	4/4	1
2. Mr. Premchai Karnasuta	3/4	-
3. Mr. Sun Tao-Heng	4/4	1
4. Mr. Pornwut Sarasin	2/4	1
5. Mr. Cheng Andy Chow-Chun	4/4	1
6. Mr. Pathai Chakorbundit	4/4	-
7. Mr. Kasem Kularbkeo	4/4	1
8. Mrs. Sununtha Phaengsook	4/4	1
9. Mrs. Nijaporn Charanachitta	3/4	-
10. Mr. Suphol Pholkosol *	2/4	1
11. Mr. Yuan Chun-Tang	4/4	1
12. Mr. Lee Michael Chao-Chun	4/4	1
13. Mr. Izumi Ishikawa **	0/4	-
14. Mr. Sai Wah Simon Suen ***	1/4	-

Remarks : \* Resigned on June 25, 2009.

\*\* Resigned on August 18, 2009.

\*\*\* To be appointed as director on August 25, 2009.

## Shareholding and Management Structure

### The director compensation policy

The compensation of director consists of:

#### 1. The director remuneration

According to the Company's Articles of Association, a resolution shall be issued at the Meeting of Shareholders for paying remuneration to directors and employees every year at a total rate of not more than 3 per cent of total sales, with allocations in favor of directors at one-third and in favor of employees at two-third.

Regarding such payment of remuneration to directors, the allocation is made in consultation between the chairman and some directors of the Company by means of distribution according to the number of portions, with each portion receiving an equal amount, as follows:

The chairman shall receive at the rate of	2	portions.
The vice-chairman shall receive at the rate of	1.5	portions.
The director shall receive at the rate of	1	portion.

The chairman and directors shall consider together for allocation as appropriate in case having faction or adjustment of allocated proportion.

As for the directors who are not to be the director full year, their remuneration shall be calculated average according to the number of days in term of office of those.

#### 2. Meeting fees

##### 2.1 Meeting fees for director :

The 2009 Annual General Meeting of Shareholders resolved to approve the meeting fees for directors who only present at the meeting at Baht 15,000 per meeting.

##### 2.2 Meeting fees for audit committee :

The Extraordinary General Meeting of Shareholders No.1/2001 resolved to approve the meeting fees for audit committee who only present at meeting as follows :

- Chairman of Audit Committee	Baht	40,000 per meeting.
- Member of Audit Committee	Baht	30,000 per meeting.

##### 2.3 Meeting fees for the nomination and compensation committee :

The Annual General Meeting of Shareholders for 2007 and the Board of Director Meeting No.3/2009 resolved to determine the meeting fees for nomination and compensation committee as follows :

- Chairman of Nomination and Compensation Committee	Baht	40,000 per year.
- Member of Nomination and Compensation Committee	Baht	30,000 per year.

### The Compensation of Directors for 2009

#### Monetary Compensation

No.	Name	Position	Meeting Fees (Baht)
1.	Mr. Chai Sophonpanich	Chairman	60,000
2.	Mr. Premchai Karnasuta	Vice-Chairman	45,000
3.	Mr. Sun Tao-Heng	Managing Director	60,000
4.	Mr. Pornwut Sarasin	Chairman of Audit Committee and Independent Director	30,000
5.	Mr. Cheng Andy Chow-Chun	Director	60,000
6.	Mr. Pathai Chakornbundiit	Director	60,000
7.	Mr. Kasem Kularbkeo	Director and Member of the Nomination and Compensation Committee	60,000
8.	Mrs. Sununtha Phaengsook	Director and Asst. Managing Director, Financial	60,000
9.	Mrs. Nijaporn Charanachitta	Director and Member of the Nomination and Compensation Committee	45,000
10.	Mr. Suphol Pholkosol *	Audit Committee Member, Independent Director and Chairman of the Nomination and Compensation Committee	30,000
11.	Mr. Yuan Chun-Tang	Director	60,000
12.	Mr. Lee Michael Chao-Chun	Director	60,000
13.	Mr. Sai Wah Simon Suen **	Audit Committee Member, Independent Director and Chairman of the Nomination and Compensation Committee	15,000
Total			645,000

(As at 31 December 2009, CTW had 13 directors.)

## Shareholding and Management Structure

### The Compensation of Audit Committee for 2009

Name	Position	Meeting Fees (Baht)
1. Mr. Pornwut Sarasin	Chairman of Audit Committee	160,000
2. Mr. Suphol Pholkosol *	Audit Committee Member	60,000
3. Mr. Sai Wah Simon Suen **	Audit Committee Member	60,000
Total		280,000

### The Compensation of the Nomination and Compensation Committee for 2009

Name	Position	Meeting Fees (Baht)
1. Mr. Suphol Pholkosol *	Chairman of the Nomination and Compensation Committee	20,000
2. Mr. Kasem Kularbkeo	Member of the Nomination and Compensation Committee	30,000
3. Mrs. Nijaporn Charanachitta	Member of the Nomination and Compensation Committee	30,000
4. Mr. Sai Wah Simon Suen **	Chairman of the Nomination and Compensation Committee	20,000
Total		100,000

### The Compensation of Executive Directors and Management for 2009

	(Number of person)	Salary (Million Baht)	Consultant Fee and Bonus (Million Baht)	Total (Million Baht)
Executive Directors and Management Team	10	20.17	11.92	32.09

Remarks : \* Resigned on June 25, 2009.

\*\* To be appointed as director on August 25, 2009.

## Shareholding and Management Structure

### Details of the Executive Management and Controlling Person

The management of the Company and its subsidiaries have no disqualification or legal disputes.

Name-Surname / Position	Education	5 Year's Work Experience		
		Period	Position	Company
Mr. Pong Sarasin Honorary Chairman Age : 82 % Holding : 0.051	Honorary Ph.D, Business Administration, Chulalongkorn University	1994 - Present	Honorary Chairman	Charoong Thai Wire & Cable Plc.
		2000 - Present	Chairman	Honda Automobile (Thailand) Co., Ltd.
		1990 - Present	Director	Asian Property Development Plc.
		1993 - Present	Director	Bangkok Glass Industry Co., Ltd.
		1990 - Present	Executive Chairman	Thai Pure Drinks Co., Ltd.
Family relation between management Father of Mr. Pornwut Sarasin, who is CTW's Director and Chairman of Audit Committee.		1994 - Present	Director	Sammakorn Plc.
Mr. Chai Sophonpanich Chairman Age : 66 % Holding : 0.69	- B.A. (Business Administration) Colorado University, USA - Training courses from Thai Institute of Directors (IOD) (DCP 16/2002 and Chairman 10/2004) - Diploma, The National Defence Course for the Joint State-Private Sectors - Advanced Management Program, The Wharton School, 1984	1986 - Present	Chairman	Charoong Thai Wire & Cable Plc.
		1989 - Present	Vice - Chairman	Thai Metal Processing Co., Ltd.
		1978 - Present	Chairman and Senior Managing Director	Bangkok Insurance Plc.
		1988 - Present	Chairman	Furukawa Metal (Thailand) Plc.
		1979 - Present	Chairman	Bumrungrat Hospital Plc.
		1978 - Present	Vice - Chairman	Thai Reinsurance Plc.
		1968 - Present	Director	Bangkok Life Assurance Plc.
		Mr. Premchai Karnasuta Vice - Chairman Age : 56 % Holding : 0	MBA, University of Southern California, USA	1993 - 2009
2009 - Present	Vice - Chairman			Charoong Thai Wire & Cable Plc.
1979 - Present	Executive Chairman			Italian Thai Development Plc.
1997 - Present	Director			Siam Fiber Optics Co., Ltd.
Present	Director			Thai Maruken Co., Ltd.
Family relation between management Younger brother of Mrs. Nijaporn Charanachitta, who is CTW's Director.			Director	Ital Thai Engineering Co., Ltd.
			Director	Siam Pacific Holding Co., Ltd.
			Director	Thai Telephone and Communication Co., Ltd.
Mr. Sun Tao - Heng Managing Director (Authorized director) Age : 56 % Holding : 1.58	- MBA, University of Southern California, USA - Training courses from Thai Institute of Directors (IOD) DAP 73 / 2008	1994 - Present	Managing Director	Charoong Thai Wire & Cable Plc.
		1996 - Present	Managing Director	CTW - Beta Co., Ltd.
		1996 - Present	Director	Loxley Pacific Co., Ltd.
		1997 - Present	Managing Director	Siam Fiber Optics Co., Ltd.
		2003 - Present	President	Pacific Electric Wire & Cable Co., Ltd.
		2007 - Present	Chairman	Siam Pacific Electric Wire & Cable Co., Ltd.
		2008 - Present	Chairman	Pacific-Thai Electric Wire & Cable Co., Ltd.
		1995 - Present	Director	Thai Metal Processing Co., Ltd.
		1996 - Present	Director	Asia Pacific Wire & Cable Corp. Ltd.
		Mr. Pornwut Sarasin Independent Director and Chairman of Audit Committee Age : 50 % Holding : 0.005	- MBA, Pepperdine University, USA - Training courses from Thai Institute of Directors (IOD) DAP 45 / 2005	1986 - Present
2001 - Present	Chairman of Audit Committee			Charoong Thai Wire & Cable Plc.
1999 - Present	Vice-Chairman			Thai Pure Drinks Co., Ltd.
Family relation between management Son of Mr. Pong Sarasin, who is CTW's Honorary Chairman.				

## Shareholding and Management Structure

Name-Surname / Position	Education	5 Year's Work Experience		
		Period	Position	Company
Mr. Steven Suey Ku Director and Member of Audit Committee Age : 53 % Holding : 0	B.A. (Textile Engineering), St. John's University Taiwan R.O.C.	2009 - Present	Director and Member of Audit Committee	Charoong Thai Wire & Cable Plc.
		2006 - Present	President	PIL Company Holding Overseas Limited.
		2002 - Present	President	Suzhou King Packing Materials Co., Ltd.
		2002 - Present	President	Lay Grand International Company Limited.
Mr. Cheng Andy Chow-Chun Director Age : 52 % Holding : 0.102	B.S., University of Southern California, USA	1993 - Present	Director	Charoong Thai Wire & Cable Plc.
		2003 - Present	Executive Vice - President	Pacific Electric Wire & Cable Co., Ltd.
		2007 - Present	Director	Siam Pacific Electric Wire & Cable Co., Ltd.
		Present	Chairman	Asia Pacific Wire & Cable Corp., Ltd.
Mr. Lee Michael Chao Chun Director Age : 60 % Holding : 0.067	B.A. (Business Administration), Boston University, USA	2004 - Present	Director	Charoong Thai Wire & Cable Plc.
		2007 - Present	Director	Siam Pacific Electric Wire & Cable Co., Ltd.
		Present	Chairman and President Director	Pacific Acme Coffee & Foods Co., Ltd. Asia Pacific Wire & Cable Corp., Ltd.
Mr. Yuan Chun - Tang Director Age : 50 % Holding : 0.063	M.S. (Applied Science), Waterloo University, Canada	2004 - Present	Director	Charoong Thai Wire & Cable Plc.
		2003 - Present	Chairman	Pacific Electric Wire & Cable Co., Ltd.
		2007 - Present	Director	Siam Pacific Electric Wire & Cable Co., Ltd.
		Present	CEO	Asia Pacific Wire & Cable Corp., Ltd.
Mr. Kasem Kularbkeo Director and Member of the Nomination and Compensation Committee (Authorized director) Age : 78 % Holding : 0.006	- B.A. (Engineering), Chulalongkorn University - Training courses from Thai Institute of Directors (DAP 35/2005, RCC 2/2007 and DCP 126/2009) - Diploma, National Defence College (Class 29)	1995 - Present	Director	Charoong Thai Wire & Cable Plc.
		1992 - Present	Advisor	Charoong Thai Wire & Cable Plc.
		2006 - Present	Member of the Nomination and Compensation Committee	Charoong Thai Wire & Cable Plc.
		1992 - Present	Senior Advisor	TASA Industrial Co., Ltd.
Mr. Sai Wah Simon Suen Independent Director, Member of Audit Committee and Chairman of the Nomination and Compensation Committee Age : 50 % Holding : 0	MBA, Finance Major, University of Hawaii, USA	2009 - Present	Director, Audit Committee Member and Chairman of the Nomination and Compensation Committee	Charoong Thai Wire & Cable Plc.
		1997 - Present	Managing Director	Delta Holiday Company Limited.
		2000 - 2002	Chief Financial Officer	Charoen Pokphand Group
Mr. Pathai Chakornbundit Director Age : 67 % Holding : 0	- B.A. (Civil Engineering), Chulalongkorn University - Training courses from Thai Institute of Director (IOD) (DCP 56/2005)	1994 - Present	Director	Charoong Thai Wire & Cable Plc.
		1987 - Present	Senior Vice - Executive Chairman, Operation and Projection Dept.	Italian Thai Development Plc.
		1989 - Present	Director	Thai Maruken Co., Ltd.
		Present	Director	Thai Nippon Steel Engineering and Construction Corp., Ltd.
			Director	Phumjai Thaisements Co., Ltd.
			Director	Phakaphum Development Co., Ltd.
			Director	ITD Cementation India Limited.

## Shareholding and Management Structure

Name-Surname / Position	Education	5 Year's Work Experience		
		Period	Position	Company
Mrs. Nijaporn Charanachittha Director and Member of the Nomination and Compensation Committee Age : 59 % Holding : 0	- MBA, University of Wisconsin (Medison), USA - Training courses from Thai Institute of Directors (DCP 56/2005)	2002 - Present	Director	Charoong Thai Wire & Cable Plc.
		2006 - Present	Member of the Nomination and Compensation Committee	Charoong Thai Wire & Cable Plc.
Family relation between management Elder sister of Mr. Premchai Karnasuta, who is CTW's Vice - Chairman.		1994 - Present	Senior Vice - Executive Chairman	Italian Thai Development Plc.
		Present	Director	Toyo Thai Corp., Ltd.
			Director	Bangkok Steel Wire Co., Ltd.
			Director	Southern Industries (1996) Co., Ltd.
Mrs. Sununtha Phaengsook Director and Asst. Managing Director, Finance (Authorized director) Age : 68 % Holding : 0.011	- Mini MBA, Thammasat University - Training courses from Thai Institute of Directors (IOD) (DCP 4/2000)	1996 - Present	Director	Siam Pacific Holding Co., Ltd.
		2000 - Present	Director	Siam Concrete and Brick Product Co., Ltd.
		1994 - Present	Asst. Managing Director, Finance	Charoong Thai Wire & Cable Plc.
Mr. Ponrawat Charoensukpaisarn Asst. Managing Director, Personnel and General Affair Age : 72 % Holding : 0.011	High School, Chung-Yu College, Taiwan R.O.C.	1996 - Present	Director	Charoong Thai Wire & Cable Plc.
		1994 - Present	Asst. Managing Director, Personnel and General Affairs	CTW - Beta Co., Ltd.
Mr. Sathit Tabpech Asst. Managing Director, Quality Assurance Age : 54 % Holding : 0.002	MBA, The University of the Thai Chamber of Commerce	1996 - Present	Director	CTW - Beta Co., Ltd.
		1997 - Present	Director and General Manager	Siam Fiber Optics Co., Ltd.
		1994 - Present	Asst. Managing Director, Quality Assurance	Charoong Thai Wire & Cable Plc.
Mr. Kuei Chih - Chung Asst. Managing Director, Planning Age : 59 % Holding : 0	M.S. (Computer Science), Stevens Institute of Technology, USA	1996 - Present	Asst. Managing Director, Planning	Charoong Thai Wire & Cable Plc.
		1996 - Present	Director	CTW - Beta Co., Ltd.
		2002 - Present	Director	Siam Fiber Optics Co., Ltd.
Mr. Tanasit Aungkasit Asst. Managing Director, Sales and Marketing Age : 54 % Holding : 0.029	M.S. (Plant), California State University, USA	1996 - Present	Director	CTW - Beta Co., Ltd.
		2000 - Present	Director	Siam Fiber Optics Co., Ltd.
		1994 - Present	Asst. Managing Director, Sales and Marketing	Charoong Thai Wire & Cable Plc.
Mr. Suvit Veerapong Asst. Managing Director, Production and Engineering Age : 58 % Holding : 0.034	M.S. (Engineering), King Mongkut's Institute of Technology (North Bangkok)	1996 - Present	Director	CTW - Beta Co., Ltd.
		1994 - Present	Asst. Managing Director, Production and Engineering	Charoong Thai Wire & Cable Plc.
Mr. Chang Hsiao-Chun Asst. Managing Director, Office of Managing Director Age : 49 % Holding : 0.028	B.A. (Accounting), Fujin University, Taiwan R.O.C.	1996 - Present	Director	CTW - Beta Co., Ltd.
		1994 - 2006	Manager of MD Office	Charoong Thai Wire & Cable Plc.
		2006 - Present	Asst. Managing Director, Office of Managing Director	Charoong Thai Wire & Cable Plc.
Mrs. Apanut Wongjarit Accounting Manager Age : 53 % Holding : 0	B.A. (Accounting), Kirik University	1996 - 2005	Asst. Manager, Accounting	Charoong Thai Wire & Cable Plc.
		2005 - Present	Accounting Manager	Charoong Thai Wire & Cable Plc.

## Shareholding and Management Structure

### Details of the Management who acts as management in its Subsidiary, Associated and Related Companies

Name of the Management	Charoong Thai Wire & Cable Plc.	Subsidiary, Associated and Related Companies									
		CTW Beta	SFO	SPEWC	PTEWC	LoxPac	SPH	PEWC	APWC	ITD	TMP
Mr. Pong Sarasin	Honorary Chairman										
Mr. Chai Sophonpanich	Chairman										/
Mr. Premchai Karnasuta	Vice - Chairman		//				/			X	
Mr. Sun Tao-Heng	Managing Director	//	//	X	X	//	//	//	//		/
Mr. Pornwut Sarasin	Chairman of Audit Committee and Independent Director										
Mr. Cheng Andy Chow-Chun	Director			/	/			//	X		
Mr. Pathai Chakornbundit	Director									//	
Mr. Kasem Kularbkeo	Director and Member of the Nomination and Compensation Committee										
Mr. Steven Suey Ku	Audit Committee Member and Independent Director										
Mrs. Nijaporn Charanachitta	Director and Member of the Nomination and Compensation Committee						/			//	
Mr. Sai Wah Simon Suen	Chairman of the Nomination and Compensation Committee, Audit Committee Member and Independent Director										
Mr. Lee Michael Chao-Chun	Director			//	//				/		
Mr. Yuan Chun-Tang	Director			/	/			X	//		
Mrs. Sununtha Phaengsook	Director and Asst. Managing Director, Finance	//									
Mr. Ponrawat Charoensukpaisarn	Asst. Managing Director, Personnel and General Affairs	/									
Mr. Kuei Chih-Chung	Asst. Managing Director, Planning	//	//			//					
Mr. Tanasit Aungkasit	Asst. Managing Director, Sales and Marketing	/	//								
Mr. Suvit Veerapong	Asst. Managing Director, Production and Engineering	/									
Mr. Sathit Tabpech	Asst. Managing Director, Quality Assurance	/	//								
Mr. Chang Hsiao-Chun	Asst. Managing Director, Office of Managing Director	//									
Mrs. Apanut Wongjarit	Accounting Manager										

Remarks : X = Chairman

/ = Director

// = Executive Director

CTW-Beta : CTW-Beta Co., Ltd.

SFO : Siam Fiber Optics Co., Ltd.

SPEWC : Siam Pacific Electric Wire & Cable Co., Ltd.

PTEWC : Pacific-Thai Electric Wire & Cable Co., Ltd.

LoxPac : Loxley Pacific Co., Ltd.

SPH : Siam Pacific Holding Co., Ltd.

PEWC : Pacific Electric Wire & Cable Co., Ltd.

APWC : Asia Pacific Wire & Cable Corp., Ltd.

ITD : Italian Thai Development Plc.

TMP : Thai Metal Processing Co., Ltd.



## Shareholding and Management Structure

### Details of Directors of its Subsidiary Companies.

Name of Directors	Name of Subsidiary Companies				
	CTW - Beta	SFO	SPEWC	PTEWC	Shanghai Yayang
Mr. Chai Sophonpanich					
Mr. Premchai Karnasuta		//			
Mr. Sun Tao-Tsun			/	/	
Mr Sun Tao-Heng	//	//	X	X	
Mr. Lee Michael Chao-Chun			//	//	
Mr. Yuan Chun-Tang			/	/	
Mr. Cheng Andy Chow-Chun			/	/	
Mrs. Sununtha Phaengsook	//				
Mr. Tanasit Aungkasit	/	//			
Mr. Ponrawat Charoensukpaisarn	/				
Mr. Sathit Tabpech	/	//			
Mr. Suvit Veerapong	/				
Mr. Chang Hsiao-Chun	//				
Mr. Kuei Chih-Chung	//	//			
Mr. Akira Saita		/			
Mr. Shuichi Hirai		/			
Mr. Raymond C.Y. Kung			//	//	/
Mr. Chen Cheng Nan			//	//	
Mr. Bandhit Tanchavallit			//	//	
Mr. Chartchai Chutima			/		
Mr. Sun Ming Shan					//
Mr. Lu, Wei Ming			//	//	/
Mr. Liu, Tein-Fei					/
Mr. Zhang, Cai-Yuan					/
Mr. Wu Kuo-Chi					/

Remarks : X = Chairman

/ = Director

// = Executive Director

### The criteria of selection of directors and Management.

#### Authorities and Duties of the Board of Directors

Directors of the Company shall perform their duties in accordance with the law, objectives and the articles of association of the Company as well as with the resolutions of general and extraordinary meetings of shareholders.

#### Selection of Directors

The Nomination and Compensation Committee shall consider and select qualified candidate director as the following guidelines :

1. The Nomination and Compensation Committee is responsible for selecting an appropriate person, taking into account experience, vision, ability and character, and submit to the shareholders meeting for further approval.

## Shareholding and Management Structure

2. The Company's directors shall number not less than five and shall be appointed by a general meeting of shareholders. Not less than half of the directors must have their domicile in the Kingdom of Thailand.
3. In voting to elect directors, it is deemed that every shareholder shall have one vote per share.
4. The majority vote of the shareholders who attend the meeting and cast their votes. In case of a tie vote, the Chairman of the meeting shall have a casting vote.

### Expiration of Directors

One-third of the number of directors shall retire at an annual general meeting of shareholders. If the number of directors is not divisible by three, the number of directors retiring shall be the nearest integer to one-third.

Directors to be retired from their office in the first and second year after the enforcement of the Articles of Association shall retire by drawing of lots. After that, directors who have stayed in office the longest shall be retired. The retired directors may be re-elected. In voting to elect directors, it is deemed that every shareholder has one vote per one share.

In addition to retiring by rotation, directors must retire or be considered retired if:

- 1) they die.
- 2) they resign.
- 3) they are unqualified or prohibited from being a director according to the Public Company Act.
- 4) a general shareholder meeting resolves to dismiss a director with the vote being not less than three-fourths of the participating shareholders who are eligible to vote, and the number of shares they hold is not less than half of the shares held by the participating shareholders who are eligible to vote.
- 5) they are dismissed by order of the Court.

In the case that the director is vacant by other cause, except by rotation, the Board of Directors shall appoint a qualified person whom is not prohibited by the law of public company in his stead in the next meeting of the Board of Directors. Except the leaving Director has the time to retain in his office less than 2 months. Such resolution of the Board of Directors must have the vote not less than three-fourth of the remaining Directors. Person to be instead as Director shall retain his office during such time only as vacating Director was entitled to retain the same.

## The Principles of Good Corporate Governance

### 1. Rights of shareholders

The Company always recognizes the importance of shareholders and concerns the shareholder's rights. In 2009, the shareholder meeting was held an ordinary once time on April 29, 2009, at the Company's Head Office. In order to ensure that each shareholder has background information for reviewing the issues and making informed decision, the Company had prepared and sent out a letter of invitation, meeting agenda, opinion of the Board and other support documents to all shareholders at least 9 days in prior to the date of the shareholders meeting. Meeting schedule notice was also placed in daily newspapers and posted on the Company's website prior to the meeting date. For the minutes of the Annual General Meeting of Shareholders, they are posted to the Company's website within 7 days after the meeting date.

Shareholders have the right to attend all shareholders meeting either by oneself or by an authorized representative who also has the right to vote. The power of attorney is attached with the invitation letter.

Important agendas for proposing to the shareholders meeting for considering:

1. To approve the balance sheets and income statements
2. To approve the allocation of the net profit
3. To elect the director and determine the directors' compensation
4. To appoint the auditor and determine auditing fee

## Shareholding and Management Structure

The shareholders who attend the shareholders meeting can independently comment or inquire any matters concerning the Company's operation. Each shareholder shall have a number of votes equal to the number of shares held with one vote per share.

If the consideration of all the matters referred to in the agenda is finished, the shareholders holding shares amounting to not less than one-third of the total number of shares sold may request the shareholders to consider matters other than those indicated in the notice calling for the meeting.

### 2. Equitable Treatment of Shareholders

The Company recognizes the importance of rights and equitable treatment of all shareholders. It provides the use of voting cards for all agendas for the sake of transparency and future reference. In regard to the director election agenda, the shareholders are able to vote on individual nominees.

It also provides an option to shareholders whereby they may appoint an independent director as their proxy by using the power of attorney which is attached with invitation letter.

At the Annual General Meeting of Shareholders for 2009, there were 6 shareholders who authorized the independent director to attend the meeting and vote on their behalf.

The Company has an established policy regarding the exploitation of inside information by executive officers for securities trading as follows:

1. The executive officer will prepare and submit to the Company a securities holding report showing the number of securities held by him/her, his/her spouses and minor children in the prescribed form immediately following the delivery of such report to the SEC and SET.
2. The Company has submitted to each and every executive officer a circular to the effect that any executive officer who is informed of any insider information will suspend all trading transaction of the Company's securities prior to the Company's publication of operating results, financial statement or any other information which may materially affect the securities value.
3. The Company will restrict the access to financial statements and relevant information of the Company prior to submission to the SET. The executive officer and other officers are instructed to keep all information confidential.

The Company will inflict the maximum punishment on any executive officer who exploits inside information or performs any act in such a way that may disgrace or damage the Company.

### 3. Role of Stakeholders

The company always realizes the importance of all concerned parties. The company has provided the Code of Conduct for Directors and Employees which is to be considered the best practice for all concerned parties as follow.

**Customers :** The Company must build productive relationships with its customers based on integrity, ethical behavior and mutual trust. Directors and managements must take care and maximize accountability in aspect of setting and maintenance products standard, product quality.

**Employees :** The Company must ensure that it provides a safe, healthy and productive work environment including set employment procedures and equal employment to ensure that it employs the person who has quality and necessary knowledge for the business operations.

Moreover, in realizing the importance of safety to all employees, it has installed safety equipment and maintained good working environment.

## Shareholding and Management Structure

**Vendors or Creditors :** The Company must ensure that the trading practices from suppliers or vendors are practically performed, including borrowing conditions and terms; objective, repayment, collateral and other commitments.

**Communities and Societies :** The Company must have a responsibility to environments, communities and societies to use their resources and maintain environments.

**Auditors :** The Company has a good cooperation with auditor by providing complete financial and significant information as requested by the auditors. The auditors have independency in their work.

**Shareholders and all concerned parties :** Directors must have accountability to the shareholders and financial supporter in aspect of disclosure, accounting procedure. Directors must make decision honestly, fairness for both majority and minority shareholders, and for all stakeholders' benefits.

The Company has provided the complain box for employees, in case they may acknowledge illegal behaviors or violating the Company's regulation.

Moreover, in realizing the importance of environment protection, the company has set up recycling, energy-saving and environmental protection system, including those which benefit the community. The company has been fully complied with governing law and rules and regulations of all involved agencies.

### 4. Disclosure and Transparency

All information of the Company presented in the financial report is correct, creditable, in accordance with generally accepted accounting principles and standards, and has been audited by an independent external auditor which the Audit Committee's primary duty and responsibility is to review the Company's financial statements to ensure its correctness and sufficiency and The Board of Directors provided the Statement of the Board of Directors' Responsibility for the Financial Statements which was certified by the Board meeting and be disclosed together with Auditor's Report in the annual report.

The Company disclosed the scope, functions and responsibilities of the directors, audit committee member, member of nomination and compensation committee, and the executive directors (Refer to the Director Structure on page 13 - 16) and also disclosed the duties of the Board for the year 2009 e.g. number of meeting, number of attendance of each director including the compensation of director. (Refer to the Board Attendance of Directors and the Compensation of Director on page 16 - 18)

The Company disclosed correct financial, annual statements, annual report and minutes of the annual general meeting of shareholders all information regarding should be posted on the Company's web site [www.ctw.co.th](http://www.ctw.co.th) Moreover, investors can get required information with the Company's Corporate Services Section by calling at 02-7456118 or e-mail address : [kanjana@ctw.co.th](mailto:kanjana@ctw.co.th)

### 5. Responsibilities of the Board

#### 5.1 Board Structure

According to the Company's Articles of Association, the Directors of the company shall be not less than 5 persons appointed by the general meeting. As at 31 December 2009, the Company has 13 directors, as follows:

Executive Directors	4 Persons
Non-Executive Director	9 Persons (Audit Committee and Independent Directors 3 persons)

At every annual general meeting of shareholders, one-third of the directors must be retired.

The duties and responsibilities of the Chairman of the Board are different from those of the Managing Director. In order to separate responsibilities in formulating policies and management of routine work, then the Chairman of the Board is not the same person as the Managing Director. And the Chairman of the Board.

The Company has Secretary to the Board of Directors, who is lawyer, to advise about law and regulations that the directors shall know.

## Shareholding and Management Structure

### 5.2 Committees

The Board of Directors has set up the Audit Committee and the Nomination and Compensation Committee to study and screen special tasks on behalf of the Board.

The attendance of each member of audit committee and nomination and compensation committee. (Refer to the Audit Committee and the Nomination and Compensation Committee on page 13, 14)

The Chairman of the Board is not either the chairman or the member of any committee to ensure independence of the committees. The Chairman of all committee of the Company is also the independent director.

### 5.3 Roles and Responsibilities of the Board of Directors

The Board of Directors jointly determined the policy and approved the important matter regarding the Company's operation.

The Company has provided Code of Conduct for the Board of Directors, the Management and the employees to use as a guideline in performing their duties.

The attendance of each Board of Directors. (Refer to the Board of Directors on page 16)

The Board meetings No. 1/2010 dated 12 March 2010 was attended by all Audit Committee members of CTW. During the meetings, the Board of Directors discussed the Internal Control Questionnaire, which consists of five parts : 1.) Organizational Control and Environmental Measures; 2.) Risk Management Measures; 3.) Management Control Activities; 4.) Information and Communication Measures; and 5.) Monitoring. The Board of Directors resolved that the Internal Control system is sufficient.

As at 15 March 2010 the Company's Auditors, Ernst & Young Co., Ltd., expressed the opinion that they were not aware of any significant weaknesses in the internal accounting control system of the Company.

The Company's internal audit section shall be responsible for the internal audit by carrying out according to the charter. The internal auditor shall report the result of the audit to Audit Committee and Board of Directors.

### 5.4 Board Meetings

The Board of Directors must convene at least one meeting in 3 months and held special meeting if necessary. The Board must set agenda in advance of the meeting. The secretary to the Board is responsible for preparing and invitation letter, agenda and support documents and sending them to each member of the Board at least 7 days in prior to the meeting date. The quorum of each meeting requires at least 50% of the total number of Board members. In 2009, 4 meetings were held and written minutes of each meeting were approved by the Board and kept for future reference and auditing by responsible person. On the average, each meeting shall take about 1 hour and 25 minutes.

The Chairman of the Board and the Managing Director jointly considered to set the Board Meeting agenda. Each Board member is also free to propose an issue for the Meeting agenda.

## •• Dividend Policy

The Company has dividend policy in normal circumstances is to provide a pay-out ratio of not less than 25 per cent of net profit from the separate financial statements as of the end of year after deducting legal reserve and the Board shall propose to the shareholders meeting for approval.

The dividend policy of its subsidiaries, CTW-Beta Co., Ltd. has a pay-out ratio of not less than 25 per cent and not exceeding 50 per cent of net profit after deducting legal reserve.

In regard to Siam Fiber Optics Co., Ltd., Siam Pacific Electric Wire & Cable Co., Ltd., Pacific-Thai Electric Wire & Cable Co., Ltd. and Shanghai Yayang Electric Co., Ltd., the dividend payment shall be proposed by the Board "from time to time" to their shareholders meeting for approval.

## •• Related Transactions

### 1. Intragroup transactions

#### Trading

The Company has had business transactions with subsidiary companies, affiliate companies and related companies. The transactions have occurred in the ordinary course of business such as through inter-company sales, service fees or management fees and have been reported in the Company's financial statements.

#### Financial support

There are both lending and borrowing financial transactions including guaranties, amongst the CTW Group of companies in order to provide working capital and to help the liquidity of certain companies when required. These transactions are also conducted in the ordinary course of business.

### 2. Necessary and Reasonable of Related Transaction

The necessities and opinions of the Audit Committee in regard to the Related Party Transactions are as described in the preceding tables.

### 3. Measures or procedures to approve a Related Transaction

Since the Company is a listed company, its practice regarding related transactions is conducted according to the rules and regulations of the SET. Management is highly aware of the sensitivity of this issue and monitors closely any situation in which a potential related transaction could occur. Moreover, the Company seeks advice from the SET before engaging in a related transaction.

### 4. Potential future of Related Transactions

#### Trading

The Company is expected to continue its business transactions with subsidiaries, affiliated companies and related companies with regard to the sale and purchase of products and raw materials in the normal course of business. In addition, the Board meeting resolved to approve in principle regarding the related party transactions with the general commercial terms between the Company and its subsidiary companies with the director, executive or related person.

#### Financial support

The Company shall support its subsidiaries and affiliates through the provision of working capital as required. Such transactions are expected to be in the ordinary course of business only.

## Related Transactions

### Related Transactions for the year 2009

Name	Amount (Baht)	Related Transaction	Relationship	Price policy / Conditions	Notes
Siam Fiber Optics Co., Ltd. (SFO)	796,498	Sale by CTW to SFO.	CTW holds a 60.00 per cent stake in SFO, while Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta, directors of CTW and major shareholders (30.6 per cent) in ITD,	Market price/ terms and conditions are considered to be a normal business practice offered to third parties.	Terms and conditions of this transactions are considered appropriate as they occur in the normal course of business, and are disclosed in the Company's financial statements.
	14,097	SFO owes payment to CTW for sales			
	4,324,491	SFO owes payment to CTW for management fee, service fee and rental fee.	and ITD holds a 10 per cent stake in SFO.	Contract price/Management Fee is in accordance with an Agreement. The management fee charged to SFO will vary depending on the number of advisory personnel CTW assigns to assist SFO. The rate charged for various levels of advisory personnel range.	These transactions are described in an Agreement and are disclosed in the Company's financial statements.
	32,546,138	Management fee income for services provided by CTW to SFO			
	7,761,204	Service fee income from SFO to CTW			
	4,850,760	Rental Income from SFO to CTW	CTW receives a monthly Baht 404,230 rental revenue in accordance with the Factory Lease Agreement. The lease term is three years and is renewable every three years with an increase of rental rate of 3.5 per cent. The Agreement is automatically renewed unless SFO notifies CTW six months in advance of its intention to terminate the lease contract.	These transactions are described in the Agreement and are disclosed in the Company's financial statements.	
	300,000	Rental Deposit from SFO to CTW			
	2,108,339	Electric income from SFO to CTW			At cost price (actual cost)

## Related Transactions

Name	Amount (Baht)	Related Transaction	Relationship	Price policy / Conditions	Notes
Siam Fiber Optics Co., Ltd. (SFO) (continued)	75,000,000	Loan Guarantee provided by CTW to SFO.	CTW holds a 60.00 per cent stake in SFO, while Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta, directors of CTW and major shareholders (30.6 per cent) in ITD, and ITD holds a 10 per cent stake in SFO.	CTW is a guarantor of loans (Credit Facility) from Bangkok Bank Plc. And Siam Commercial Bank Plc. to SFO for the purpose of working capital and business operation.	This transaction is to assist SFO cope with its liquidity and was approved by the Board meeting. The Information Memorandum was submitted to the SET and disclosed in the Company's financial statements.
	127,701,527				

Name	Amount (Baht)	Related Transaction	Relationship	Price policy / Conditions	Notes
Siam Fiber Optics Co., Ltd. (SFO) and Fujikura Ltd.	67,269,372	SFO purchased raw materials from Fujikura Ltd.	SFO is a 60% subsidiary company of CTW. Fujikura holds a 25 per cent stake in SFO	Market price/ Same terms and conditions as other clients.	Terms and conditions of this transaction are considered appropriate as they occur in the normal course of business, and are disclosed in the Company's financial statement.
	67,269,372				

Name	Amount (Baht)	Related Transaction	Relationship	Price policy / Conditions	Notes
Thai Metal Processing Co., Ltd. (TMP)	33,022,682	CTW hired TMP to melt copper rod.	CTW holds a 15 per cent stake in TMP. Mr. Chai Sophonpanich holds a 2.87 per cent stake in Bangkok Insurance Plc. and holds 0.69 per cent stake in CTW. Bangkok Insurance Plc. holds a 5 per cent stake in TMP.	Market Price/Terms and conditions are considered to be a normal business practice offered to third parties.	Terms and conditions are in the normal course of business. The Audit Committee agreed that the transaction is at fair price and more reasonable than CTW investing in additional machinery or producing by itself. This transaction is disclosed in financial statements.
	3,630,102	CTW owed payment to TMP for melting fee of copper rod			
	2,250,000	CTW received dividend income from TMP.		CTW received a dividend of Baht 10 per share from 225,000 shares.	Normal course of business and disclosed in financial statement.
	38,902,784				



## Related Transactions

Name	Amount (Baht)	Related Transaction	Relationship	Price policy / Conditions	Notes
Pacific Electric Wire and Cable Co., Ltd. (PEWC)	2,122,634	Management fee expenses from CTW to PEWC.	PEWC directly and indirectly holds 69.31 per cent stake in CTW.	Contract price/ Management fee for service provided by PEWC to CTW. The rated of service fee shall be US\$ 13,500 per quarter.	These transactions are described in the Agreement with normal course of business that are approved by the Board meeting and are disclosed in the Company's financial statements.
	478,343	CTW owes the payment to PEWC for management fee expenses.			
	2,600,977				

Name	Amount (Baht)	Related Transaction	Relationship	Price policy / Conditions	Notes
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Pacific Electric Wire and Cable Co., Ltd. (PEWC)	373,155,080	SPEWC purchases raw materials from PEWC	SPEWC is a 100% subsidiary of CTW and PEWC is a parent company of CTW group.	Market price/Same terms and conditions as other clients.	Normal course of business at the price below the market price a little bit, since PEWC had a surplus of raw materials (copper) that approved by the Board meeting and disclosed in financial statements.
	1,279,554	SPEWC owes the payment to PEWC for raw materials.			
	1,538,886	Management fee expenses from SPEWC to PEWC		Contract price/ Management fee for service provided by PEWC to SPEWC.	
	697,686	SPEWC owes the payment to PEWC for management fee expenses.			
	376,671,206				

Name	Amount (Baht)	Related Transaction	Relationship	Price policy / Conditions	Notes
Italian-Thai Development Plc (ITD)	81,631,364	Sales by CTW to ITD	Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta, directors of CTW and major shareholders (30.60 per cent) in ITD, and ITD holds a 10 per cent stake in SFO	Market Price/ Terms and conditions are the same as those of other parties.	Normal course of business that disclosed in the financial statements.
	51,938,056	ITD owes payment to CTW for sales.			
Siam Fiber Optics Co., Ltd. (SFO) and Italian-Thai Development Plc (ITD)	4,181,268	Sales by SFO to ITD			
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Italian-Thai Development Plc (ITD)	1,384,436	Sales by SPEWC to ITD			
	139,135,124				

## Related Transactions

Name	Amount (Baht)	Related Transaction	Relationship	Price policy / Conditions	Notes
Ital-Thai Engineering Co., Ltd. (Ital Thai)	51,000,657	Sales by CTW to Ital Thai	Mrs. Nijaporn Charanachita is a director of CTW and Ital Thai. (common director)	Market Price/Terms and conditions are the same as those of other parties.	Normal course of business that disclosed in the financial statements.
	7,373,454	Ital Thai owes payment to CTW for sales.			
	58,374,111				

Name	Amount (Baht)	Related Transaction	Relationship	Price policy / Conditions	Notes
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Moon View Ventures Ltd. (Moon View)	6,526,344	Loan from Moon View to SPEWC	SPEWC is a 100% subsidiary of CTW and Moon View is an indirect shareholder of CTW group.	Moon View has provided a loan of US\$ 194,718.58 to SPEWC without any interest charged since SPEWC was established, for SPEWC's working capital. There was no any movement of loan during the year 2009.	SPEWC has become a 100 % subsidiary of CTW by share swap since 2 July 2002. Those transactions occurred before share swap transaction
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Trigent Investment Holdings Co., Ltd. (Trigent)	116,025,000	Loan from Trigent to SPEWC	SPEWC is a 100% subsidiary of CTW and Trigent is an indirect shareholder of CTW group.	Trigent has provided a loan of Baht 116.025 million to SPEWC without any interest charged for share payment of Hardlek Co., Ltd., which SPEWC has bought such shares from the shareholders of Hardlek Co., Ltd. since 1999. There was no any movement of loan during the year 2009.	between CTW and SPEWC. Those transactions have provided financial assistance and benefit to SPEWC's operation while its connected persons did not receive any benefits from such transactions and disclosed in financial statements.  Normal course of business at the price below the market price a little bit, since PEWC had a surplus of raw materials (copper) that approved by the Board meeting and disclosed in financial statements.
	122,551,344				

## Management Discussion and Analysis

### Operating results

Although, the Company and its subsidiaries had got effect from the world economic crisis, and Thailand's political crisis and the customers, both government and private sectors delayed to order the products. However, the Company and its subsidiaries had net profit of Baht 304.33 million when compared with the net loss of Baht 624.86 million in the year 2008, due to the reversal of allowance on diminution in value of inventories which reduced cost of sales of Baht 551.56 million. It also had profit on exchange of Baht 4.00 million, while it had loss on exchange of Baht 51.96 million in 2008.

#### Revenues

In 2009, the Company and its subsidiaries had total revenues of Baht 4,994.86 million decreased by Baht 3,536.67 million or 41.45%. Most revenues were generated by sales of manufacturing groups' product of Baht 4,950.12 million or 99.10% of total revenues. Revenue from sales decreased by Baht 3,540.96 million or 41.70%. Most revenue from sales is derived from private sector customers. In addition, 18.79% of revenue occurred from the export by the Company and its subsidiaries, and 16.59% by its subsidiary in China. In regard to sales, 33.33% of the sales were driven by its subsidiaries' enameled copper wires, 24.80% on telephone cables, 34.87% on copper electrical wires and 7.00% on high voltage cables. In regard to the non sales revenues, it increased by Baht 16.05 million or 76.08% from Baht 21.09 million in 2008 due to interest income of delayed tax refundable from Revenue Department. In 2009, it had interest income of Baht 7.59 million that decreased by Baht 11.77 million or 60.79% from Baht 19.36 million in 2008 due to the decrease in deposits and fixed deposited interest rates.

#### Expenses

In 2009, the Company and its subsidiaries had total operating expenses of Baht 4,619.74 million decreased by Baht 4,353.21 million or 48.51% when compared with the year 2008. The cost of sales decreased mainly by Baht 4,156.77 million or 48.87% due to the reversal of allowance on diminution in value of inventories of Baht 551.56 million, selling expenses decreased by Baht 35.92 million and administrative expenses decreased by Baht 163.29 million which complied with the sales decrease. And finance cost decreased by Baht 103.03 million since its subsidiaries reduced bank overdrafts. In addition, the Company group reduced a lot of purchase of raw materials, then trust receipts also reduce a lot. Loss on impairment of investments in subsidiaries also decreased by Baht 2.11 million due to reduced loss of its associated company's operating result for the year 2009.

### Financial Position

#### Assets

As at 31 December 2009, the Company and its subsidiaries had total assets of Baht 4,735.49 million, decreased by Baht 1,065.57 million or 18.37% when compared with the end of 2008. Total assets consisted mainly of net trade accounts and notes receivable of Baht 1,669.16 million or 35.25% of total assets, followed by inventories and net property, plant and equipment of Baht 1,074.75 and 843.43 million or 22.70% and 17.81% of total assets, respectively. Followed by Cash and cash equivalents were Baht 653.82 million, restricted bank deposits of Baht 267.03 million, investments in associated and other long-term investments of Baht 139.58 million or 13.80%, 5.64% and 2.95% of total assets, respectively. In addition, there were other assets of Baht 25.38 million or equal to 0.54% of total assets.

At the end of 2009, cash and cash equivalents of Baht 653.82 million increased by Baht 76.38 million or 13.23% when compared with Baht 577.44 million at the end of 2008, while trade accounts and notes receivable decreased by Baht 449.13 million or 21.20% due to the efficiency of account receivable collection and tax refundable of Baht 30.95 million. The Company and its subsidiaries had net inventories of Baht 1,074.75 million, while those inventories had cost of Baht 1,111.21 million then the allowance for diminution in value of inventories was setting for reducing cost to net realizable value of Baht 17.27 million and inventory obsolescence of Baht 19.19 million. Moreover, property, plant and equipment

## Management Discussion and Analysis

(net) decreased by Baht 115.61 million or 12.05%, which occurred from depreciation for the year 2009 of Baht 155.57 million and net acquisition of those of Baht 30.55 million.

### Liabilities

As at 31 December 2009, the Company and its subsidiaries had total liabilities of Baht 1,220.70 million decreased by Baht 1,355.25 million or 52.61% when compared with Baht 2,575.95 million at the end of 2008. The significant accounts of total liabilities consisted of trust receipts (T/R) which decreased by Baht 971.59 million or 64.36%, bank overdraft and short-term loans from financial institutions decreased by Baht 43.91 million or 18.94% due to the decrease in its subsidiaries' purchase of raw materials from overseas. In addition, trade accounts payable to unrelated parties, which resulted from purchasing domestic raw materials from general suppliers, decreased by Baht 373.35 million or 66.11% which complied with the sales decrease, while accrued expenses and other accounts payable, such as, supplies for production material increased by Baht 22.03 million or 28.64%.

### Cash flow statement

In 2009, the Company and its subsidiaries had cash received from operating activities of Baht 1,122.80 million, cash from investing activities of Baht 28.51 million, and cash used in financing activities of Baht 1,015.05 million, and decreased in translation adjustments of Baht 3.97 million. As a result of those, net cash and cash equivalents for the year 2009 increased by Baht 75.27 million. And these was unrealized gain on exchange of cash and cash equivalents of Baht 1.11 million.

As at 31 December 2009, the Company and its subsidiaries had cash and cash equivalents of Baht 653.82 million. Net cash flows received from operating activities of Baht 1,122.80 million, its significant account consisted of the cash from operation of Baht 1,213.51 million. In regard to, operating assets, such as, trade accounts and notes receivable decreased by Baht 448.50 million and inventories decreased by Baht 1,077.21 million. Net cash flows used in investing activities of Baht 28.51 million which was mainly for the purchase of machinery and equipment of Baht 43.08 million, restricted bank deposits increased by Baht 6.88 million, and interest income of Baht 8.26 million. In addition, net cash flows used in financing activities of Baht 1,015.05 million mainly consisted of repayment for bank overdraft and short-term loans from financial institutions of Baht 43.91 million, and trust receipts of Baht 970.20 million.

### Liquidity

As at 31 December 2009, the Company and its subsidiaries had the current ratio of 2.83 times and quick ratio of 1.91 times. They were 1.71 times and 1.05 times as of the end of 2008, respectively, since cash on hand and bank deposits increased by Baht 76.38 million and trade accounts receivable decreased by Baht 449.13 million. At the same time, current liabilities of the Company group decreased a lot, especially trust receipts decreased by Baht 971.60 and trade accounts payable related parties decreased by 373.36 million which occurred from the reduction of importing raw materials from overseas suppliers and bank overdraft and short-term loans also decreased by Baht 43.91 million.

### Capital structure

As at 31 December 2009, the Company and its subsidiaries had the debt to equity ratio of 0.35 times, decreased from 0.80 times at the end of 2008 since current liabilities decrease a lot due to decrease in purchasing raw materials. The Company's operating results for 2008 showed loss then there was no dividend payment in the fiscal year 2009. Then the unappropriated retained earnings increased when compared with the year 2008.

### Potential impact on the Company's financial statement

The Company group expects that total sales volume for the year 2010 will increase from the last year. And the operating result will be better than the last year which will be driven by improved economic conditions, both outside and within the country.

## Report from Audit Committee

### Dear Shareholders:

The Audit Committee of Charoong Thai Wire and Cable Public Company Limited consists of three independent directors as follows:

1. Mr. Pornwut Sarasin Chairman of the Audit Committee
2. Mr. Sai Wah Simon Suen Member of the Audit Committee
3. Mr. Steven Suey Ku Member of the Audit Committee

Mr. Sai Wah Simon Suen was appointed as the Audit Committee Member to replace Mr. Suphol Pholkosol, who resigned, by resolution of the Board of Directors Meeting No. 3/2009 held on 25 August 2009 and Mr. Steven Suey Ku was appointed as the the Audit Committee Member to replace Mr. Izumi Ishikawa, who resigned, by resolution of the Board of Directors Meeting No.4/2009 held on 17 November 2009.

In the year 2009, the Company's Audit Committee totally held four regular meetings. The record of attendance of the members of Audit Committee is summarized as follows:

Name			Meeting Attendance/Total Meeting (Times)
1.	Mr. Pornwut	Sarasin	4/4
2.	Mr. Suphol	Pholkosol	2/4
3.	Mr. Izumi	Ishikawa	0/4
4.	Mr. Sai Wah Simon Suen*		2/4
5.	Mr. Steven Suey Ku**		0/4

Remarks : \* To be appointed on 25 August 2009

\*\* To be appointed on 17 November 2009

The followings are summary of Audit Committee's duties during the year:

- Meetings with both external auditor and internal auditor to consider matters and to assess any occur issues if relate to the Company internal control system to ensure its adequate and appropriate.
- To review the Company quarterly financial statements and yearend financial statements as well as all related documents and validate it is correct, sufficient, creditable and in accordance with general accounting standards.
- To review all related party transactions between the Company and its related companies to assure that there are no transactions may lead to conflicts of interest.
- To review and to ensure that the Company complies with the Securities and Exchange Act, regulations, notification and all relevant laws with the Company's business operation.
- To pay attention on concerned issues or information (if any) that may relate or effect to the Company's financial statements.
- To monitor the operation results of internal audit section.

During the year 2009, the certified public accountant from Ernst & Young Office Limited worked properly and efficiently and showed satisfactory performance. Therefore the Audit Committee considers and proposes Ernst & Young Office Limited and its fee proposal for the year 2010 then send their recommendation to the Board for consideration and such proposal will be proposed to the 2010 Annual General Meeting for further approval.

For and on behalf of the Audit Committee of  
Charoong Thai Wire and Cable Public Company Limited

*Pornwut Sarasin*

(Mr. Pornwut Sarasin)

Chairman of the Audit Committee

March 12, 2010

## Statement of the Board of Directors' Responsibility for the Financial Statements

The financial statements of Charoong Thai Wire and Cable Public Company Limited and its subsidiary companies for the year 2009 have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 (A.D. 2004) and their presentation has been made in compliance with the stipulations of the Notification, issued under the Accounting Act B.E. 2543 (A.D. 2000)

The Board of Directors is responsible for the financial statements of Charoong Thai Wire and Cable Plc. and its subsidiary companies as to their correctness and the completeness of the presentation. The aforementioned financial statements are prepared in accordance with the general accounting standards as applied in Thailand, using appropriate accounting policy consistently employed by the Company. They are genuinely representative of the Company's financial status and operational results. Important information is adequately disclosed in the notes to financial statements.

March 12, 2010

On behalf of the Board of Directors of Charoong Thai Wire and Cable Plc.



(Mr. Chai Sophonpanich)  
Chairman



(Mr. Sun Tao-Heng)  
Managing Director



# Financial Statements

Charoong Thai Wire and Cable Public Company Limited



## Report of Independent Auditor

### To the Shareholders of Charoong Thai Wire and Cable Public Company Limited

I have audited the accompanying consolidated balance sheets of Charoong Thai Wire and Cable Public Company Limited and its subsidiaries as at 31 December 2009 and 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Charoong Thai Wire and Cable Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements for the years end 31 December 2009 and 2008 of an overseas subsidiary company, which statements reflect total assets of Baht 460.3 million as of 31 December 2009 and total revenues and net loss of approximately Baht 829.0 million and Baht 5.2 million, respectively, for the year then ended (total assets of Baht 521.6 million as of 31 December 2008 and total revenues and net loss of approximately Baht 1,294.7 million and Baht 32.8 million, respectively, for the year then ended). The financial statements of this overseas subsidiary company as at 31 December 2009 and 2008 and for the years then ended were audited by another auditor, whose reports have been furnished to me and my opinions on the consolidated financial statements, insofar as it relate to the data included for this subsidiary company, is based solely on the reports of the other auditor.

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

As discussed in Note 10 to the financial statements, the consolidated financial statements as at 31 December 2009 and 2008 included the value of equity-accounted investment in an associated company totaling Baht 113.5 million and Baht 117.9 million included a share of loss for the year ended 31 December 2009 and 2008 totaling Baht 4.4 million and Baht 6.5 million, respectively, which based on the audited financial statements by other auditor. This associated company invested mainly through its subsidiary established in the Democratic People's Republic of Korea, which often has political instability, and recorded investment in that subsidiary company by cost method. In addition, there was no sufficient reliable financial information in the part of its operations in the Democratic People's Republic of Korea. These events may have effect on the value of the investment in the associated company in the consolidated financial statements and on the value of long-term loans to a subsidiary company as at 31 December 2009 and 2008 amounting to Baht 114.1 million and Baht 118.6 million in the separate financial statements; therefore, these events are considered to be a limitation of scope imposed by circumstances.

In my opinion, based on my audits and the reports of the other auditor, except for adjustment to the financial statements which may be resulted from the matter as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Charoong Thai Wire and Cable Public Company Limited and its subsidiaries and of Charoong Thai Wire and Cable Public Company Limited as at 31 December 2009 and 2008, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.



**Supachai Phanyawattano**

Certified Public Accountant (Thailand) No. 3930



**Balance Sheets**

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		653,821,787	577,442,317	356,267,142	145,796,408
Trade accounts and notes receivable					
Related parties	6	64,685,059	112,165,084	67,258,942	104,522,387
Unrelated parties		1,763,376,802	2,171,269,001	558,687,176	780,408,500
Less: Allowance for doubtful accounts		(158,899,547)	(165,138,966)	(13,000,000)	(17,000,000)
Trade accounts and notes receivable - net	7	1,669,162,314	2,118,295,119	612,946,118	867,930,887
Other account receivable - subsidiary company	6	-	-	4,324,491	3,947,313
Inventories - net	8	1,074,746,172	1,600,608,480	549,332,613	1,010,751,930
Other current assets					
Tax refundable		22,955,428	53,906,454	7,784,127	41,879,695
Others		22,998,347	38,073,380	4,045,462	9,327,157
<b>Total current assets</b>		<b>3,443,684,048</b>	<b>4,388,325,750</b>	<b>1,534,699,953</b>	<b>2,079,633,390</b>
<b>Non-current assets</b>					
Restricted bank deposits		267,030,792	260,150,625	-	-
Long-term loans to subsidiary - net	6	-	-	114,063,894	118,630,090
Investments in subsidiaries - net	9	-	-	1,204,749,876	1,215,679,219
Investment in associated company	10	113,522,916	117,924,653	-	-
Other long-term investments - net	11	26,053,013	24,890,208	22,500,000	22,500,000
Property, plant and equipment - net	12	843,427,215	959,039,407	444,254,198	460,334,767
Land not being used for operation - net		16,400,859	19,068,059	16,400,859	19,068,059
Other non-current assets		25,375,682	31,669,748	85,900	1,097,610
<b>Total non-current assets</b>		<b>1,291,810,477</b>	<b>1,412,742,700</b>	<b>1,802,054,727</b>	<b>1,837,309,745</b>
<b>Total assets</b>		<b>4,735,494,525</b>	<b>5,801,068,450</b>	<b>3,336,754,680</b>	<b>3,916,943,135</b>

The accompanying notes are an integral part of the financial statements.

## Balance sheets (continued)

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	13	187,880,999	231,791,132	-	-
Trust receipts	13	538,063,185	1,509,657,179	54,529,675	464,383,283
Trade accounts payable					
Related parties	6	4,909,656	11,276,192	3,630,102	7,679,829
Unrelated parties		191,373,528	564,728,485	69,007,945	463,006,684
Total trade accounts payable		196,283,184	576,004,677	72,638,047	470,686,513
Other account payable - related company	6	1,176,029	-	478,343	-
Short-term loans from related parties	6	122,551,344	122,856,195	-	-
Other current liabilities					
Corporate income tax payable		25,255,148	29,320,816	-	25,796,299
Accrued expenses		77,719,440	57,809,907	52,616,063	17,137,505
Other accounts payable		21,259,101	19,134,561	15,808,279	12,575,103
Dividend payable		6,745,643	6,769,550	6,745,643	6,769,550
Others		39,576,170	18,791,928	16,874,178	8,780,268
<b>Total current liabilities</b>		<b>1,216,510,243</b>	<b>2,572,135,945</b>	<b>219,690,228</b>	<b>1,006,128,521</b>
<b>Non-current liabilities</b>					
Other non-current liabilities		4,186,713	3,814,584	3,622,978	4,114,584
<b>Total non-current liabilities</b>		<b>4,186,713</b>	<b>3,814,584</b>	<b>3,622,978</b>	<b>4,114,584</b>
<b>Total liabilities</b>		<b>1,220,696,956</b>	<b>2,575,950,529</b>	<b>223,313,206</b>	<b>1,010,243,105</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Registered					
397,906,284 ordinary shares of Baht 5 each		1,989,531,420	1,989,531,420	1,989,531,420	1,989,531,420
Issued and fully paid-up					
397,906,284 ordinary shares of Baht 5 each		1,989,531,420	1,989,531,420	1,989,531,420	1,989,531,420
Share premium		1,105,933,696	1,105,933,696	1,105,933,696	1,105,933,696
Unrealised loss					
Deficit on changes in value of investments		(10,271,436)	(11,434,241)	-	-
Translation adjustment		(9,667,902)	(748,207)	-	-
Retained earnings					
Appropriated-statutory reserve	15	109,000,000	109,000,000	109,000,000	109,000,000
Unappropriated (deficit)		245,111,919	(59,215,636)	(91,023,642)	(297,765,086)
Equity attributable to the Company's shareholders		3,429,637,697	3,133,067,032	3,113,441,474	2,906,700,030
Minority interest - equity attributable to					
minority shareholders of subsidiaries		85,159,872	92,050,889	-	-
<b>Total shareholders' equity</b>		<b>3,514,797,569</b>	<b>3,225,117,921</b>	<b>3,113,441,474</b>	<b>2,906,700,030</b>
<b>Total liabilities and shareholders' equity</b>		<b>4,735,494,525</b>	<b>5,801,068,450</b>	<b>3,336,754,680</b>	<b>3,916,943,135</b>

The accompanying notes are an integral part of the financial statements.

**Income statements**

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
<b>Revenues</b>					
Sales		4,950,122,306	8,491,077,525	1,839,539,183	3,153,399,486
Other income					
Interest income		7,593,449	19,364,638	1,619,702	4,678,895
Management fee income		-	-	32,546,138	32,434,747
Others		37,139,456	21,092,023	41,092,353	23,335,044
<b>Total revenues</b>		<b>4,994,855,211</b>	<b>8,531,534,186</b>	<b>1,914,797,376</b>	<b>3,213,848,172</b>
<b>Expenses</b>					
Cost of sales		4,901,196,134	7,955,205,449	1,910,148,892	2,755,925,488
Allowance for diminution in value of inventory (reversal)		(551,564,834)	551,196,731	(388,545,534)	399,703,053
Total cost of sales		4,349,631,300	8,506,402,180	1,521,603,358	3,155,628,541
Selling expenses		80,121,827	116,044,487	50,522,910	79,023,758
Administrative expenses		119,200,200	282,494,286	67,683,030	106,973,701
Management benefit expenses		68,120,706	68,013,498	44,977,384	53,958,708
Other expenses					
Loss on impairment of investments in subsidiaries		-	-	10,929,343	37,133,787
Loss on impairment of land not being used for operation		2,667,200	-	2,667,200	-
<b>Total expenses</b>		<b>4,619,741,233</b>	<b>8,972,954,451</b>	<b>1,698,383,225</b>	<b>3,432,718,495</b>
<b>Income (loss) before finance cost and corporate income tax</b>					
		375,113,978	(441,420,265)	216,414,151	(218,870,323)
Finance cost		(44,493,530)	(147,522,529)	(9,672,707)	(37,038,398)
Share of loss from investment in associated company	10	(4,401,737)	(6,509,155)	-	-
<b>Income (loss) before corporate income tax</b>		<b>326,218,711</b>	<b>(595,451,949)</b>	<b>206,741,444</b>	<b>(255,908,721)</b>
Corporate income tax for the year	17	(28,101,507)	(46,478,314)	-	(41,751,739)
Additional corporate income tax assessment	18	-	(7,352,656)	-	(7,352,656)
<b>Net income (loss) for the year</b>		<b>298,117,204</b>	<b>(649,282,919)</b>	<b>206,741,444</b>	<b>(305,013,116)</b>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		304,327,555	(624,858,013)	206,741,444	(305,013,116)
Minority interests of the subsidiaries		(6,210,351)	(24,424,906)	-	-
		298,117,204	(649,282,919)		
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share	19	-	-		
Net income (loss) attributable to equity holders of the parent		0.76	(1.57)	0.52	(0.77)

The accompanying notes are an integral part of the financial statements.

## Statements of changes in shareholders' equity

For the years ended 31 December 2009 and 2008

(Unit: Baht)

### Consolidated financial statements

	Equity attributable to the parent's shareholders						Total equity attributable to the parent's shareholders	Minority interest - equity attributable to minority shareholders of subsidiaries	Total
	Issued and fully paid-up share capital	Share premium	Deficit on changes in value of investments	Translation adjustment	Retained earnings (deficit)				
					Appropriated	Unappropriated			
<b>Balance as at 31 December 2007</b>	1,989,531,420	1,105,933,696	(8,228,934)	(26,398,152)	109,000,000	764,594,771	3,934,432,801	114,518,437	4,048,951,238
<b>Income and expenses recognised directly in equity:</b>									
Investments in available-for-sale securities	-	-	(3,488,413)	-	-	-	(3,488,413)	-	(3,488,413)
Loss recognised in shareholders' equity	-	-	283,106	-	-	-	283,106	-	283,106
Transferred to income statements on disposals	-	-	-	25,649,945	-	-	25,649,945	-	27,607,303
Translation adjustment	-	-	-	-	-	-	-	-	-
<b>Net income and expenses recognised directly in equity</b>	-	-	(3,205,307)	25,649,945	-	-	22,444,638	1,957,358	24,401,996
Net loss for the year	-	-	-	-	-	(624,858,013)	(624,858,013)	(24,424,906)	(649,282,919)
<b>Total income and expenses for the year</b>	-	-	(3,205,307)	25,649,945	-	(624,858,013)	(602,413,375)	(22,467,548)	(624,880,923)
<b>Dividend paid (Note 22)</b>	-	-	-	-	-	(198,952,394)	(198,952,394)	-	(198,952,394)
<b>Balance as at 31 December 2008</b>	1,989,531,420	1,105,933,696	(11,434,241)	(748,207)	109,000,000	(59,215,636)	3,133,067,032	92,050,889	3,225,117,921
<b>Balance as at 31 December 2008</b>	1,989,531,420	1,105,933,696	(11,434,241)	(748,207)	109,000,000	(59,215,636)	3,133,067,032	92,050,889	3,225,117,921
<b>Income and expenses recognised directly in equity:</b>									
Investments in available-for-sale securities	-	-	1,162,805	-	-	-	1,162,805	-	1,162,805
Loss recognised in shareholders' equity	-	-	-	(8,919,695)	-	-	(8,919,695)	(680,666)	(9,600,361)
Translation adjustment	-	-	-	-	-	-	-	-	-
<b>Net income and expenses recognised directly in equity</b>	-	-	1,162,805	(8,919,695)	-	-	(7,756,890)	(680,666)	(8,437,556)
Net profit (loss) for the year	-	-	-	-	-	304,327,555	304,327,555	(6,210,351)	298,117,204
<b>Total income and expenses for the year</b>	-	-	1,162,805	(8,919,695)	-	304,327,555	296,570,665	(6,891,017)	289,679,648
<b>Balance as at 31 December 2009</b>	1,989,531,420	1,105,933,696	(10,271,436)	(9,667,902)	109,000,000	245,111,919	3,429,637,697	85,159,872	3,514,797,569

The accompanying notes are an integral part of the financial statements.

## ●● Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Separate financial statements					Total
	Issued and fully paid-up share capital	Share premium	Revaluation surplus (deficit) on changes in value of investments	Retained earnings (deficit)	Unappropriated	
<b>Balance as at 31 December 2007</b>	1,989,531,420	1,105,933,696	(283,106)	109,000,000	206,200,424	3,410,382,434
<b>Income and expenses recognised directly in equity:</b>						
Investments in available-for-sale securities						
Transferred to income statement on disposals	-	-	283,106	-	-	283,106
<b>Net income and expenses recognised directly in equity</b>						
Net loss for the year	-	-	283,106	-	-	283,106
<b>Total income and expenses for the year</b>						
Dividend paid (Note 22)	-	-	-	-	(305,013,116)	(305,013,116)
<b>Balance as at 31 December 2008</b>	1,989,531,420	1,105,933,696	-	109,000,000	(297,765,086)	2,906,700,030
<b>Balance as at 31 December 2008</b>	1,989,531,420	1,105,933,696	-	109,000,000	(297,765,086)	2,906,700,030
Net profit for the year	-	-	-	-	206,741,444	206,741,444
<b>Total income and expenses for the year</b>						
<b>Balance as at 31 December 2009</b>	1,989,531,420	1,105,933,696	-	109,000,000	(91,023,642)	3,113,441,474

The accompanying notes are an integral part of the financial statements.

## ❖ Cash flow statements

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<b>Cash flows from operating activities</b>				
Net income (loss) before tax	326,218,711	(595,451,949)	206,741,444	(255,908,721)
Adjustments to reconcile net income (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	155,569,755	184,641,853	48,407,520	53,643,203
Allowance for doubtful accounts - trade accounts and notes receivable	(6,196,374)	43,669,634	(4,000,000)	(15,000,000)
Reversal of allowance for doubtful accounts - long-term loans to subsidiary	-	-	4,566,196	(8,618,076)
Bad debts	2,274,620	30,189,892	1,284,027	25,462,158
Loss on impairment of land not being used for operation	2,667,200	-	2,667,200	-
Allowance for stock obsolescences (reversal)	(551,564,834)	551,196,731	(388,545,534)	399,703,053
Loss on impairment of investments in subsidiaries	-	-	10,929,343	37,133,787
(Gains) loss on sales of property, plant and equipment	(527,386)	(5,153,537)	(492,284)	11,990
Reversal of allowance for impairment of long-term investments	(2,170,077)	(2,170,077)	-	-
Share of loss from investments in associated	4,401,737	6,509,155	-	-
Dividend income	(2,250,000)	(3,380,055)	(2,250,000)	(3,380,055)
Unrealised (gain) loss on exchange	1,998,467	16,324,414	429,058	(7,037,667)
Interest income	(7,593,449)	(19,364,638)	(1,619,702)	(4,678,895)
Interest expenses	40,380,234	141,761,016	9,322,944	35,933,786
Income (loss) from operating activities before changes in operating assets and liabilities	(36,791,396)	348,772,439	(112,559,788)	257,264,563
Operating assets (increase) decrease				
Trade accounts and notes receivable	448,504,420	1,132,698,042	257,700,742	428,629,934
Other account receivable - subsidiary company	-	-	(377,178)	126,818
Inventories	1,077,209,872	(53,898,707)	849,964,851	(431,455,229)
Other current assets	52,256,120	(13,682,430)	44,315,940	(15,096,559)
Operating liabilities increase (decrease)				
Trade accounts payable	(379,923,777)	191,510,388	(398,201,115)	188,759,964
Other account payable - related company	1,176,029	-	478,343	-
Other current liabilities	53,283,278	(30,038,896)	46,968,043	(34,383,869)
Other non-current liabilities	(2,203,908)	(2,127,191)	(2,208,964)	(2,127,191)
Cash flows from operating activities	1,213,510,638	1,573,233,645	686,080,874	391,718,431
Cash paid for interest expenses	(48,618,747)	(158,696,449)	(6,994,710)	(39,654,415)
Cash paid for corporate income tax	(42,090,874)	(93,948,895)	(33,580,426)	(75,294,868)
<b>Net cash flows from operating activities</b>	<b>1,122,801,017</b>	<b>1,320,588,301</b>	<b>645,505,738</b>	<b>276,769,148</b>

The accompanying notes are an integral part of the financial statements.

**Cash flow statements (continued)**

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<b>Cash flows from investing activities</b>				
(Increase) decrease in restricted bank deposits	(6,880,167)	121,195,844	-	-
Decrease in short-term investments	-	71,250,623	-	-
Acquisition of property, plant and equipment	(43,076,645)	(82,740,160)	(30,356,626)	(59,460,255)
Interest income	8,258,094	20,390,082	1,436,159	4,682,508
Dividend income	2,250,000	3,380,055	2,250,000	3,380,055
Cash received from account receivable accounting to the business rehabilitation plan	2,170,077	2,170,077	-	-
Proceeds from sales of property, plant and equipment	2,479,416	9,344,123	1,379,959	-
Decrease in investment in other company	-	505,539	-	505,539
(Increase) decrease in other assets	6,294,066	(935,870)	1,011,710	-
<b>Net cash flows from (used in) investing activities</b>	<b>(28,505,159)</b>	<b>144,560,313</b>	<b>(24,278,798)</b>	<b>(50,892,153)</b>
<b>Cash flows from financing activities</b>				
Decrease in bank overdrafts and short-term loans from financial institutions	(43,910,133)	(522,120,694)	-	-
Decrease in trust receipts	(970,203,384)	(641,978,740)	(410,130,017)	(86,611,645)
Cash paid for liabilities under financial lease agreements	(939,284)	(1,354,226)	(626,189)	(1,354,226)
Repayment of long-term loans	-	(8,132,400)	-	-
Dividend paid	-	(198,952,394)	-	(198,952,394)
<b>Net cash flows used in financing activities</b>	<b>(1,015,052,801)</b>	<b>(1,372,538,454)</b>	<b>(410,756,206)</b>	<b>(286,918,265)</b>
<b>Translation adjustments</b>	<b>(3,972,084)</b>	<b>14,895,158</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>75,270,973</b>	<b>107,505,318</b>	<b>210,470,734</b>	<b>(61,041,270)</b>
Unrealised gain on exchange of cash and cash equivalents	1,108,497	594,844	-	-
Cash and cash equivalents at beginning of year	577,442,317	469,342,155	145,796,408	206,837,678
<b>Cash and cash equivalents at end of year</b>	<b>653,821,787</b>	<b>577,442,317</b>	<b>356,267,142</b>	<b>145,796,408</b>
<b>Supplemental cash flows information</b>				
Non-Cash transactions:				
Acquisition of assets through financial lease	4,287,000	4,315,000	2,858,000	4,315,000

The accompanying notes are an integral part of the financial statements.

## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

### 1. General information

#### 1.1 Corporate information

Charoeng Thai Wire and Cable Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand and its principal activity is the manufacture and distribution of electric wire and cables and telephone cables. Its registered office is located at 1093/71 Central City Tower, 12A Floor, Bangna-trad Road, Bangna, Bangkok.

### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

#### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Charoeng Thai Wire and Cable Public Company Limited ("the Company") and the following subsidiary companies ("the Subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			2009	2008	2009	2008	2009	2008
			Percent	Percent	Percent	Percent	Percent	Percent
CTW - Beta Co., Ltd.	Investment & Holding Company	Thailand	100	100	2.41	2.05	-	-
Siam Fiber Optics Co., Ltd.	Manufacturer and distributor of fiber optic cables	Thailand	100	100	3.93	3.70	3.64	1.49
Siam Pacific Electric Wire and Cable Co., Ltd.	Manufacturer and distributor of wire and cable products, and enameled copper wires	Thailand	100	100	45.39	39.44	23.02	22.50
Pacific-Thai Electric Wire and Cable Co., Ltd. (Held by subsidiary)	Manufacturer and distributor of enameled copper wires	Thailand	100	100	17.76	35.49	21.30	26.48
Shanghai Yayang Electric Co., Ltd. (Held by subsidiary 78%)	Manufacturer and distributor of enameled copper wires	China	93	93	9.72	8.99	16.60	15.18

b) Subsidiaries are fully consolidated as the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.

d) The financial statements of Shanghai Yayang Electric Company Limited which is the overseas subsidiary were audited by other auditor in overseas. As at 31 December 2009 and 2008, the financial statements reflected total assets approximately Baht 460.3 million and Baht 521.6 million, respectively. Total revenues and net loss for the year ended 31 December 2009 of approximately Baht 829.0 million and Baht 5.2 million, respectively (for the year ended 31 December 2008 total revenues of approximately Baht 1,294.7 million and net loss of Baht 32.8 million, respectively).

e) The financial statements of the overseas subsidiary company are translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences are shown under the caption of "Translation adjustment" in shareholders' equity.

f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

g) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

2.3 The separate financial statements, which present investments in subsidiary and associated companies presented under the cost method, have been prepared solely for the benefit of the public.



## Notes to consolidated financial statements For the years ended 31 December 2009 and 2008

### 3. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions issued Notification No. 12/2552, assigning new numbers to Thai Accounting Standards that match the corresponding International Accounting Standards. The numbers of Thai Accounting Standards as referred to in these financial statements reflect such change.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

#### 3.1 Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for the Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007) Impairment of Assets

TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that TFRS 5 (revised 2007), Accounting Treatment Guidance for leasehold right and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007) and TAS 36 (revised 2007) do not have any significant impact on the financial statements for the current year.

#### 3.2 Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allow early adoption by the entity before the effective date.

The management of the Company has assessed the effect of these standards and believes that TAS 20 and TAS 40 are not relevant to the business of the Company, while TAS 24 (revised 2007) will not have any significant impact on the financial statements for the year in which it is initially applied.

### 4. Significant accounting policies

#### 4.1 Revenue recognition

##### Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

##### Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

##### Dividends

Dividends are recognised when the right to receive the dividends is established.

#### 4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

#### 4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

### 4.4 Inventories

Finished goods and work in process are valued at the lower of average cost and net realisable value. Average cost includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

### 4.5 Investments

a) Investments in available-for-sale securities are stated at fair value. Changes in the carrying amounts of securities are recorded as separate items in shareholders' equity until the securities are sold, when the changes are then included in determining income.

b) Investments in non-marketable equity securities, which the Company and its subsidiaries classify as other investments, are stated at cost net of allowance for impairment (if any).

c) Investment in associated company is accounted for in the consolidated financial statements using the equity method.

d) Investments in subsidiary and associated companies are accounted for in the separate financial statements using the cost method net of allowance for impairment (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

The weighted average method is used for computation of the cost of investments.

### 4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	20	years
Building improvement	5 - 20	years
Machinery and equipment	5 - 10	years
Furniture, fixtures and office equipment	5 - 10	years
Motor vehicles	5 - 10	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

### 4.7 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

### 4.8 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

### 4.9 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date.

Gains and losses on exchange are included in determining income.

### 4.10 Impairment of assets

At each reporting date, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated

## Notes to consolidated financial statements For the years ended 31 December 2009 and 2008

future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

### 4.11 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

### 4.12 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### 4.13 Income tax

Income tax is provided in the accounts based on the taxable profits determined in accordance with tax legislation.

### 4.14 Derivatives

#### Forward exchange contracts

The Company and its subsidiaries enter into forward exchange contracts to reduce their exposure to exchange rate risk. The Company and its subsidiaries record such forward exchange contracts at fair value, with changes in fair value being recognised in shareholders' equity and/or the income statements.

## 5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

### Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### Allowance for diminution in value of inventories

In determining allowance for diminution in the value of inventories, the management exercises judgment in estimating the net realisable value of inventory based on the amount the inventories are expected to realise. These estimates are based on estimates of selling prices, which take into account events occurring after the end of the period, estimates of related costs and expenses or estimates of replacement cost of the raw materials.

### Impairment of equity investments

The Company and its subsidiaries treat available-for-sale equity investments and other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

### Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of plant and equipment of the Company and its subsidiaries and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

### 6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2009	2008	2009	2008	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	-	0.7	Market price
Sales of raw materials	-	-	15.8	49.0	Cost plus margin
Fabrication income	-	-	22.5	32.4	Market price
Purchases of raw materials	-	-	3.0	60.6	Market price
Management fee income	-	-	32.5	32.4	Contract price
Service income	-	-	7.8	7.8	Contract price
Rental income	-	-	4.9	4.9	Contract price
Electric income	-	-	2.1	2.5	At cost
Fabrication cost	-	-	-	2.0	Market price
<u>Transactions with related companies</u>					
Sales of goods	143.3	180.5	132.6	180.5	Market price
Purchases of goods	446.0	46.8	-	-	Market price
Fabrication cost	33.0	48.4	33.0	48.4	Market price
Management fee expense	3.7	2.1	2.1	2.1	Contract price
Dividend income	2.3	3.4	2.3	3.4	Announced rate

As at 31 December 2009 and 2008, the balances of the accounts between the Company and those related companies are as follows:

#### 6.1 The outstanding balances of trade accounts receivable of related parties consist of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
<b>Subsidiaries</b>				
Siam Fiber Optics Company Limited	-	-	14,097	71,185
Siam Pacific Electric Wire and Cable Company Limited	-	-	4,300,407	5,058,455
Pacific-Thai Electric Wire and Cable Company Limited	-	-	3,632,928	5,963,598
<b>Related companies</b>				
Italian Thai Development Public Company Limited (shareholder)	57,311,605	108,548,678	51,938,056	89,812,743
Ital Thai Engineering Company Limited (common director)	7,373,454	3,616,406	7,373,454	3,616,406
Total trade accounts receivable of related parties	64,685,059	112,165,084	67,258,942	104,522,387

## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

### 6.2 The outstanding balance of other account receivable - subsidiary company consists of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Siam Fiber Optics Company Limited	-	-	4,324,491	3,947,313
Total other account receivable - subsidiary company	-	-	4,324,491	3,947,313

### 6.3 The outstanding balance of long-term loans to subsidiary company consists of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
CTW - Beta Company Limited				
Loans	-	-	540,939,499	540,939,499
Add: Accrued interest	-	-	96,173,806	96,173,806
Total	-	-	637,113,305	637,113,305
Less: Allowance for doubtful accounts	-	-	(523,049,411)	(518,483,215)
Total long-term loans to subsidiary company - net	-	-	114,063,894	118,630,090

### 6.4 The outstanding balances of trade accounts payable - related parties consist of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
<b>Subsidiaries</b>				
Siam Pacific Electric Wire and Cable Company Limited	-	-	-	6,725,592
<b>Related companies</b>				
Pacific Electric Wire and Cable Company Limited (Shareholder)	1,279,554	-	-	-
Thai Metal Processing Co., Ltd. (Held by the Company)	3,630,102	954,237	3,630,102	954,237
Fujikura Limited (Shareholder of subsidiary company)	-	10,321,955	-	-
Total trade accounts payable - related parties	4,909,656	11,276,192	3,630,102	7,679,829

### 6.5 The outstanding balance of other account payable - related company consists of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Pacific Electric Wire and Cable Company Limited (Parent company)	1,176,029	-	478,343	-
Total other account payable - related company	1,176,029	-	478,343	-

## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

### 6.6 The outstanding balances of short-term loans from related parties consist of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
<b>Related companies</b>				
Moon View Ventures Ltd. (Indirect shareholder)	6,526,344	6,831,195	-	-
Trigent Investment Holdings Co., Ltd. (Shareholder)	116,025,000	116,025,000	-	-
Total short-term loans from related parties	122,551,344	122,856,195	-	-

### 6.7 The movements of long-term loans to subsidiary company were as follows:

(Unit: Baht)

	Balance as at 1 January 2009	Addition	Repayment	Total balance as at 31 December 2009
CTW - Beta Co., Ltd.	540,939,499	-	-	540,939,499

Long-term loans due from subsidiary company were loans in the form of at call on demand promissory notes bearing interest at the rate of time deposit-12 months of the commercial bank. During the year 2006, the Company ceased to calculate the said interest because of the uncertainty in receiving repayments. The Company considered adjusting the allowance to be at the anticipated repayment amount.

### 6.8 The movements of loans from related parties were as follows:

	Currencies	Balance as at 1 January 2009	Addition	Repayment	Total balance as at 31 December 2009
<b>Related companies</b>					
Moon View Ventures Ltd.	USD	194,719	-	-	194,719
Trigent Investment Holdings Co., Ltd.	Baht	116,025,000	-	-	116,025,000

Short-term and long-term loans of two subsidiary companies were from overseas related companies without any interest charged.

#### Directors and management's remuneration

In 2009 and 2008 the Company and its subsidiaries paid salaries, bonus, meeting allowances and gratuities to their directors and management totaling Baht 68.1 million and Baht 68.0 million, respectively (Separate financial statements: Baht 45.0 million, 2008: Baht 54.0 million).

#### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 23.4.

## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

### 7. Trade accounts and notes receivable

The balances of trade accounts receivable as at 31 December 2009 and 2008, aged on the basis of due dates, are summarised below.

Age of receivables	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Not yet due	1,192,623,036	1,582,594,629	496,723,609	803,470,673
Past due				
Up to 3 months	160,070,382	184,438,013	91,874,558	57,603,218
3 - 6 months	64,486,196	75,447,043	23,603,692	14,244,414
6 - 12 months	27,648,706	228,441,445	4,583,478	-
Over 12 months	383,233,542	212,512,955	9,160,781	9,612,582
Total	1,828,061,862	2,283,434,085	625,946,118	884,930,887
Less: Allowance for doubtful debts	(158,899,548)	(165,138,966)	(13,000,000)	(17,000,000)
Trade accounts and notes receivable - net	1,669,162,314	2,118,295,119	612,946,118	867,930,887

During the year 2009 and 2008, the Company and its subsidiaries written off bad debt and reversed the related allowance for doubtful accounts amounting to Baht 2.3 million and Baht 30.2 million, respectively (Separate financial statements: Baht 1.3 million, 2008: Baht 25.5 million).

As at 31 December 2009, balances of trade accounts and notes receivable in the consolidated financial statements include an account receivable from A.S. Associated Engineering (1964) Co., Ltd. amounting to Baht 355.0 million. This balance has been outstanding in the books of a subsidiary for an extended period of time. Currently, this company has pledged securities totaling Baht 136.8 million with the subsidiary. However, the subsidiary has provided allowance for doubtful debt of Baht 90 million on this receivable, of which the management believes that this amount is adequate under the current circumstances.

### 8. Inventories

	(Unit: Baht)							
	Consolidated financial statements							
	Cost		Allowance for diminution in value of inventory				Inventory-net	
			Reduction cost to net realisable value		Inventory obsolescence			
2009	2008	2009	2008	2009	2008	2009	2008	
Finished goods	447,804,859	624,731,228	(6,103,709)	(87,050,826)	(8,114,312)	(7,216,612)	433,586,838	530,463,790
Work in process	321,281,486	454,578,338	(11,163,009)	(111,253,914)	(3,036,589)	(2,683,707)	307,081,888	340,640,717
Raw materials and supplies	255,294,153	909,625,132	-	(318,958,047)	(8,042,867)	(5,138,554)	247,251,286	585,528,531
Goods in transit	86,826,160	199,481,833	-	(55,506,391)	-	-	86,826,160	143,975,442
Total	1,111,206,658	2,188,416,531	(17,266,718)	(572,769,178)	(19,193,768)	(15,038,873)	1,074,746,172	1,600,608,480

	(Unit: Baht)							
	Separate financial statements							
	Cost		Allowance for diminution in value of inventory				Inventory-net	
			Reduction cost to net realisable value		Inventory obsolescence			
2009	2008	2009	2008	2009	2008	2009	2008	
Finished goods	235,200,587	333,729,543	(5,894,510)	(14,017,601)	(6,060,000)	(5,000,000)	223,246,077	314,711,942
Work in process	181,645,536	314,644,101	(8,863,009)	(81,877,015)	-	-	172,782,527	232,767,086
Raw materials and supplies	132,277,139	649,646,569	-	(252,902,047)	(3,340,000)	(3,400,000)	128,937,139	393,344,522
Goods in transit	24,366,870	125,434,770	-	(55,506,390)	-	-	24,366,870	69,928,380
Total	573,490,132	1,423,454,983	(14,757,519)	(404,303,053)	(9,400,000)	(8,400,000)	549,332,613	1,010,751,930

## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

### 9. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Baht)

Company's name	Paid-up capital		Cost		Dividend received during the year	
	2009	2008	2009	2008	2009	2008
	Siam Fiber Optics Company Limited	240,000,000	240,000,000	143,999,940	143,999,940	-
Siam Pacific Electric Wire and Cable Company Limited	670,000,000	670,000,000	1,067,703,066	1,067,703,066	-	-
Shanghai Yayang Electric Company Limited	288,886,209	288,886,209	41,110,000	41,110,000	-	-
CTW - Beta Company Limited	100,000	100,000	99,930	99,930	-	-
Total			1,252,912,936	1,252,912,936	-	-
Less: Allowance for impairment of investments			(48,163,060)	(37,233,717)		
Total investments in subsidiaries - net			1,204,749,876	1,215,679,219		

### 10. Investment in associated company

#### 10.1 Details of associated company:

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Shareholding percentage		Cost		Carrying amounts based on equity method			
			2009	2008	2009	2008	2009	2008		
			(%)	(%)						
Loxley Pacific Co., Ltd.	Providing telecommunication service	Thailand	24.56	24.56	379,245,710	379,245,710	113,522,916	117,924,653		
Total					379,245,710	379,245,710	113,522,916	117,924,653		

#### 10.2 Share of loss and dividend received

During the year, the Company has recognised its share of net loss from investment in associated company in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of loss from investment in associated company during the year		Dividend received during the year	
	2009	2008	2009	2008
Loxley Pacific Company Limited	4,401,737	6,509,155	-	-
Total	4,401,737	6,509,155	-	-

#### 10.3 Summarised financial information of associated company

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Net loss	
	as at 31 December		as at 31 December		as at 31 December		for the year ended		for the year ended	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Loxley Pacific Company Limited	700	700	497	519	34	38	81	38	(18)	(26)

These financial statements included investment in associated company which based on the audited financial statements by other auditor. This associated company invested mainly through its subsidiary established in the Democratic People's Republic of Korea, which often has political instability, and recorded investment in that subsidiary company by cost method.





## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

(Unit: Thousand Baht)

	Separate financial statements							Total
	Land	Buildings	Building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
<b>Cost</b>								
As at 31 December 2008	149,013	422,474	66,308	1,494,863	187,042	32,777	48,430	2,400,907
Additions	-	-	-	59	1,221	3,870	28,064	33,214
Disposals	-	-	-	(4)	(420)	(1,556)	-	(1,980)
Transfers	-	8,850	-	51,493	31	-	(60,374)	-
As at 31 December 2009	149,013	431,324	66,308	1,546,411	187,874	35,091	16,120	2,432,141
<b>Accumulated depreciation:</b>								
As at 31 December 2008	-	(265,138)	(59,046)	(1,419,714)	(176,457)	(20,217)	-	(1,940,572)
Depreciation for the year	-	(21,383)	(3,000)	(15,917)	(4,023)	(4,085)	-	(48,408)
Depreciation on disposals	-	-	-	1	416	676	-	1,093
As at 31 December 2009	-	(286,521)	(62,046)	(1,435,630)	(180,064)	(23,626)	-	(1,987,887)
<b>Net book value:</b>								
31 December 2008	149,013	157,336	7,262	75,149	10,585	12,560	48,430	460,335
31 December 2009	149,013	144,803	4,262	110,781	7,810	11,465	16,120	444,254
<b>Depreciation for the year</b>								
2008 (Baht 46.7 million included in manufacturing cost, and the balance in administrative expenses)								53,643
2009 (Baht 41.4 million included in manufacturing cost, and the balance in administrative expenses)								48,408

As at 31 December 2009 and 2008, the Company had vehicles under finance lease agreements with net book values amounting to Baht 10.6 million and Baht 9.7 million, respectively (The Company only: Baht 9.2 million, 2008: Baht 9.7 million).

As at 31 December 2009 and 2008, certain plant and equipment items had been fully depreciated but were still in use. The original cost of those assets amounted to approximately Baht 2,856.7 million and Baht 2,712.9 million, respectively (The Company only: Baht 1,632.3 million, 2008: Baht 1,569.2 million).

As at 31 December 2009, the Company and its subsidiaries have pledged assets amounting to approximately Baht 136.3 million and RMB 10.4 million (2551: Baht 158 million and RMB 11 million, respectively) as collateral against credit facilities received from financial institutions.

### 13. Bank overdrafts, short-term loans from financial institutions and trust receipts

Bank overdrafts, short-term loans from financial institutions and trust receipts are secured by pledged fixed deposits and certificates of deposits by two subsidiaries and by the mortgaged land, building and pledged of machinery by two subsidiaries and secured by subsidiaries and related companies.

### 14. Liabilities under finance lease agreements

(Unit: Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2009	2008	2009	2008
Liabilities under finance lease agreements	7,724,765	7,521,401	6,441,917	7,521,401
Less: Deferred interest expenses	(734,257)	(665,860)	(573,838)	(665,860)
Total	6,990,508	6,855,541	5,868,079	6,855,541
Less: Portion due within one year	(2,803,795)	(3,040,957)	(2,545,101)	(3,040,957)
Liabilities under finance lease agreements - net of current portion	4,186,713	3,814,584	3,322,978	3,814,584

## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

The Company and its subsidiary have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years. Finance lease agreements can not be cancelled.

As at 31 December 2009, Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	Less than 1 year	1 - 4 year	Less than 1 year	1 - 4 year
Future minimum lease payments	3,187,350	4,537,415	2,859,814	3,582,103
Deferred interest expenses	(383,555)	(350,702)	(314,713)	(259,125)

### 15. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

### 16. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Raw materials and consumables used and purchase finished goods	3,192.3	5,856.7	1,377.0	2,273.3
Changes in finished goods and work in progress	310.2	373.5	231.5	46.8
Salary and wages and other employee benefits	328.9	365.4	182.9	204.8
Packing expenses	46.0	88.6	43.5	84.9
Utility expenses	116.9	138.3	35.8	47.6
Repair and maintenance expenses	29.7	48.8	22.3	40.2
Depreciation and amortisation	155.6	184.6	48.4	53.6
Commission expenses	29.2	48.0	21.6	36.3
Bad debts	2.3	30.2	1.3	25.4
Allowance for doubtful accounts (reversal)	(6.2)	43.7	0.6	(23.6)
Allowance on diminution in value of inventories (reversal)	(551.6)	551.2	(388.5)	399.7
Loss (gain) on exchange	(4.0)	52.0	1.1	29.0

### 17. Corporate income tax

Corporate income tax was calculated on income before income tax for the year, after adding back expenses which are disallowable for tax computation purposes and excluding certain reversals of allowances that are not deemed to be taxable income.

### 18. Addition corporate income tax assessment

In year 2004, an additional corporate income tax assessment amounting to approximately Baht 11.0 million was made against the Company in respect of the years 1998 and 1999. The Company lodged an appeal against the assessment on 15 December 2004, and in May 2008, the Tax Appeals Committee passed a resolution dismissing the Company's appeal. As a result, the Company had to pay additional tax amounting to Baht 3.9 million and surcharges amounting to Baht 3.5 million, or a total of Baht 7.4 million. The Company paid the additional tax on 20 May 2008.

### 19. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net income (loss) for the year by the weighted average number of ordinary shares in issue during the year.

## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

### 20. Segment information

The business of the Company and its subsidiaries mainly involve the single industry segment of the manufacture and distribution of wire and cable product and are mainly carried on in Thailand and the People's Republic of China. Financial information of the Company and its subsidiaries by geographical segment, for the years ended 31 December 2009 and 2008 by segment.

(Unit: Million Baht)

	Domestic Segment		Foreign segment		Elimination of inter-segment revenues		Consolidation	
	2009	2008	2009	2008	2009	2008	2009	2008
Sale - unrelated parties	3,978	7,017	829	1,294	-	-	4,807	8,311
Sale - related parties	205	370	-	-	(62)	(190)	143	180
Total	4,183	7,387	829	1,294	(62)	(190)	4,950	8,491
Gross profit	565	(23)	35	8	-	-	600	(15)

(Unit: Million Baht)

	Domestic Segment		Foreign segment		Elimination of inter-segment revenues		Consolidation	
	2009	2008	2009	2008	2009	2008	2009	2008
Property, plant and equipment	1,006	826	114	133	(277)	-	843	959
Trade accounts and notes receivable - net	1,458	2,005	219	152	(8)	(39)	1,669	2,118
Inventories - net	1,004	1,515	71	86	-	-	1,075	1,601
Other assets							1,148	1,123
Total assets							4,735	5,801

Transfer prices between business segments are described in Note 6.

### 21. Provident fund

The Company together with its two subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees, the Company and the subsidiaries contribute to the fund monthly at the rate of 5 percent of basic salary. The fund of the Company, which is managed by Bank of Ayudhya Public Company Limited and the funds of the subsidiaries, which are managed by Bangkok Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2009 and 2008, the Company and the subsidiaries contributed Baht 6.3 million and Baht 6.3 million, respectively to the fund. (the Company only: Baht 3.9 million and Baht 4.1 million, respectively).

### 22. Dividends

(Unit: Baht)

Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2007	Annual General Meeting of the shareholders on 22 April 2008	198,952,394	0.50
Total for 2008		198,952,394	0.50

### 23. Commitments and contingent liabilities

#### 23.1 Capital commitments

As at 31 December 2009, the subsidiaries had capital commitments of approximately Baht 5.7 million, relating to the installation of equipment and acquisition of machinery.

#### 23.2 Service comments

As at 31 December 2009, the Company and the subsidiary company had comments in respect of service as follows:

## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

	Unrelated parties (Million Baht)	Related party (Thousand USD)
Payable within:		
1 year	1.2	130.7
2 to 3 years	-	216.1

### 23.3 Commitment to purchase raw materials

As at 31 December 2009, the Company and its subsidiaries had contractual commitments to purchase raw materials approximately 10,500 - 12,900 metric tons (the Company only approximately 3,300 metric tons).

### 23.4 Guarantee

a) As at 31 December 2009, the Company and two subsidiary companies had guarantee obligations for bank credit lines of four subsidiary companies and related company at approximately Baht 75 million and USD 10.3 million (2008: Baht 480 million, RMB 7 million and USD 7.3 million).

b) As at 31 December 2009, two subsidiary companies had commitments to provide cross guarantees for credit lines at the total of approximately Baht 1.9 billion and USD 4 million (2008: Baht 1.8 billion and USD 7 million).

c) As at 31 December 2009 and 2008, the Company and its subsidiary companies had outstanding bank guarantees of approximately Baht 491.4 million and Baht 740.2 million respectively (The Company only: Baht 461.7 million, 2008: Baht 700.7 million). The guarantees were issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the ordinary course of the business of the Company and its subsidiaries.

## 24. Financial instruments

### 24.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivable. The Company manages the risk by adopting appropriate credit control policies and procedures. In addition, the Company sold goods to credit worthiness customer such as state enterprise and government agency and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the balance sheet.

#### Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

#### Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2009 are summarised below.

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate as at 31 December 2009 (Baht per 1 foreign currency unit)
US dollar	5.7	22.8	33.3688

The Company and its subsidiary companies had no foreign exchange contracts outstanding at 31 December 2009.

## Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

### 24.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

### 25. Capital management

The primary objectives of the Company's capital management are to ensure that it has an appropriate financing structure and preserves the ability to continue its business as a going concern.

### 26. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2008 have been reclassified to conform to the current year's classification but with no effect to previously reported net loss or shareholders' equity. The reclassifications are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Allowance for diminution in value of inventory	551,196,731	573,532,731	399,703,053	404,303,053
Administrative expenses	282,494,286	326,203,377	106,973,701	156,332,409
Management's remuneration	68,013,498	-	53,958,708	-

### 27. Approval of financial statements

These financial statements were authorised for issue by the authorised director of the Company on 25 February 2010.

## Fee to the Auditor

### 1. Audit fee

The Company and its subsidiaries paid audit fee to :

- The Company's auditor for the year 2009 totaling Baht 4,300,000.
- Other than the Company's auditor but, related individual or related company of the Company's auditor for the year 2009 totaling Baht 0.

### 2. Non-audit fee

The Company and its subsidiaries no paid non-audit fee.



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