

Annual Report

2010

Charoeng Thai Wire & Cable Public Company Limited



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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 589/71 Central City Tower 12A Floor, Bangna-Trad Road, Bangna, 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 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 19 January 2011, it had paid-up capital in the amount of Baht 1,989,531,420.

Vision

1. Persistently seeking ways to improve the production efficiency and quality.
2. Persistently developing innovative product and exploring the new market.
3. Persistently maintaining as the first tier cable manufacturer in Thailand.

Mission

1. Providing highest quality product and service for customers.
2. Producing decent profit with consistency for shareholders.
3. Providing safe and secure working environment for staffs.

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 Ouannunkun, 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

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 : 589/71 Central City Tower Fl. 12 A, Bangna-Trad Rd., 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), Wujiao 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 Soonthornkosa 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 : 22 nd 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 : * The liquidation is currently in progress. ** Voting Rights. *** It is currently inactive.

Financial Highlights for 2008 - 2010

Financial Information of the Company and its subsidiaries for 2008 - 2010

For the year ended December 31

(Unit : Million Baht)

	2010	2009	2008
OPERATING RESULTS			
Total Revenues	7,933.05	4,994.85	8,531.53
Revenue from Sales	7,812.94	4,950.12	8,491.08
Selling Expenses	130.29	80.12	116.04
Administrative Expense	140.09	119.20	282.49
Total Expenses	7,177.90	4,619.74	8,972.95
Net Income (Loss)	545.71	304.33	(624.86)
Earning (Loss) per Share (Baht)	1.36	0.76	(1.57)
Par Value (Baht/Share)	5.00	5.00	5.00
FINANCIAL POSITION			
Current Assets	5,375.49	3,443.68	4,388.33
Total Investments	39.24	139.57	142.81
Property, Plant and Equipment-Net	762.92	859.83	978.11
Total Assets	6,461.98	4,735.50	5,801.07
Current Liabilities	2,361.62	1,216.51	2,572.14
Total Liabilities	2,372.75	1,220.70	2,575.95
Equity attributable to CTW's Shareholders	3,970.20	3,429.64	3,133.07
Total Shareholders' Equity	4,089.23	3,514.80	3,225.12
Book Value (Baht/Share)	10.28	8.83	8.11
FINANCIAL RATIO			
Current Ratio (times)	2.28	2.83	1.71
Quick Ratio (times)	1.62	1.91	1.05
Gross Profit (%)	13.92	12.09	0.18
Net Profit (Loss) (%)	6.88	6.09	(7.32)
Return on Equity (%)	14.75	9.27	(17.68)
Debt to Equity Ratio (times)	0.58	0.35	0.80
Return on Assets (%)	9.75	5.78	(9.28)
Total Assets Turnover Ratio (times)	1.42	0.95	1.27

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 to 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	2010		2009		2008	
			Revenue	%	Revenue	%	Revenue	%
Manufacturing / Revenue	Charoong Thai Wire & Cable Plc.		2,611.38	32.92	1,828.17	36.60	3,084.29	36.15
	Siam Fiber Optics Co., Ltd.	60.00	574.46	7.24	181.62	3.63	127.09	1.49
	Siam Pacific Electric Wire & Cable Co., Ltd.	100.00	2,071.94	26.12	1,107.13	22.17	1,848.84	21.67
	Pacific-Thai Electric Wire & Cable Co., Ltd.	100.00	1,375.44	17.34	1,048.99	21.00	2,176.66	25.51
	Shanghai Yayang Electric Co., Ltd.	92.91	1,299.83	16.38	828.95	16.60	1,294.66	15.18
Investment / Revenue	CTW-Beta Co., Ltd.	100.00	-	-	-	-	-	-
Total			7,933.05	100.00	4,994.86	100.00	8,531.54	100.00

(Expressed in Million Baht)

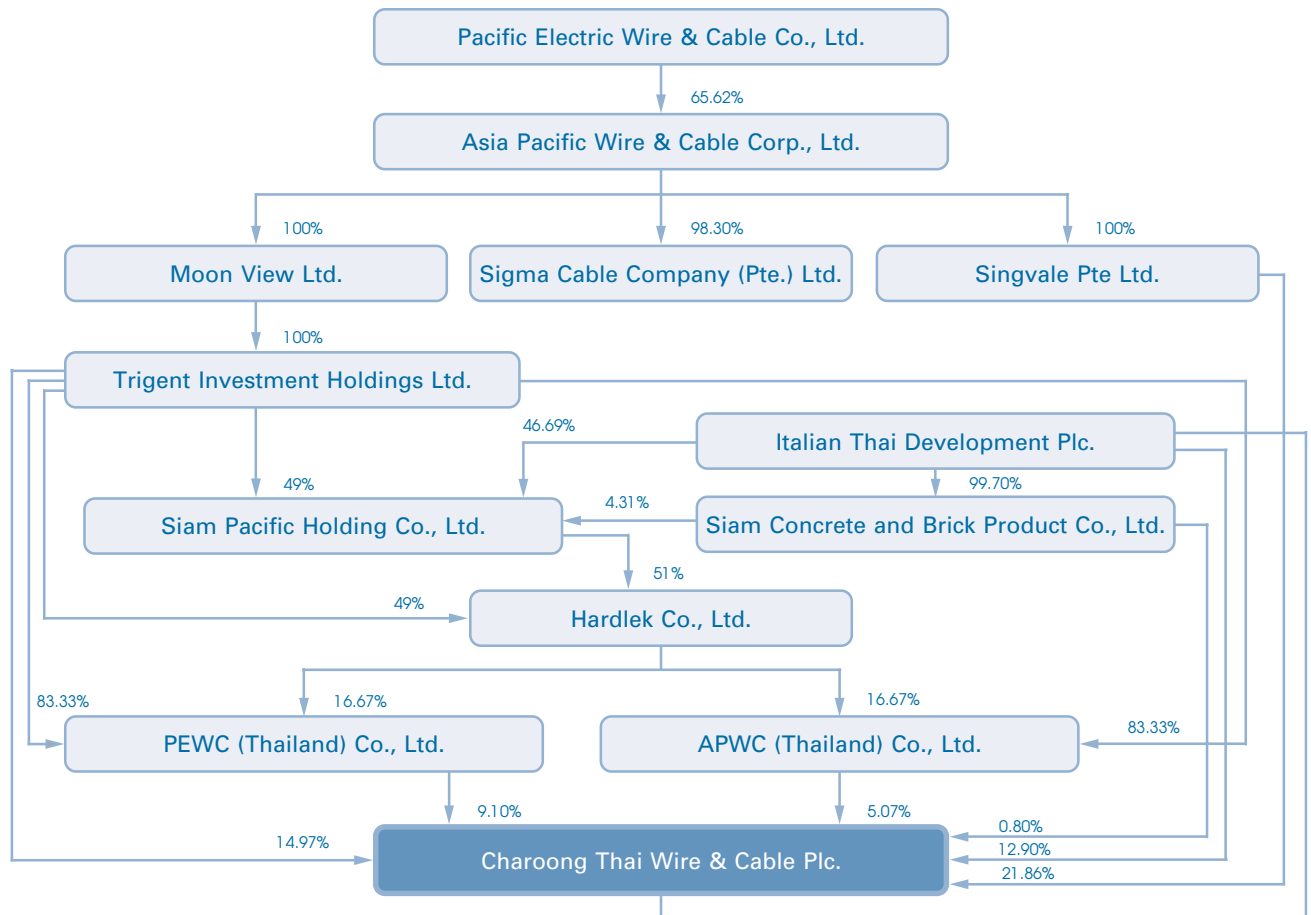
Product Line / Business Category	By	% of Investment	2010	2009	2008
Telecommunication* / Revenue	Loxley Pacific Co., Ltd.	24.56	29.83	81.29	37.85

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

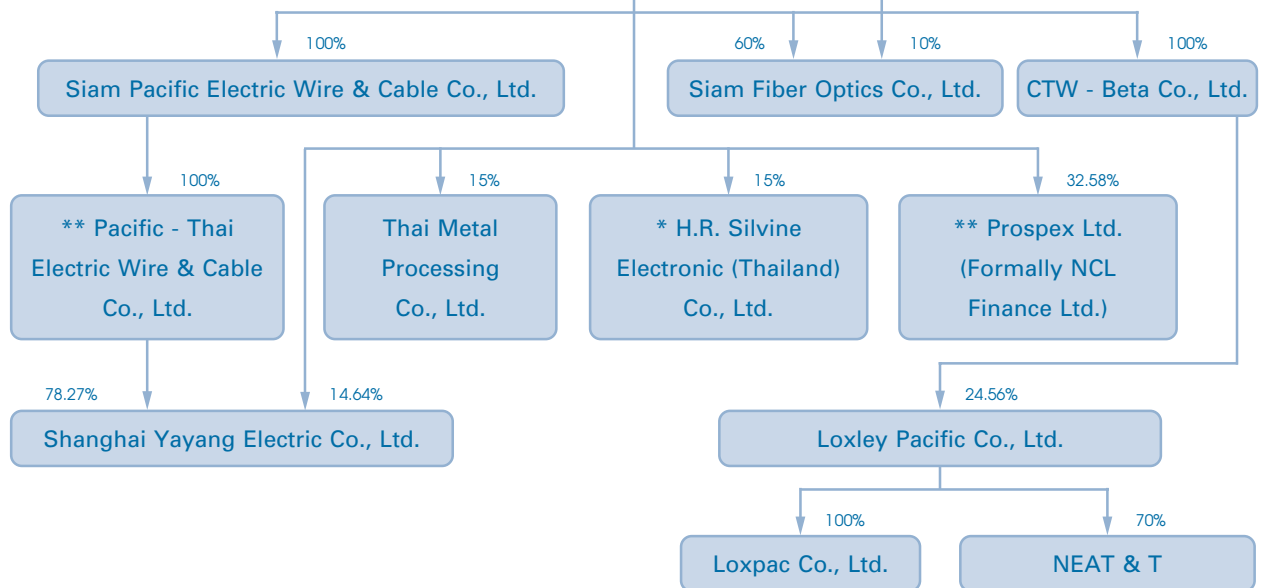
Nature of Business

Shareholding Structure of the Company Group

Parent Group Structure (as at 1 March 2011)



Company Group Structure



* It is currently inactive.

** The liquidation is currently in progress.

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 follows:

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 (%) 2010	Description
Aluminium electrical wire	4.37	- ACSR1272 - AAC - PVC Insulated Aluminium Cable
Copper electrical wire	13.71	- Building Wire (THW, NYY, VSF) - Bare Copper
High voltage power cable	11.35	- Space Aerial - XLPE Copper Cable 12/20 KV, 24 KV, 115 KV
Telephone cable	15.43	- Self-Supporting Drop Wire - Figure 8 Alpeth - PE Alpeth - Foam/Skin Alpeth

Nature of Business

Product	Sales (%) 2010	Description
Fiber optic cable	7.26	- Single/Multi Fiber optics
Enameled Wire	47.88	- Enameled Copper Wire
Total	100.00	

Most of the Company's products in the manufacturing group, Enameled Wires are sold to the private sectors and export. In regard to Electrical Wires and Cable, and Fiber Optic Cables are sold to state enterprises such as Electricity Generating Authority of Thailand (EGAT), Provincial Electricity Authority (PEA), Metropolitan Electricity Authority (MEA) 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) etc.. Furthermore, its products also received many product certificates from Thai Government and other credible 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.

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, the country's overall economic has signaled a better adaptation consisted, with the government has implemented certain stimulus package in many aspects, thus resulting in the increase investments both public and private sectors. As a result, the company's operating results could meet the target and achieve success although it faced intense competition and key material price fluctuation such as aluminum, copper and oil. The price of such raw materials has been consistently fluctuated. However, the Company could win a bid for mega projects. Although, the product cost would increase, but it has still maintained product standard and production efficiency and focused to reduce the unnecessary expenses. In regard to SPEWC, it has improved the selling price according to the market mechanics have higher selling prices of the market mechanism.

3. Place

The Company goal is always to expand its wire and cable products across the country so to increase its market share. Its sales mainly focus on electrical contractors and existing distributors as well as new distributors with high potential. It has aggressively expanded on bidding more projects such as Rapid Transit Projects (Purple Line, Blue Line and Red Line) Airport Link project, Sattahip Naval Base project, Bridge across the Mekong River project, BTS Sukhumvit Line (Bearings) project etc., as well as continue to increase distribution channels through the mall retailers large (Modern Trade), such as Homeworks, Home Pro etc. for more well-known the Company's products.

Nature of Business

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 its factory as witness on 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 provinces for group customers, and provides the Company's products samples to wider their knowledge on its products and brand name.

In regard to export to overseas, especially in Vietnam, Malaysia, Australia and Lao market, the Company has still faced the competition from other foreign manufacturers who have lower labor cost, the its export has been decreased.

SFO has been certified environmental management system ISO 14001: 2000. It regularly provides the customers Guide Material Safety Data Sheets (Guide MSDS) concerning the proper use or handling of optic fiber cable correctly and securely regard to environmental protection.

B). Market Share and Competition

Aluminum electrical wire

Economic situation of the country has signaled a better adaptation since the beginning of the year as the government has implemented certain stimulus package in many aspects such as Strengthening Thailand Project which allows public and private sectors to expand the works under several project and thus resulting in the increase of domestic demand for electrical cable. The aluminum wire market has experienced intense competition from both domestic and foreign manufacturer while material price has been consistently fluctuated.

Copper electrical wire

Copper electrical wire market situation has faced intense price competition along with material and oil price fluctuation. The government has implemented various economic stimulating measures relating to real estate and allowing private companies to continually expand their new projects e.g. house estate development, condominium, shopping mall and hospital etc. which enable the Company to benefit more from such increasing amount of project.

High voltage power cable

Although, High voltage power cable market was similar to Aluminum electrical wire market, but for most of the High voltage power cable market, the Company will be OEM for state enterprises.

Telephone cable

Presently, the demand for copper telephone cable has decreasingly grown as there are alternate products resulting from technology changes, that is, fiber optic cable and wireless communication e.g. various mobile phone systems in which many service providers have entered into the market with continually numerous and extensive service types. It can be said that the Company continues to be able to sell telephone cable via 3 channels as follows:

1. The buyer buys it to replace the old one needed to be changed due to expiry schedule.
2. The buyer uses it for extending its VOICE networks the volume of which has decreased consistently.
3. The buyer uses it for new service settings e.g. ADSL hi-speed internet.

From the decreasing demand while number of competitors is still the same, the Company has implemented certain strategies to maintain its sales volume by contacting existing customers via the existing sale channel and trying to reach new customer groups who are service providers of hi-speed internet. During the year 2010, the company secured certain number of purchase orders from this latter customer group.

Nature of Business

Fiber optic cable

Presently, there are still only four major domestic manufacturers of fiber optic cable, however, there are lots of foreign manufacturers to compete in Thailand's market since there are free duty tax as well as lower production cost. The domestic manufacturers do fight hard in prices although the Company's production cost usually higher than foreign manufacturers due to the raw materials are mainly imported from offshore. Currently, the Company mainly supplies 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 of the highest quality standard in Thailand. It also obtains standard of United Laboratories Inc. (UL) which is accepted by domestic and overseas electrical manufacturers in the world. SPEWC always emphasized its competitiveness of quality, quick delivery and service, and full responsibilities for the products problem. With intensified competition environment, SPEWC, as per its Policy, has focused more on selling products to targeted customers with real demand for the Company's products (Niche Market). In addition, SPEWC has attempted to attract the existing customers in existing markets and discover new customers in existing markets. It has also tried to discover the new markets both export and domestic markets for better selling price. Presently, SPEWC has developed a cost accounting system for more updated, accurate and timely (Real Time). This will result helping SPEWC to filter customers that can provide it more profit.

1.3 Procurement of Products

A). Manufacturing of products

Plants of CTW and SFO are located at 35/1 and 35/2 Moo 22, Suwintawong Road, Saladaeng Sub-district, Bang Nam Prieo District, Chachoengsao Province, consists of four plants as follows :

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, SPEWC and PTEWC, are located at 8 Moo 5, Tiwanon Road, Banmai Sub-district, Muang District, Pratumtanee Province.

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

Production Capacity and Utilisation Rate :

	Full Capacity (metric tones/year)	Annualised Utilisation Rate (%)		
		2010	2009	2008
<u>CTW</u>				
Aluminium electrical wires	14,400	39	24	50
Copper electrical wires	12,000	39		
	9,600		34	
	7,200			68
Telephone cables (pairs-km)	1,440,000	11	18	10
High voltage power cables	4,800	62	21	46
<u>SPEWC, PTEWC, SFO</u>				
Enameled copper wires	21,600	41	35	54
Power cables	3,600	0.03	0.66	0.06
Communication cables (pairs-km)	2,304,000	17	11	14
Fiber optic cables (km-fiber)	500,000	81	20	22
<u>Shanghai Yayang</u>				
Enameled copper wires	8,400	56	43	53

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 2010, 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 40 suppliers of raw materials, 18 suppliers from domestic and 22 suppliers from overseas.

Raw materials 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 etc.

Insulator (Semi-Insulator) :

There are three types of insulators used in the production process as follows:

- Thermoplastic insulators :
 - Polyvinyl chloride is supplied by domestic suppliers.
 - Polyethylene is supplied by domestic suppliers and imported from oversea suppliers in USA, Japan, Sweden, Belgium, China and UAE 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). During 1996, 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. In 2010, NEAT&T has paid Baht 11.06 million dividends to Loxpac. During 2010, Loxpac starts new Joint Venture name "Star J.V." with KPTC to be the monopoly ISP (Internet Service Provider) in DPRK. The service lunched on 10 October 2010 and operating results through 31 December 2010, Star J.V. paid Baht 2.64 million dividends to Loxpac.

Risk Factors

1 Exposure to the cost of key raw materials

The company's key raw materials used in manufacture 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 the 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 2010 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 foreign exchange forward contracts at the time to issue its L/C (Letter of Credit) 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 from change in manufacturing technology

As the Company's products largely involve power and telecommunication industry which require continual development to correspond rapid change. Changes in manufacturing technology are such as current insulation technology which will coat color on its surface in order to enhance its performance in resistance capacity and to reduce inventory cost for material. For another instance, high voltage aluminum conductor has been improved to get lighter weight at the same size but twice in conductivity. In respect of telecommunication products where hi-speed transmission is required for both visual and audio signal, presently fiber optic cable has been used more to serve these requirements.

Steps taken to mitigate the risk:

The company has prepared itself for risk reduction resulted from change in manufacturing technology by setting up an expert team consisting of engineers, manufacturing staffs and testing staffs to monitor such change in technology with respect to material, machine and testing tools in order to develop and improve the production that can meet the customer's and current market's needs. In addition, to support fiber optic cable for telecommunication industry, the company has set up a subsidiary, Siam Fiber Optic Co., Ltd. to manufacture such products. For traditional copper conductor cable, the company has changed its structure to support hi-speed broadband.

3 Risk factors associated with movements in currency exchange rates

As at 31 December 2010, the Company and its subsidiaries have outstanding liabilities denominate in foreign currencies of USD 47.90 million. In addition, they are also exposure to foreign exchange movements on their foreign subsidiary and associated companies, which the Company seeks to reduce this risk by entering into Forward exchange contracts when it considers appropriate. Generally, the Forward exchange contracts mature within one year. They might be exposed to a significant foreign exchange loss if the Baht moves weaker against USD.

Steps taken to mitigate the risk:

The Company group had entered into forward exchange contracts when it considered appropriate in order to reduce this risk. In addition, it 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%.

4 Risk factors associated with control by major shareholders

There are four major shareholders of CTW that ultimately relate to Pacific Electric Wire & Cable Co., Ltd. group, (PEWC) 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 the 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.

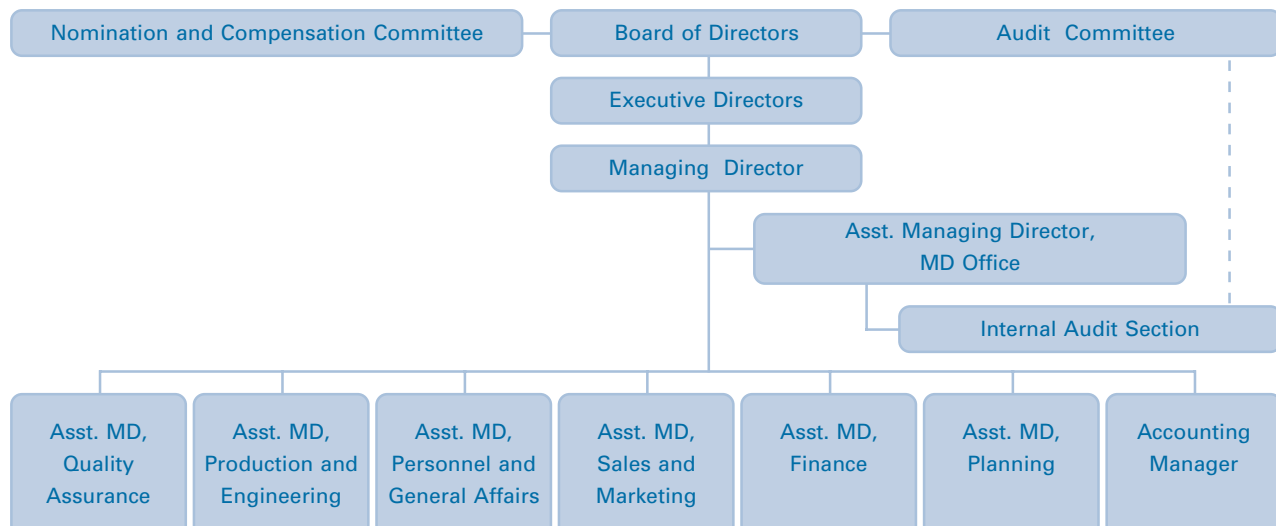
Shareholding and Management Structure

Major Shareholders as at 29th March 2010

Shareholders Group	No. of Shares	% of holding	Notes
<u>Pacific Electric Wire & Cable Co., Ltd. (PEWC) Group</u>			
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
	171,960,684	43.21	
<u>Italian-Thai Development Plc. Group</u>			
5. Italian-Thai Development Plc.	51,327,115	12.90	Domestic Juristic Person
6. Siam Concrete and Brick Products Co., Ltd.	3,188,686	0.80	Domestic Juristic Person
7. Ital Thai Holding Company Ltd.	2,732,756	0.69	Domestic Juristic Person
	57,248,557	14.39	
<u>Bangkok Insurance Plc. Group</u>			
8. Bangkok Insurance Plc.	25,308,124	6.36	Domestic Juristic Person
9. Mr. Chai Sophonpanich	2,731,210	0.69	Domestic Natural Person
	28,039,334	7.05	
<u>Management Group</u>			
10. Mr. Sun Tao-Heng	6,273,460	1.58	International Natural Person
<u>Other Group</u>			
11. Mellon Bank, N.A.	33,435,300	8.40	International Juristic Person
12. Thai NVDR Co., Ltd.	29,276,268	7.36	Domestic Juristic Person
13. RBC Dexa Investor Services Bank S.A.	10,812,700	2.72	International Juristic Person
14. Quam Securities Company Limited A/C Client	10,000,000	2.51	International Juristic Person
15. Mr. Si Lok Mark Lee	3,500,000	0.88	International Natural Person
16. Minority Shareholders	47,359,981	11.90	
Total	397,906,284	100.00	

Management Structure

Organization Chart of Charoong Thai Wire & Cable Public Company Limited



Shareholding and Management Structure

Directors Structure

The four bodies of committees are the Board of Directors, the Audit Committee, the Nomination and Compensation Committee and the Executive Committee with the following details :

1. Board of Directors

The Company's 12 Directors as at 31 December 2010 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. Yuan Chun - Tang	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. Surachai Sirivallop	Independent 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 2010 :

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	4/4
Mr. Steven Suey Ku	Audit Committee Member and Independent Director	4/4

Remark : * Who have knowledge and experience in reviewing financial statements.

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 2010 :

Name	Position	Meeting Attendance (Total 4 times)
1. Mr. Sai Wah Simon Suen	Chairman of the Nomination and Compensation Committee	1/1
2. Mrs. Nijaporn Charanachitta	Member of the Nomination and Compensation Committee	1/1
3. Mr. Kasem Kularbkeo	Member of the Nomination and Compensation Committee	1/1

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 2010 :

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

Duties and responsibilities of the Executive Directors and Management Team :

1. 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.
2. To ensure that such policies and strategies are applied properly.
3. To manage their respective assignments and departments.
4. 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)

1. The independent director shall meet all the following criteria 1.1 through 1.9 :
 - 1.1 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.
 - 1.2 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.
 - 1.3 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.

Shareholding and Management Structure

- 1.4 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.
- 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 2010

Name	Board Meeting (total 4 times)	2010 AGM (26 th April, 2010)
1. Mr. Chai Sophonpanich	4/4	1
2. Mr. Premchai Karnasuta	4/4	-
3. Mr. Sun Tao-Heng	4/4	1
4. Mr. Pornwut Sarasin	4/4	1
5. Mr. Cheng Andy Chow-Chun	4/4	1
6. Mr. Kasem Kularbkeo	4/4	1
7. Mrs. Sununtha Phaengsook	4/4	1
8. Mrs. Nijaporn Charanachitta	4/4	-
9. Mr. Yuan Chun-Tang	4/4	1
10. Mr. Lee Michael Chao-Chun *	1/1	1
11. Mr. Sai Wah Simon Suen	4/4	1
12. Mr. Steven Suey Ku	4/4	-
13. Mr. Surachai Sirivallop **	3/3	1

Remarks : * To be retired by rotation at the 2010 Annual General Meeting of Shareholders on April 26 2010.

** To be appointed as the Company's director on March 12, 2010.

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	2.0	portions.
The vice-chairman shall receive at the rate of	1.5	portions.
The director shall receive at the rate of	1.0	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 the 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 resolved to determine the meeting fees for the 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.

Shareholding and Management Structure

The Compensation of Directors for 2010

Monetary Compensation

No.	Name	Position	Meeting Fees (Baht)	Director Remuneration (Baht)
1.	Mr. Chai Sophonpanich	Chairman	60,000	1,451,700
2.	Mr. Premchai Karnasuta	Vice-Chairman	60,000	1,313,800
3.	Mr. Sun Tao-Heng	Managing Director	60,000	875,800
4.	Mr. Pornwut Sarasin	Chairman of Audit Committee and Independent Director	60,000	875,800
5.	Mr. Cheng Andy Chow-Chun	Director	60,000	875,800
6.	Mr. Yuan Chun-Tang	Director	60,000	875,800
7.	Mr. Kasem Kularbkeo	Director and Member of the Nomination and Compensation Committee	60,000	875,800
8.	Mrs. Sununtha Phaengsook	Director and Asst. Managing Director, Finance	60,000	875,800
9.	Mrs. Nijaporn Charanachitta	Director and Member of the Nomination and Compensation Committee	60,000	875,800
10.	Mr. Sai Wah Simon Suen	Audit Committee Member, Independent Director and Chairman of the Nomination and Compensation Committee	60,000	309,600
11.	Mr. Steven Suey Ku	Audit Committee Member and Independent Director	60,000	108,000
12.	Mr. Surachai Sirivallop	Independent Director	45,000	-
13.	Mr. Lee Michael Chao-Chun *	Director	15,000	875,800
14.	Mr. Pathai Chakornbundit **	Director	-	875,800
15.	Mr. Suphol Pholkosol ***	Audit Committee Member, Independent Director and Chairman of the Nomination and Compensation Committee	-	420,000
16.	Mr. Izumi Ishikawa ****	Audit Committee Member and Independent Director	-	549,500
Total			720,000	12,034,800

As at 31 December 2010, CTW had 12 directors.

Remarks : * To be retired by rotation at the 2010 Annual General Meeting of Shareholders.

** Resigned on March 2, 2010.

*** Resigned on June 25, 2009.

**** Resigned on August 18, 2009.

The Compensation of Audit Committee for 2010

Name	Position	Meeting Fees (Baht)
1. Mr. Pornwut Sarasin	Chairman of Audit Committee	160,000
2. Mr. Sai Wah Simon Suen	Audit Committee Member	120,000
3. Mr. Steven Suey Ku	Audit Committee Member	120,000
Total		400,000

The Compensation of the Nomination and Compensation Committee for 2010

Name	Position	Meeting Fees (Baht)
1. Mr. Sai Wah Simon Suen	Chairman of the Nomination and Compensation Committee	40,000
2. Mrs. Nijaporn Charanachitta	Member of the Nomination and Compensation Committee	30,000
3. Mr. Kasem Kularbkeo	Member of the Nomination and Compensation Committee	30,000
Total		100,000

The Compensation of Executive Directors and Management for 2010

	(Number of person)	Salary (Million Baht)	Consultant Fee and Bonus (Million Baht)	Total (Million Baht)
Executive Directors and Management Team	9	17.13	14.06	31.19

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 : 83 % Holding : 0.05	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.
		1994 - Present	Director	Sammakorn Plc.
Family relation between management Father of Mr.Pornwut Sarasin, who is CTW's Independent Director and Chairman of Audit Committee.				
Mr. Chai Sophonpanich Chairman Age : 67 % 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.
		2010 - Present	Chairman and CEO	Bangkok Insurance Plc.
		1978 - 2010	Chairman	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 : 57 % Holding : 0	MBA, University of Southern California, USA	1993 - Present	Vice - Chairman	Charoong Thai Wire & Cable Plc.
		1993 - 2009	Executive 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.
			Director	Siam Pacific Holding Co., Ltd.
Family relation between management Younger brother of Mrs. Nijaporn Charanachitta, who is CTW's Director.				
Mr. Sun Tao - Heng Managing Director (Authorized director) Age : 57 % 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.

Shareholding and Management Structure

Name-Surname / Position	Education	5 Year's Work Experience		
		Period	Position	Company
Mr. Pornwut Sarasin Independent Director and Chairman of Audit Committee Age : 51 % Holding : 0.005	- MBA, Pepperdine University, USA - Training courses from Thai Institute of Directors (IOD) DAP 45 / 2005	1986 - Present 2001 - Present 1999 - Present	Independent Director Chairman of Audit Committee Vice-Chairman	Charoong Thai Wire & Cable Plc. Charoong Thai Wire & Cable Plc. Thai Pure Drinks Co., Ltd.
Family relation between management Son of Mr. Pong Sarasin, who is CTW's Honorary Chairman.				
Mr. Steven Suey Ku Independent Director and Member of Audit Committee Age : 54 % Holding : 0	B.A. (Textile Engineering), St. John's University Taiwan R.O.C.	2009 - Present 2006 - Present 2002 - Present 2002 - Present 2010 - Present	Independent Director and Member of Audit Committee President President President Chairman	Charoong Thai Wire & Cable Plc. PIL Company Holding Overseas Limited. Suzhou King Packing Materials Co., Ltd. Lay Grand International Company Limited. Pro Reach Biotech (SHZHOU) Co., Ltd.
Mr. Cheng Andy Chow - Chun Director Age : 53 % Holding : 0.10	B.S., University of Southern California, USA	1993 - Present 2003 - Present 2007 - Present 2010 - Present	Director Executive Vice - President Director Chairman	Charoong Thai Wire & Cable Plc. Pacific Electric Wire & Cable Co., Ltd. Siam Pacific Electric Wire & Cable Co., Ltd. Asia Pacific Wire & Cable Corp., Ltd.
Mr. Yuan Chun - Tang Director Age : 51 % Holding : 0.15	M.S. (Applied Science), Waterloo University, Canada	2004 - Present 2004 - Present 2007 - Present Present	Director Chairman Director CEO	Charoong Thai Wire & Cable Plc. Pacific Electric Wire & Cable Co., Ltd. Siam Pacific Electric Wire & Cable Co., Ltd. Asia Pacific Wire & Cable Corp., Ltd.
Mr. Kasem Kularbkeo Director and Member of the Nomination and Compensation Committee (Authorized director) Age : 79 % 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 1992 - Present 2006 - Present 1992 - Present	Director Advisor Member of the Nomination and Compensation Committee Senior Advisor	Charoong Thai Wire & Cable Plc. Charoong Thai Wire & Cable Plc. Charoong Thai Wire & Cable Plc. TASA Industrial Co., Ltd.
Mr. Sai Wah Simon Suen Independent Director, Member of Audit Committee and Chairman of the Nomination and Compensation Committee Age : 51 % Holding : 0	MBA, Finance Major, University of Hawaii, USA	2009 - Present 1997 - Present	Independent Director, Audit Committee Member and Chairman of the Nomination and Compensation Committee Managing Director	Charoong Thai Wire & Cable Plc. Delta Holiday Company Limited.
Mrs. Nijaporn Charanachitta Director and Member of the Nomination and Compensation Committee Age : 60 % Holding : 0	- MBA, University of Wisconsin (Medison), USA - Training courses from Thai Institute of Directors (DCP 56/2005)	2002 - Present 2006 - Present 1994 - Present Present	Director Member of the Nomination and Compensation Committee Senior Vice - Executive Chairman Director Director Director Director Director	Charoong Thai Wire & Cable Plc. Charoong Thai Wire & Cable Plc. Italian Thai Development Plc. Toyo Thai Corp., Ltd. Bangkok Steel Wire Co., Ltd. Southern Industries (1996) Co., Ltd. Siam Pacific Holding Co., Ltd. Siam Concrete and Brick Product Co., Ltd. Italthai Engineering Co., Ltd.
Family relation between management Elder sister of Mr. Premchai Karnasuta, who is CTW's Vice - Chairman.				

Shareholding and Management Structure

Name-Surname / Position	Education	5 Year's Work Experience		
		Period	Position	Company
Mr. Surachai Sirivallop Independent Director Age : 69 % Holding : 0	- Bachelor of Laws, Thammasat University - International Law, Albert Ludwig University of Freiburg, Germany	2010 - Present 2008 - Present 1990 - 2007	Independent Director CEO and Director CEO and Managing Director	Charoong Thai Wire & Cable Plc. Thai Reinsurance Plc. Thai Reinsurance Plc.
Mrs. Sununtha Phaengsook Director and Asst. Managing Director, Finance (Authorized director) Age : 69 % Holding : 0.01	- Mini MBA, Thammasat University - Training courses from Thai Institute of Directors (IOD) (DCP 4/2000)	2000 - Present 1994 - Present 1996 - Present	Director Asst. Managing Director, Finance Director	Charoong Thai Wire & Cable Plc. Charoong Thai Wire & Cable Plc. CTW - Beta Co., Ltd.
Mr. Ponrawat Charoensukpaisarn Asst. Managing Director, Personnel and General Affair Age : 73 % Holding : 0.01	High School, Chung-Yu College, Taiwan R.O.C.	1994 - Present 1996 - Present	Asst. Managing Director, Personnel and General Affairs Director	Charoong Thai Wire & Cable Plc. CTW - Beta Co., Ltd.
Mr. Sathit Tabpech Asst. Managing Director, Quality Assurance Age : 55 % Holding : 0.002	MBA, The University of the Thai Chamber of Commerce	1994 - Present 1996 - Present 1997 - Present	Asst. Managing Director, Quality Assurance Director Director and General Manager	Charoong Thai Wire & Cable Plc. CTW - Beta Co., Ltd. Siam Fiber Optics Co., Ltd.
Mr. Kuei Chih - Chung Asst. Managing Director, Planning Age : 60 % Holding : 0	M.S. (Computer Science), Stevens Institute of Technology, USA	1996 - Present 1996 - Present 2002 - Present	Asst. Managing Director, Planning Director Director	Charoong Thai Wire & Cable Plc. CTW - Beta Co., Ltd. Siam Fiber Optics Co., Ltd.
Mr. Tanasit Aungkasit Asst. Managing Director, Sales and Marketing Age : 55 % Holding : 0.03	M.S. (Plant), California State University, USA	1994 - Present 1996 - Present 2000 - Present	Asst. Managing Director, Sales and Marketing Director Director	Charoong Thai Wire & Cable Plc. CTW - Beta Co., Ltd. Siam Fiber Optics Co., Ltd.
Mr. Suvit Veerapong Asst. Managing Director, Production and Engineering Age : 59 % Holding : 0.04	M.S. (Engineering), King Mongkut's Institute of Technology (North Bangkok)	1994 - Present 1996 - Present	Asst. Managing Director, Production and Engineering Director	Charoong Thai Wire & Cable Plc. CTW - Beta Co., Ltd.
Mr. Chang Hsiao - Chun Asst. Managing Director, Office of Managing Director Age : 50 % Holding : 0.03	B.A. (Accounting), Fujin University, Taiwan R.O.C.	2006 - Present 1994 - 2006 1996 - Present	Asst. Managing Director, Office of Managing Director Manager of MD Office Director	Charoong Thai Wire & Cable Plc. Charoong Thai Wire & Cable Plc. CTW - Beta Co., Ltd.
Mrs. Apanut Wongjarit Accounting Manager Age : 54 % Holding : 0	B.A. (Accounting), Krirk University	2005 - Present 1996 - 2005	Accounting Manager Asst. Manager, Accounting	Charoong Thai Wire & Cable Plc. 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. Sai Wah Simon Suen	Chairman of the Nomination and Compensation Committee, Audit Committee Member and Independent Director Compensation Committee										
Mr. Cheng Andy Chow-Chun	Director			/	/			//	X		
Mr. Yuan Chun-Tang	Director			/	/			X	//		
Mr. Kasem Kularbkeo	Director and Member of the Nomination and Compensation Committee										
Mr. Steven Suey Ku	Audit Committee Member and Independent director										
Mrs. Nijaporn Charanchitta	Director and Member of the Nomination and Compensation Committee						/			//	
Mr. Surachai Sirivallop	Director										
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

* The liquidation is currently in progress.

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

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

LoxPac : Loxley Pacific Co., Ltd.

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

ITD : Italian Thai Development Plc.

SFO : Siam Fiber Optics Co., Ltd.

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

SPH : Siam Pacific Holding Co., Ltd.

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

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. Takatoshi Arai		/			
Mr. Raymond C.Y. Kung			//	//	
Mr. Chen Cheng Nan			//	//	
Mr. Bandhit Tanchavalit			//	//	
Mr. Chartchai Chutima			/		
Mr. Lu, Wei Ming			//	//	
Mr. Tien, Yung - Chow					/
Mr. Wu Kuo-Chi					/

Remarks : X = Chairman / = Director // = Executive Director

* The liquidation is currently in progress.

Shareholding and Management Structure

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.
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 cast 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 Directors 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. The substitute director shall hold office only for the remaining term of office of the director whom he or she replaces.

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 2010, the shareholder meeting was held an ordinary once time on April 26, 2010, 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 2010 Annual General Meeting of Shareholders, they are posted to the Company's website within 7 days after the meeting date.

Shareholding and Management Structure

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

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 for individual directors. The shareholders may participate at the shareholder meeting either personally or by proxy which is attached with invitation letter.

The Company also provides an option to shareholders whereby they may appoint any one of two independent directors as their proxy.

At the Annual General Meeting of Shareholders for 2010, there were 7 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 statements) or any other information which may materially affect the securities value.
3. The Company will restrict the access to the financial statements and relevant information of the Company prior to submit 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 follows:

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 maintenance products standard and product quality.

Shareholding and Management Structure

Employees : The Company has realized the importance of safety to all employees by providing a safe and healthy work environment. It has also installed safety equipment and maintained good working environment for effective working. It also set employment procedures and equal employment to ensure that it employs the person who has quality and necessary knowledge for the business operations.

The Company has always supported the competency and knowledge development of employees by providing the in-house training seminar and public seminars both local and international.

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

In addition, the Company has established the provident fund for employees since the year 1993 to ensure financial security after retirement or leave a job.

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. In addition, it has regularly provided the correct information to vendors or creditors.

Communities and Societies : The Company must have a responsibility to environments, communities and societies to use their resources and maintain environments. Moreover, in realizing the importance of environment protection, the Company has used the environment standard of the technology and production process. A waste water must be treated at a water reclamation facility before being released back into the environment. It has also set up recycling, energy-saving and environmental protection system, including those which benefit to the community. The Company has been fully complied with governing law and rules and regulations of all involved agencies.

Auditors : The Company has a good cooperation with auditor by providing complete financial and significant information as requested by the auditors. The auditors can perform their work independently.

Shareholders and all other 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.

4. Disclosure and Transparency

All information of the Company presented in the financial report is correct, credible and in accordance with generally accepted accounting principles and standards. It has been audited by an independent external auditor who has qualification and approved by the Officer of the SEC. The Audit Committee's primary duty and responsibility is to review the Company's financial statements to ensure its correctness and sufficiency. 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 the Auditor's Report in the annual report.

In 2010, there were numerous analysts from Security companies to meet with the Company's management for interview concerning the Company's information and operation policy.

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 - 15) and also disclosed the duties of the Board for the year 2010 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 has posed the financial statements, annual information form, annual report and minutes of the annual general meeting of shareholders on the Company's web site at www.ctw.co.th. Moreover, the investors can contact the Corporate Services Section for more information by calling at 02-7456118 or e-mail address : kanjana@ctw.co.th

Shareholding and Management Structure

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 meeting of shareholders. As at 31 December 2010, the Company's 12 directors consists of:

Executive Directors	3 Persons
Non-Executive Directors	9 Persons (Independent Directors 4 persons)

At every annual general meeting of shareholders, one-third of the directors must be retired. Then the director has 3 years - period each.

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.

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

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 Board also monitored the Company's all activities that are in compliance with the laws. In 2010, the Company has no violation of the regulations of the Stock Exchange of Thailand (SET).

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. 1/2011 on 23 March 2011 was attended by all Audit Committee members. 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 10 March 2011 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 for the meeting in advance. 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 2010, 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 the Board meeting shall take about 1 hour and 10 minutes.

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

Dividend Policy

The Company has dividend policy in normal circumstances is to provide a payout 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.

Its subsidiary companies have the dividend policy as the following details :

CTW-Beta Co., Ltd. has a payout ratio of not less than 25 per cent and not exceeding 50 per cent of net profit after deducting legal reserve.

Siam Pacific Electric Wire & Cable Co., Ltd., and Pacific-Thai Electric Wire & Cable Co., Ltd. determine the payout ratio of not less than 25 percent of net profit after Tax and to be according to the Civil and Commercial Code.

Siam Fiber Optics 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 Stock Exchange of Thailand (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 2010

Name	Amount (Million Baht)	Related Transaction	Relationship	Price policy/Conditions	Notes
Siam Fiber Optics Co., Ltd. (SFO)	6.13	Sale of raw materials by CTW to SFO.	CTW holds a 60.00% stake in SFO, while Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta are directors of CTW and major shareholders of ITD (30.60% stake in ITD), and ITD holds 10% stake in SFO.	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.
	0.49	SFO owes payment to CTW for sales			
	5.30	SFO owes payment to CTW for management fee, service fee and rental fee.		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.
	40.99	Management fee income for services provided by CTW to SFO			
	8.03	Service fee income from SFO to CTW		Contract price/CTW receives Baht 669,404 services revenue monthly from SFO for the maintenance, repair, and cleaning of facilities at SFO's factory.	This transaction is described in the Agreement and is disclosed in the Company's financial statements.
	5.02	Rental Income from SFO to CTW		CTW receives a monthly Baht 418,378 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.
	0.30	Rental Deposit from SFO to CTW			
	4.84	Electric income from SFO to CTW		At cost price (actual cost)	This transaction is disclosed in the Company's financial statements.

Related Transactions

Name	Amount (Million Baht)	Related Transaction	Relationship	Price policy/Conditions	Notes
Siam Fiber Optics Co., Ltd. (SFO) (continued)	75.00	Loan Guarantee provided by CTW to SFO.	CTW holds a 60.00% stake in SFO, while Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta are directors of CTW and major shareholders of ITD (30.60% stake in ITD), and ITD holds 10% 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.
	146.11				

Name	Amount (Million Baht)	Related Transaction	Relationship	Price policy/Conditions	Notes
Siam Fiber Optics Co., Ltd. (SFO) and Fujikura Ltd.	81.03	SFO, CTW's subsidiary, purchased raw materials from Fujikura Ltd.	SFO is a 60% subsidiary company of CTW. Fujikura holds 25% 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.
	6.76	SFO owes payment to Fujikura for raw material.			
	87.79				

Name	Amount (Million Baht)	Related Transaction	Relationship	Price policy/Conditions	Notes
Thai Metal Processing Co., Ltd. (TMP)	36.83	CTW hired TMP to melt copper rod.	CTW holds a 15% stake in TMP. Mr. Chai Sophonpanich, director of CTW holds 2.87% stake in Bangkok Insurance Plc. and holds 0.69% stake in CTW. Bangkok Insurance Plc. holds 5% 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. This transaction is disclosed in financial statements.
	3.39	CTW owed payment to TMP for melting fee of copper rod			
	3.34	CTW received dividend income from TMP.			
	43.56				

Related Transactions

Name	Amount (Million Baht)	Related Transaction	Relationship	Price policy/Conditions	Notes		
Pacific Electric Wire and Cable Co., Ltd. (PEWC)	1.41	Management fee expenses from CTW to PEWC.	PEWC indirectly holds 51% stake in CTW.	Contract price/Management fee for service provided by PEWC to CTW.	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.		
	0.35	CTW owes the payment to PEWC for management fee expenses.					
Australia Pacific Electric Cable Co., Ltd. (APEC-Australia)	4.73	Sales by CTW to APEC-Australia	APWC-Australia is affiliated company under PEWC Group.	Market Price/Terms and conditions are the same as those of other parties.	Normal course of business that disclosed in the financial statements.		
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Pacific Electric Wire and Cable Co., Ltd. (PEWC)	52.21	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 the financial statements.		
	0.03	SPEWC owes the payment to PEWC for raw materials.					
	4.89	Management fee expenses from SPEWC to PEWC				Contract price/Management fee for service provided by PEWC to SPEWC.	These transactions are described in the Agreement that are approved by the Board meeting and are disclosed in the Company's financial statements.
	1.03	SPEWC owes the payment to PEWC for management fee expenses.					
Pacific - Thai Electric Wire & Cable Co., Ltd. (PTEWC) and Pacific Electric Wire & Cable Co., Ltd. (PEWC)	305.36	PTEWC purchases raw materials from PEWC	PTEWC is an indirect 100% subsidiary company of CTW and PEWC is a parent company of CTW Group.	Market Price/Terms and conditions are the same as those of other parties.	Normal course of business that disclosed in the financial statements.		
	370.01						

Related Transactions

Name	Amount (Million Baht)	Related Transaction	Relationship	Price policy/Conditions	Notes
Italian-Thai Development Plc. (ITD)	104.49	Sales by CTW to ITD	Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta are directors of CTW and major shareholders of ITD (30.60% stake in ITD).	Market Price/Terms and conditions are the same as those of other parties.	Normal course of business that disclosed in the financial statements.
	96.88	ITD owes payment to CTW for sales.			
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Italian-Thai Development Plc. (ITD)	0.68	Sales by SPEWC to ITD	Mrs. Nijaporn Charanachitta is a director of CTW and Ital Thai.	Market Price/Terms and conditions are the same as those of other parties.	Normal course of business that disclosed in the financial statements.
	0.39	ITD owes payment to SPEWC for sales			
Ital Thai Engineering Co., Ltd. (Ital Thai)	13.12	Sales by CTW to Ital Thai	Mrs. Nijaporn Charanachitta is a director of CTW and Ital Thai.	Market Price/Terms and conditions are the same as those of other parties.	Normal course of business that disclosed in the financial statements.
	3.76	Ital Thai owes payment to CTW for sales.			
ITD - NCC Joint Venture	1.23	Sales by CTW to ITD - NCC	ITD - NCC is the joint venture company between ITD and Nishimatsu Construction Co., Ltd.		
	220.55				

Name	Amount (Million Baht)	Related Transaction	Relationship	Price policy/Conditions	Notes
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Moon View Ventures Ltd. (Moon View)	5.90	Short-term loan from Moon View to SPEWC	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.	SPEWC has become a 100% subsidiary of CTW by share swap since 2 July 2002. Those transactions occurred before share swap transaction 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.
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Trigent Investment Holdings Co., Ltd. (Trigent)	116.03	Short-term loan from Trigent to SPEWC	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.	
	121.93				

Management Discussion and Analysis

Operating results

The Company group continuously received orders from the government customers according to the government policies which supported on continuous investment in various projects. In 2010, the Company and its subsidiaries had net profit of Baht 545.71 million, increased by Baht 241.38 million or 79.32% when compared with the net profit of Baht 304.33 million in 2009. The gross profit margin was 13.92% in 2010 and 12.09% in 2009. In addition, they had gain on exchange rate of Baht 95.06 million in 2010 and only Baht 4 million in 2009 due to the increasing strength of Thai Baht.

Revenues

In 2010, the Company and its subsidiaries had total revenues of Baht 7,933.05 million increased by Baht 2,938.20 million or 58.82%. Most revenues were generated by sales of manufacturing groups' product of Baht 7,812.94 million or 98.49% of total revenues. Revenue from sales increased by Baht 2,862.82 million or 36.64% when compared the previous year. Most revenue from sales is derived from private sector customers. In addition, 17.47% of revenues occurred from the export by the Company and its subsidiaries, and 16.62% by its subsidiary company in China. In regard to sales, 47.88% of the sales were driven by its subsidiaries' enameled copper wires, 22.69% on telephone cables, 13.65% on copper electrical wires and 15.66% on high voltage cables. In regard to the other revenue, it increased by Baht 75.38 million or 168.50% from Baht 44.73 million in 2009 due to interest income of Baht 9.07 million that increased by Baht 1.47 million or 19.39% from Baht 7.59 million in 2009. In addition, in 2010 they had profit on exchange of Baht 95.06 million increased by Baht 91.06 million or 227.56% from Baht 4 million in 2009 due to the increasing strength of Thai Baht.

Expenses

In 2010, the Company and its subsidiaries had total operating expenses of Baht 7,177.90 million increased by Baht 2,558.16 million or 55.37% when compared with the year 2009. The cost of sales increased mainly by Baht 2,373.17 million or 54.43% which varied with the sales that increased by Baht 2,862.82 million when compared with the year 2009. Selling expenses increased by Baht 50.17 million or 62.62%. Administrative expenses increased by Baht 20.89 million or 17.52%. In addition, they recorded the loss on impairment of investments in associated company of Baht 91.20 million due to the investment in Democratic People's Republic of Korea. During the year 2010, there was an outbreak of conflict on the Korean peninsula, and the other major shareholder of such associated company offered to sell its shares to a buyer. Based on the offering price, the carrying amount of this investment would be impaired. The Company therefore decided to record allowance for impairment amounting to Baht 91.20 million. Such allowance for impairment was calculated based on discounted cashflows prepared by the Company's management. And its subsidiary company recorded allowance for impairment of investments in TT&T Plc. amounting to Baht 11.00 million which it received such shares for debt repayment from its trade account receivable. In addition, the finance cost decreased by Baht 8.44 million since the interest rates declined in 2010 when compared with the previous year.

Financial Position

Assets

As at 31 December 2010, the Company and its subsidiaries had total assets of Baht 6,461.98 million, increased by Baht 1,726.49 million or 36.46% when compared with the end of 2009. Total assets consisted mainly of net trade accounts and notes receivable of Baht 2,654.33 million or equal to 41.08% of total assets, followed by inventories of Baht 1,488.18 million and Cash and cash equivalents of Baht 1,172.37 million or equal to 23.03% and 18.14% of total assets, respectively. Subsequently, net property, plant and equipment was Baht 746.52 million, restricted bank deposits of Baht 261.73 million, investments in associated and other long-term investments of Baht 39.24 million or equal to 11.55%, 4.05% and 0.61% of total assets, respectively. In addition, there were other assets of Baht 22.61 million or equal to 0.35% of total assets.

Management Discussion and Analysis

At the end of 2010, cash and cash equivalents of Baht 1,172.37 million increased by Baht 518.55 million or 79.31% when compared with Baht 653.82 million at the end of 2009. Trade accounts receivable and notes receivable increased by Baht 985.16 million or 59.02% due to sales increased and the efficiency of account receivable collection. The Company and its subsidiaries set the allowance for diminution in value of inventories of Baht 33.57 million since they had net inventories of Baht 1,488.18 million, while those inventories had cost of Baht 1,521.75 million. Moreover, property, plant and equipment (net) decreased by Baht 96.91 million or 11.49%, which occurred from depreciation for the year 2010 of Baht 155.57 million and net acquisition of those of Baht 30.55 million.

Liabilities

As at 31 December 2010, the Company and its subsidiaries had total liabilities of Baht 2,372.75 million increased by Baht 1,152.06 million or 94.38% when compared with Baht 1,220.69 million at the end of 2009. The significant accounts of total liabilities consisted of trust receipts (T/R) of Baht 1,192.56 million increased by Baht 654.49 million or 54.88%, short-term loans from financial institutions of Baht 201.38 million increased by Baht 13.50 million or 7.19% since there was a lots of raw material orders from suppliers in overseas. In addition, trade accounts payable to unrelated parties, which resulted from purchasing domestic raw materials from general suppliers of Baht 537.34 million increased by Baht 341.06 million or 173.76%, while accrued expenses and other accounts payable, such as, supplies for production material increased by Baht 57.21 million or 57.80%.

Cash flow statement

In 2010, the Company and its subsidiaries had cash received used in operating activities of Baht 129.55 million, cash used in investing activities of Baht 14.84 million, and cash from financing activities of Baht 671.17 million, and cash decreased in translation adjustments of Baht 8.91 million. As a result of those, net cash and cash equivalents for the year 2010 increased by Baht 517.88 million. In addition, there was unrealized gain on exchange of cash and cash equivalents of Baht 0.67 million.

As at 31 December 2010, the Company and its subsidiaries had cash and cash equivalents of Baht 1,172.37 million. Net cash flows used in operating activities of Baht 129.55 million, its significant account consisted of the cash used in operation activities of Baht 37.95 million, cash paid for interest expenses and corporate income tax of Baht 91.60 million. In regard to, operating assets, such as, trade accounts and notes receivable increased by Baht 960.46 million and inventories increased by Baht 410.54 million. Net cash flows used in investing activities of Baht 14.84 million which was mainly for the purchase of machinery and equipment of Baht 36.63 million, restricted bank deposits decreased by Baht 5.30 million, and interest income of Baht 8.34 million. In addition, net cash flows from financing activities of Baht 671.17 million mainly consisted of trust receipts increased by Baht 661.63 million, short-term loans from financial institutions increased by Baht 16.32 million and cash paid for liabilities under financial lease agreements of Baht 6.78 million.

Liquidity

As at 31 December 2010, the Company and its subsidiaries had the current ratio of 2.28 times and quick ratio of 1.62 times. They were 2.83 times and 1.91 times at the end of 2009, since cash on hand and bank deposits increased by Baht 518.55 million and trade accounts receivable increased by Baht 985.17 million. At the same time, current liabilities of the Company group increased a lot, especially trust receipts increased by Baht 654.49 million and trade accounts payable-unrelated parties increased by Baht 335.79 million which occurred from the increased of importing raw materials from overseas suppliers. The bank overdraft and short-term loans increased by Baht 13.50 million, accrued expenses which resulted from purchasing domestic raw materials from general suppliers also increased by Baht 57.24 million.

Capital structure

As at 31 December 2010, the Company and its subsidiaries had the debt to equity ratio of 0.58 times, increased from 0.35 times at the end of 2009 since current liabilities increase a lot due to increase in purchasing raw materials. Although the Company's operating results from separated financial statements for the year 2009 showed a profit but it still had accumulated deficit of Baht 91.02 million brought forward from the previous year. Then it then cannot pay the dividend for the 2009's operating results. The unappropriated retained earnings increased by Baht 534.71 million when compared with the year 2009.

Potential impact on the Company's financial statements

The Company group expects that total sales volume for the year 2011 will increase from the previous year. And the operating results will be better than that of the previous year which will be driven by positive factors from continuous improvement of overall economic condition both inside and outside 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 |

In the year 2010, the Company's Audit Committee totally held four regular meetings. The attendance of the Audit Committee members is summarized as follows:

Name	Meeting Attendance/Total Meeting (Times)
1. Mr. Pornwut Sarasin	4/4
2. Mr. Sai Wah Simon Suen	4/4
3. Mr. Steven Suey Ku	4/4

The followings are summary of the 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 2010, 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 2011 then send their recommendation to the Board for consideration and such proposal will be proposed to the 2011 Annual General Meeting of Shareholders 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 23, 2011

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 2010 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 23, 2011

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 2010 and 2009, 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 ended 31 December 2010 and 2009 of an overseas subsidiary company, which statements reflect total assets of Baht 505.2 million as of 31 December 2010 and total revenues and net income of approximately Baht 1,299.8 million and Baht 17.5 million, respectively, for the year then ended (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). The financial statements of this overseas subsidiary company as at 31 December 2010 and 2009 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 the other auditor as stated in the previous paragraph provide a reasonable basis for my opinion.

As discussed in Note 11 to the financial statements, the consolidated financial statements as at 31 December 2009 included the value of equity-accounted investment in an associated company totaling Baht 113.5 million included a share of loss for the year then ended totaling Baht 4.4 million, 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 amounting to Baht 114.1 million in the separate financial statements; therefore, these events are considered to be a limitation of scope imposed by circumstances. In 2010, the subsidiary company recorded a share of loss from this investment in an associate amounting to Baht 8.4 million and because there was objective evidence of impairment, its subsidiary recorded allowance for impairment loss on the investment amounting to Baht 91.2 million. The balance of such investment under the equity method in the consolidated financial statements thus decreased to Baht 14.0 million as at 31 December 2010.

In my opinion, based on my audits and the reports of the other auditor, except for the effect to the 2009 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 2010 and 2009, 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 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Assets					
Current assets					
Cash and cash equivalents	6	1,172,368,908	653,821,787	507,376,384	356,267,142
Trade accounts receivable					
Related parties	7	101,025,374	64,685,059	183,757,227	67,258,942
Unrelated parties		2,672,253,627	1,763,376,802	949,150,682	558,687,176
Less : Allowance for doubtful accounts		(118,951,940)	(158,899,547)	(11,535,000)	(13,000,000)
Trade accounts receivable - net	8	2,654,327,061	1,669,162,314	1,121,372,909	612,946,118
Other account receivable - subsidiary	7	-	-	5,298,957	4,324,491
Inventories - net	9	1,488,181,621	1,074,746,172	765,460,482	549,332,613
Other current assets					
Tax refundable		32,617,557	22,955,428	7,784,127	7,784,127
Others		27,991,684	22,998,347	4,469,849	4,045,462
Total current assets		5,375,486,831	3,443,684,048	2,411,762,708	1,534,699,953
Non-current assets					
Restricted bank deposits		261,729,044	267,030,792	-	-
Long-term loans to subsidiary - net	7	-	-	14,354,027	114,063,894
Investments in subsidiaries - net	10	-	-	1,204,749,876	1,204,749,876
Investment in associated company - net	11	13,965,917	113,522,916	-	-
Other long-term investments - net	12	25,277,810	26,053,013	22,500,000	22,500,000
Property, plant and equipment - net	13	746,516,501	843,427,215	428,830,370	444,254,198
Land not being used for operation - net		16,400,859	16,400,859	16,400,859	16,400,859
Other non-current assets		22,607,767	25,375,682	125,900	85,900
Total non-current assets		1,086,497,898	1,291,810,477	1,686,961,032	1,802,054,727
Total assets		6,461,984,729	4,735,494,525	4,098,723,740	3,336,754,680

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

Balance sheets (continued)

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	14	201,382,291	187,880,999	-	-
Trust receipts	14	1,192,557,148	538,063,185	222,949,248	54,529,675
Trade accounts payable					
Related parties	7	10,181,671	4,909,656	60,251,975	3,630,102
Unrelated parties		527,162,424	191,373,528	216,050,767	69,007,945
Total trade accounts payable		537,344,095	196,283,184	276,302,742	72,638,047
Other account payable - related company	7	1,383,092	1,176,029	350,867	478,343
Short-term loans from related companies	7	121,924,252	122,551,344	-	-
Other current liabilities					
Corporate income tax payable		91,741,879	25,255,148	38,391,254	-
Accrued expenses		134,958,421	77,719,440	86,419,481	52,616,063
Other accounts payable		21,228,712	21,259,101	14,167,003	15,808,279
Dividend payable		6,745,643	6,745,643	6,745,643	6,745,643
Others		52,359,254	39,576,170	18,526,234	16,874,178
Total current liabilities		2,361,624,787	1,216,510,243	663,852,472	219,690,228
Non-current liabilities					
Other non-current liabilities		11,127,171	4,186,713	10,840,413	3,622,978
Total non-current liabilities		11,127,171	4,186,713	10,840,413	3,622,978
Total liabilities		2,372,751,958	1,220,696,956	674,692,885	223,313,206
Shareholders' equity					
Share capital					
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	12	-	(10,271,436)	-	-
Translation adjustment		(25,083,626)	(9,667,902)	-	-
Retained earnings					
Appropriated-statutory reserve	16	120,000,000	109,000,000	120,000,000	109,000,000
Unappropriated (deficit)		779,821,299	245,111,919	208,565,739	(91,023,642)
Equity attributable to the Company's shareholders		3,970,202,789	3,429,637,697	3,424,030,855	3,113,441,474
Minority interest - equity attributable to minority shareholders of subsidiaries		119,029,982	85,159,872	-	-
Total shareholders' equity		4,089,232,771	3,514,797,569	3,424,030,855	3,113,441,474
Total liabilities and shareholders' equity		6,461,984,729	4,735,494,525	4,098,723,740	3,336,754,680

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

Income statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Revenues					
Sales		7,812,942,314	4,950,122,306	2,698,209,570	1,839,539,183
Other income					
Interest income		9,066,173	7,593,449	4,407,690	1,619,702
Gain on exchange		95,055,858	4,002,617	31,104,622	-
Management fee income		-	-	40,994,593	32,546,138
Dividend income		3,375,000	2,250,000	60,324,949	2,250,000
Others		12,611,774	30,886,839	20,517,773	38,842,353
Total revenues		7,933,051,119	4,994,855,211	2,855,559,197	1,914,797,376
Expenses					
Cost of sales		6,727,886,236	4,903,386,440	2,174,190,980	1,910,148,892
Reversal of allowance for diminution in value of inventory		(2,892,195)	(551,564,834)	(4,052,921)	(388,545,534)
Total cost of sales		6,724,994,041	4,351,821,606	2,170,138,059	1,521,603,358
Selling expenses		130,292,475	80,121,827	70,629,290	50,522,910
Administrative expenses		140,088,940	119,200,200	184,408,249	67,683,030
Management benefit expenses		80,289,780	65,930,400	53,016,000	44,977,384
Other expenses					
Loss on impairment of investments		102,231,771	-	-	10,929,343
Loss on impairment of land not being used for operation		-	2,667,200	-	2,667,200
Total expenses		7,177,897,007	4,619,741,233	2,478,191,598	1,698,383,225
Income before share of loss from investment in associated company		755,154,112	375,113,978	377,367,599	216,414,151
Share of loss from investment in associated company	11	(8,371,867)	(4,401,737)	-	-
Income before finance cost and corporate income tax		746,782,245	370,712,241	377,367,599	216,414,151
Finance cost		(36,048,575)	(44,493,530)	(4,579,729)	(9,672,707)
Income before corporate income tax		710,733,670	326,218,711	372,787,870	206,741,444
Corporate income tax for the year	18	(129,977,861)	(28,101,507)	(62,198,489)	-
Net income for the year		580,755,809	298,117,204	310,589,381	206,741,444
Net income attributable to:					
Equity holders of the parent		545,709,380	304,327,555	310,589,381	206,741,444
Minority interests of the subsidiaries		35,046,429	(6,210,351)	-	-
		580,755,809	298,117,204		
Earnings per share					
Basic earnings per share (Baht)	19				
Net income attributable to equity holders of the parent		1.36	0.76	0.78	0.52

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

Statements of changes in shareholders' equity

For the years ended 31 December 2010 and 2009

(Unit: Baht)

Consolidated financial statements

	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	Revaluation surplus (deficit) on changes in value of investments	Translation adjustment	Retained earnings (deficit)		Total equity attributable to the parent's shareholders		
					Appropriated	Unappropriated			
Balance as at 31 December 2008	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
Income and expenses recognised directly in equity:									
Investments in available-for-sale securities									
Gain recognised in shareholders' equity	-	-	1,162,805	-	-	-	1,162,805	-	1,162,805
Translation adjustment	-	-	-	(8,919,695)	-	-	(8,919,695)	(680,666)	(9,600,361)
Net income and expenses recognised directly in equity									
Net income (loss) for the year	-	-	1,162,805	(8,919,695)	-	-	(7,756,890)	(680,666)	(8,437,556)
Total income and expenses for the year									
Balance as at 31 December 2009	1,989,531,420	1,105,933,696	(10,271,436)	(9,667,902)	109,000,000	245,111,919	3,429,637,697	(6,891,017)	289,679,648
Balance as at 31 December 2009									
Income and expenses recognised directly in equity:									
Investments in available-for-sale securities									
Transferred to loss on impairment of investment (Note 12)	-	-	10,271,436	-	-	-	10,271,436	-	10,271,436
Translation adjustment	-	-	-	(15,415,724)	-	-	(15,415,724)	(1,176,319)	(16,592,043)
Net income and expenses recognised directly in equity									
Net income for the year	-	-	10,271,436	(15,415,724)	-	-	(5,144,288)	(1,176,319)	(6,320,607)
Total income and expenses for the year									
Unappropriated retained earnings transferred to statutory reserve	-	-	10,271,436	(15,415,724)	-	-	545,709,380	35,046,429	580,755,809
Balance as at 31 December 2010	1,989,531,420	1,105,933,696	-	(25,083,626)	120,000,000	779,821,299	3,970,202,789	119,029,982	4,089,232,771

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

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

Separate financial statements

	Issued and fully paid-up share capital	Share premium	Retained earnings (deficit)		Total
			Appropriated	Unappropriated	
Balance as at 31 December 2008	1,989,531,420	1,105,933,696	109,000,000	(297,765,086)	2,906,700,030
Net income for the year	-	-	-	206,741,444	206,741,444
Total income and expenses for the year	-	-	-	206,741,444	206,741,444
Balance as at 31 December 2009	1,989,531,420	1,105,933,696	109,000,000	(91,023,642)	3,113,441,474
Balance as at 31 December 2009	1,989,531,420	1,105,933,696	109,000,000	(91,023,642)	3,113,441,474
Net income for the year	-	-	-	310,589,381	310,589,381
Total income and expenses for the year	-	-	-	310,589,381	310,589,381
Unappropriated retained earnings transferred to statutory reserve	-	-	11,000,000	(11,000,000)	-
Balance as at 31 December 2010	1,989,531,420	1,105,933,696	120,000,000	208,565,739	3,424,030,855

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

Cash flow statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Net income before tax	710,733,670	326,218,711	372,787,870	206,741,444
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Dividend income	(3,375,000)	(2,250,000)	(60,324,949)	(2,250,000)
Depreciation and amortisation	141,232,448	155,569,755	50,254,187	48,407,520
Withholding tax written off	3,349,889	3,586,043	-	-
Reversal of doubtful accounts - trade accounts receivable	(32,172,094)	(3,921,754)	(1,157,977)	(2,715,973)
Doubtful accounts - long-term loans to subsidiary	-	-	99,709,866	4,566,196
Loss on impairment of land not being used for operation	-	2,667,200	-	2,667,200
Reversal of allowance for diminution in value of inventory	(2,892,195)	(551,564,834)	(4,052,921)	(388,545,534)
Share of loss from investment in associated company	8,371,867	4,401,737	-	-
Reversal of allowance for impairment of investments in debentures/account receivable accounting to the business rehabilitation plan	(1,085,039)	(2,170,077)	-	-
Gains on sales of property, plant and equipment	(1,754,681)	(527,386)	(1,348,355)	(492,284)
Loss on impairment of investments	102,231,771	-	-	10,929,343
Unrealised (gain) loss on exchange	(3,908,777)	1,998,467	(2,351,475)	429,058
Interest income	(9,066,173)	(7,593,449)	(4,407,690)	(1,619,702)
Interest expenses	29,579,169	40,380,234	4,289,350	9,322,944
Income (loss) from operating activities before changes in operating assets and liabilities	941,244,855	(33,205,353)	453,397,906	(112,559,788)
Operating assets (increase) decrease				
Trade accounts receivable	(960,457,015)	448,504,420	(507,268,814)	257,700,742
Other account receivable - subsidiary	-	-	(974,466)	(377,178)
Inventories	(410,543,859)	1,077,209,872	(212,074,948)	849,964,851
Other current assets	(14,261,680)	52,256,120	(3,531)	44,315,940
Operating liabilities increase (decrease)				
Trade accounts payable	341,254,239	(379,923,777)	203,784,288	(398,201,115)
Other account payable - related company	207,063	1,176,029	(127,476)	478,343
Other current liabilities	64,609,741	53,283,278	29,723,375	46,968,043
Other non-current liabilities	-	(2,203,908)	-	(2,208,964)
Cash flows from (used in) operating activities	(37,946,656)	1,217,096,681	(33,543,666)	686,080,874
Cash paid for interest expenses	(27,118,772)	(48,618,747)	(3,197,462)	(6,994,710)
Cash paid for corporate income tax	(64,482,631)	(42,090,874)	(23,807,235)	(33,580,426)
Net cash flows from (used in) operating activities	(129,548,059)	1,126,387,060	(60,548,363)	645,505,738

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

Cash flow statements (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from investing activities				
Dividend income	3,375,000	2,250,000	60,324,949	2,250,000
(Increase) decrease in restricted bank deposits	5,301,748	(6,880,167)	-	-
Acquisition of property, plant and equipment	(36,628,583)	(43,076,645)	(19,016,761)	(30,356,626)
Interest income	8,342,132	8,258,094	3,986,834	1,436,159
Proceeds from sales of property, plant and equipment	3,100,784	2,479,416	2,203,364	1,379,959
Cash received from account receivable accounting to the business rehabilitation plan	1,085,039	2,170,077	-	-
(Increase) decrease in other assets	584,681	2,708,023	(40,000)	1,011,710
Net cash flows from (used in) investing activities	(14,839,199)	(32,091,202)	47,458,386	(24,278,798)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	16,318,874	(43,910,133)	-	-
Increase (decrease) in trust receipts	661,635,687	(970,203,384)	170,651,455	(410,130,017)
Cash paid for liabilities under financial lease agreements	(6,779,773)	(939,284)	(6,452,236)	(626,189)
Net cash flows from (used in) financing activities	671,174,788	(1,015,052,801)	164,199,219	(410,756,206)
Translation adjustments	(8,909,150)	(3,972,084)	-	-
Net increase in cash and cash equivalents	517,878,380	75,270,973	151,109,242	210,470,734
Unrealised gain on exchange of cash and cash equivalents	668,741	1,108,497	-	-
Cash and cash equivalents at beginning of year	653,821,787	577,442,317	356,267,142	145,796,408
Cash and cash equivalents at end of year	1,172,368,908	653,821,787	507,376,384	356,267,142
Supplemental cash flows information				
Non-Cash transactions:				
Acquisition of assets through financial lease	16,668,606	4,287,000	16,668,606	2,858,000

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

Notes to consolidated financial statements

For the years ended 31 December 2010 and 2009

1. General information

1.1 Corporate information

Charoong Thai Wire and Cable Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Asia Pacific Wire and Cable Corp. Ltd., which was incorporated in Taiwan. The Company is principally engaged in the manufacture and distribution of electric wire and cables and telephone cables. Its registered office is located at 589/71 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 Charoong 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	
			2010	2009	2010	2009	2010	2009
CTW - Beta Co., Ltd.	Investment & Holding Company	Thailand	100	100	0.22	2.41	-	-
Siam Fiber Optics Co., Ltd.	Manufacturer and distributor of fiber optic cables	Thailand	100	100	5.47	3.93	7.24	3.64
Siam Pacific Electric Wire and Cable Co., Ltd.	Manufacturer and distributor of wire and cable products, and enameled wires	Thailand	100	100	45.71	45.39	27.49	23.02
Pacific-Thai Electric Wire and Cable Co., Ltd. (Held by subsidiary)	Manufacturer and distributor of enameled wires	Thailand	100	100	14.32	17.76	17.59	21.30
Shanghai Yayang Electric Co., Ltd. (Held by subsidiary 78%)	Manufacturer and distributor of enameled copper wires	China	93	93	7.82	9.72	16.38	16.60

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

c) As passed the resolution by the 2010 Annual General Meeting of the shareholders, on 1 November 2010, Pacific-Thai Electric Wire & Cable Company Limited (“Pacific - Thai”) entered into an agreement to transfer its business, including all of its assets, rights, liabilities and contingencies, to Siam Pacific Electric Wire and Cable Company Limited (“Siam Pacific”) on 5 January 2011. Pacific - Thai transferred its assets and liabilities at their net book values as of transfer business date. The net transfer value of the assets and liabilities transferred on this basis was Baht 219.1 million. In addition, all employees of Pacific - Thai were transferred to Siam Pacific. Pacific - Thai subsequently registered its dissolution on 5 January 2011. Such transaction has no impact on the consolidated financial statements.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) 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 2010 and 2009, the financial statements reflected total assets approximately Baht 505.2 million and Baht 460.3 million, respectively. Total revenues and net income for the year ended 31 December 2010 of approximately Baht 1,299.8 million and Baht 17.5 million, respectively (for the year ended 31 December 2009 total revenues of approximately Baht 829.0 million and net loss of Baht 5.2 million, respectively).

f) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the balance sheet date, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Translation adjustment” in shareholders’ equity.

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

h) 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.

3. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements

TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:	
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when these two standards are adopted.

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.

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 fair value of these securities are recorded as a separate item in shareholders' equity, and will be recorded as gains or losses in the income statement when the securities are sold. In addition, the Company and its subsidiaries treat available-for-sale investments as impaired when the management judges that there has been a significant or prolonged decline in fair value below their cost or when other objective evidence of impairment exists.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

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 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	3 - 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the income statement when the asset is derecognised.

4.7 Related party transactions

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

They also include associated company and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that give them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiaries 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.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

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, investments or 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 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 at the amount expected to be paid to the taxation authorities, 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 investments

The Company and its subsidiaries treat 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.

6. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash	1,283,088	1,584,464	600,000	600,000
Bank deposits	851,085,820	432,237,323	206,776,384	155,667,142
Bills of exchange	320,000,000	220,000,000	300,000,000	200,000,000
Total	1,172,368,908	653,821,787	507,376,384	356,267,142

As at 31 December 2010, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.05 and 1.60 percent per annum (2009: between 0.03 and 1.30 percent per annum).

7. 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
	2010	2009	2010	2009	
<u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements)					
Sales of goods	-	-	98.0	-	Market price
Sales of raw materials	-	-	6.6	15.8	Cost plus margin
Fabrication income	-	-	23.7	22.5	Market price
Purchases of goods	-	-	36.2	3.0	Market price
Purchases of raw materials	-	-	53.4	-	Market price
Management fee income	-	-	41.0	32.5	Contract price
Service income	-	-	8.0	7.8	Contract price
Rental income	-	-	5.0	4.9	Contract price
Electric income	-	-	4.8	2.1	At cost
Dividend income	-	-	56.9	-	Announced rate
<u>Transactions with related parties</u>					
Sales of goods	124.3	143.3	123.6	132.6	Market price
Purchases of raw materials	438.6	446.0	-	-	Market price
Fabrication cost	36.8	33.0	36.8	33.0	Market price
Management fee	6.3	3.7	1.4	2.1	Contract price
Dividend income	3.4	2.3	3.4	2.3	Announced rate

As at 31 December 2010 and 2009, the balances of the accounts between the Company and those related companies are as follows:

7.1 The outstanding balances of trade accounts receivable of related parties consist of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<u>Subsidiaries</u>				
Siam Fiber Optics Company Limited	-	-	488,690	14,097
Siam Pacific Electric Wire and Cable Company Limited	-	-	82,265,196	4,300,407
Pacific-Thai Electric Wire and Cable Company Limited	-	-	368,846	3,632,928
<u>Related companies</u>				
Italian Thai Development Public Company Limited (shareholder)	97,269,547	57,311,605	96,878,668	51,938,056
Ital Thai Engineering Company Limited (common director)	3,755,827	7,373,454	3,755,827	7,373,454
Total trade accounts receivable of related parties	101,025,374	64,685,059	183,757,227	67,258,942

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Siam Fiber Optics Company Limited	-	-	5,298,957	4,324,491
Total other account receivable - subsidiary company	-	-	5,298,957	4,324,491

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
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	-	-	(622,759,278)	(523,049,411)
Total long-term loans to subsidiary company - net	-	-	14,354,027	114,063,894

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Subsidiary				
Siam Pacific Electric Wire and Cable Company Limited	-	-	56,857,321	-
Related companies				
Pacific Electric Wire and Cable Company Limited (Shareholder)	30,336	1,279,554	-	-
Thai Metal Processing Co., Ltd. (Held by the Company)	3,394,654	3,630,102	3,394,654	3,630,102
Fujikura Limited (Shareholder of subsidiary company)	6,756,681	-	-	-
Total trade accounts payable - related parties	10,181,671	4,909,656	60,251,975	3,630,102

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Pacific Electric Wire and Cable Company Limited (Shareholder)	1,383,092	1,176,029	350,867	478,343
Total other account payable - related company	1,383,092	1,176,029	350,867	478,343

7.6 The outstanding balances of short-term loans from related companies consist of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Related companies				
Moon View Ventures Ltd. (Indirect shareholder)	5,899,252	6,526,344	-	-
Trigent Investment Holdings Co., Ltd. (Shareholder)	116,025,000	116,025,000	-	-
Total short-term loans from related companies	121,924,252	122,551,344	-	-

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

(Unit: Baht)

	Balance as at 1 January 2010	Addition	Repayment	Total balance as at 31 December 2010
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.

7.8 The movements of short-term loans from related companies were as follows:

	Currencies	Balance as at 1 January 2010	Addition	Repayment	Total balance as at 31 December 2010
Related companies					
Moon View Ventures Ltd.	USD	194,719	-	-	194,719
Trigent Investment Holdings Co., Ltd.	Baht	116,025,000	-	-	116,025,000

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

Directors and management's remunerations

In 2010 and 2009 the Company and its subsidiaries paid salaries, bonus, meeting allowances and gratuities to their directors and management totaling Baht 92.3 million and Baht 68.1 million, respectively (Separate financial statements: Baht 53.9 million, 2009: Baht 45.0 million).

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 22.4.

8. Trade accounts receivable

The balances of trade accounts receivable as at 31 December 2010 and 2009, aged on the basis of due dates, are summarised below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Age of receivables				
Not yet due	1,893,115,242	1,192,623,035	1,019,633,635	496,723,609
Past due				
Up to 3 months	542,592,031	160,070,382	66,265,891	91,874,558
3 - 6 months	53,584,848	64,486,196	32,716,317	23,603,692
6 - 12 months	7,841,135	27,648,706	-	4,583,478
Over 12 months	276,145,745	383,233,542	14,292,066	9,160,781
Total	2,773,279,001	1,828,061,861	1,132,907,909	625,946,118
Less: Allowance for doubtful debts	(118,951,940)	(158,899,547)	(11,535,000)	(13,000,000)
Trade accounts receivable - net	2,654,327,061	1,669,162,314	1,121,372,909	612,946,118

During the year 2010 and 2009, the Company and its subsidiaries written off bad debt and reversed the related allowance for doubtful accounts amounting to Baht 7.7 million and Baht 2.3 million, respectively (Separate financial statements: Baht 0.3 million, 2009: Baht 1.3 million).

As at 31 December 2010 and 2009, balances of trade accounts receivable in the consolidated financial statements include an account receivable from A.S. Associated Engineering (1964) Co., Ltd. amounting to Baht 209.1 million and Baht 355.0 million. This balance has been outstanding in the books of a subsidiary for an extended period of time. As at 31 December 2010 and 2009, this company has pledged securities totaling Baht 118.1 million and Baht 136.8 million with the subsidiary. In 2010, the subsidiary recorded reversal of allowance for doubtful account amounting to Baht 39.0 million. The balance of such allowance for doubtful debt thus decrease to Baht 51.0 million on this receivable, of which the management believes that this amount is adequate under the current circumstances.

9. Inventories

(Unit: Baht)

	Consolidated financial statements					
	Cost		Allowance for diminution in value of inventories		Inventories-net	
	2010	2009	2010	2009	2010	2009
Finished goods	448,061,216	447,804,859	(15,115,142)	(14,218,021)	432,946,074	433,586,838
Work in process	319,468,176	321,281,486	(5,530,670)	(14,199,598)	313,937,506	307,081,888
Raw materials and supplies	553,272,983	255,294,153	(12,923,084)	(8,042,867)	540,349,899	247,251,286
Goods in transit	200,948,142	86,826,160	-	-	200,948,142	86,826,160
Total	1,521,750,517	1,111,206,658	(33,568,896)	(36,460,486)	1,488,181,621	1,074,746,172

(Unit: Baht)

	Separate financial statements					
	Cost		Allowance for diminution in value of inventories		Inventories-net	
	2010	2009	2010	2009	2010	2009
Finished goods	260,577,896	235,200,587	(12,442,633)	(11,954,510)	248,135,263	223,246,077
Work in process	172,788,195	181,645,536	(1,605,080)	(8,863,009)	171,183,115	172,782,527
Raw materials and supplies	224,717,265	132,277,139	(6,056,885)	(3,340,000)	218,660,380	128,937,139
Goods in transit	127,481,724	24,366,870	-	-	127,481,724	24,366,870
Total	785,565,080	573,490,132	(20,104,598)	(24,157,519)	765,460,482	549,332,613

10. 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	
	2010	2009	2010	2009	2010	2009
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	56,949,949	-
Shanghai Yayang Electric Company Limited	USD 7,048,737	USD 7,048,737	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	56,949,949	-
Less: Allowance for impairment of investments			(48,163,060)	(48,163,060)		
Total investments in subsidiaries - net			1,204,749,876	1,204,749,876		

11. Investment in associated company

11.1 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	
			2010	2009	2010	2009	2010	2009
			(%)	(%)				
Loxley Pacific Co., Ltd.	Providing telecommunication service	Thailand	24.56	24.56	379,245,710	379,245,710	105,151,049	113,522,916
Total					379,245,710	379,245,710	105,151,049	113,522,916
Less: Allowance for impairment of investment							(91,185,132)	-
Total investment in associated company - net							13,965,917	113,522,916

11.2 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	
	2010	2009	2010	2009
Loxley Pacific Company Limited	8,371,867	4,401,737	-	-
Total	8,371,867	4,401,737	-	-

11.3 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		as at		as at		for the		for the	
	31 December	31 December	31 December	31 December	31 December	31 December	2010	2009	2010	2009
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Loxley Pacific Company Limited	700	700	438	497	18	34	30	81	(42)	(18)

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. During 2010, there was an outbreak of conflict on the Korean peninsula, and the other shareholder of the associated company offered to sell its shares to a buyer. Based on the offering price, the carrying amount of this investment would be impaired. The Company therefore decided to record allowance for impairment amounting to Baht 91.2 million in the allowance for impairment of investment in an associate account in the consolidated financial statements and record allowance for doubtful accounts for the long-term loan to subsidiary in the separate financial statements. Such allowance for impairment was calculated based on discounted cashflows prepared by the Company's management.

12. Other long-term investments

(Unit: Baht)

	Consolidated		Separate	
	2010	2009	2010	2009
12.1 General Investments				
Thai Metal Processing Co., Ltd.	22,500,000	22,500,000	22,500,000	22,500,000
H.R.Silvine Electronics Co., Ltd.	1,359,400	1,359,400	1,359,400	1,359,400
B.I.P. Engineering and Construction Co., Ltd.	220,826	220,826	220,826	220,826
Less: Allowance for impairment of investments	(1,580,226)	(1,580,226)	(1,580,226)	(1,580,226)
General investments - net	22,500,000	22,500,000	22,500,000	22,500,000
12.2 Investments in available-for-sale securities				
TT&T Public Co., Ltd.	13,824,449	13,824,449	-	-
Less: Allowance for impairment of investments	(11,046,639)	-	-	-
Deficit on changes in fair value	-	(10,271,436)	-	-
Investments in available-for-sale securities - net	2,777,810	3,553,013	-	-
12.3 Investments in debentures/account receivable accounting to the business rehabilitation plan				
Italian Thai Development Public Co., Ltd.	-	1,085,039	-	-
Less: Allowance for impairment of investments	-	(1,085,039)	-	-
Investments in debentures/account receivable accounting to the business rehabilitation plan - net	-	-	-	-
Total other long-term investments - net	25,277,810	26,053,013	22,500,000	22,500,000

During the year 2010, the Company received dividend from the long-term investment at Baht 3.4 million (2009: Baht 2.3 million).

During 2010, the subsidiary companies recorded allowance for impairment of investments in TT&T amounting to Baht 11.0 million, as the decrease in the fair value of these investments is significant and prolonged, which the management considers to constitute an indication that the investments have been impaired. The subsidiary companies used the fair value of TT&T shares as at 30 December 2010 as the basis for recording these transactions.

13. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Buildings	Building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost								
As at 31 December 2009	202,364	945,083	69,577	3,541,443	103,767	69,908	17,980	4,950,122
Additions	-	-	1,629	10,565	4,435	21,539	15,129	53,297
Disposals	-	-	-	(7,568)	(2,993)	(10,747)	(428)	(21,736)
Transfers	-	-	95	27,553	242	83	(27,973)	-
Translation adjustment	-	(4,374)	-	(10,489)	(146)	(267)	(32)	(15,308)
As at 31 December 2010	202,364	940,709	71,301	3,561,504	105,305	80,516	4,676	4,966,375
Accumulated depreciation:								
As at 31 December 2009	-	(650,065)	(64,624)	(3,247,511)	(94,910)	(49,585)	-	(4,106,695)
Depreciation for the year	-	(46,896)	(3,079)	(78,343)	(3,612)	(9,147)	-	(141,077)
Depreciation on disposals	-	-	-	7,523	2,958	9,910	-	20,391
Translation adjustment	-	1,120	-	6,178	96	129	-	7,523
As at 31 December 2010	-	(695,841)	(67,703)	(3,312,153)	(95,468)	(48,693)	-	(4,219,858)
Net book value:								
31 December 2009	202,364	295,018	4,953	293,932	8,857	20,323	17,980	843,427
31 December 2010	202,364	244,868	3,598	249,351	9,837	31,823	4,676	746,517
Depreciation for the year								
2009 (Baht 141.5 million included in manufacturing cost, and the balance in administrative expenses)								155,570
2010 (Baht 126.5 million included in manufacturing cost, and the balance in administrative expenses)								141,077

(Unit: Thousand Baht)

Separate financial statements

	Land	Buildings	Building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost								
As at 31 December 2009	149,013	431,324	66,308	1,674,496	59,789	35,091	16,120	2,432,141
Additions	-	-	250	2,422	2,753	21,507	8,753	35,685
Disposals	-	-	-	(340)	(652)	(8,279)	-	(9,271)
Transfers	-	-	-	23,513	242	83	(23,838)	-
As at 31 December 2010	149,013	431,324	66,558	1,700,091	62,132	48,402	1,035	2,458,555
Accumulated depreciation:								
As at 31 December 2009	-	(286,521)	(62,046)	(1,560,405)	(55,289)	(23,626)	-	(1,987,887)
Depreciation for the year	-	(21,527)	(2,679)	(17,503)	(1,953)	(6,592)	-	(50,254)
Depreciation on disposals	-	-	-	340	634	7,442	-	8,416
As at 31 December 2010	-	(308,048)	(64,725)	(1,577,568)	(56,608)	(22,776)	-	(2,029,725)
Net book value:								
31 December 2009	149,013	144,803	4,262	114,091	4,500	11,465	16,120	444,254
31 December 2010	149,013	123,276	1,833	122,523	5,524	25,626	1,035	428,830
Depreciation for the year								
2009 (Baht 41.4 million included in manufacturing cost, and the balance in administrative expenses)								48,408
2010 (Baht 42.9 million included in manufacturing cost, and the balance in administrative expenses)								50,254

As at 31 December 2010 and 2009, the Company and its subsidiary had vehicles under finance lease agreements with net book values amounting to Baht 25.2 million and Baht 10.6 million, respectively (The Company only: Baht 24.1 million, 2009: Baht 9.2 million).

As at 31 December 2010 and 2009, certain plant and equipment items had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 3,080.8 million and Baht 2,856.7 million, respectively (The Company only: Baht 1,636.5 million, 2009: Baht 1,632.3 million).

As at 31 December 2010, the subsidiary companies have pledged assets amounting to approximately Baht 114.6 million and RMB 9.9 million (2009: Baht 136.3 million and RMB 10.4 million, respectively) as collateral against credit facilities received from financial institutions.

14. Short-term loans from financial institutions and trust receipts

(Unit: Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Short-term loans from financial institutions	5.31 - 5.59	201,382,291	187,880,999	-	-
Trust receipts	1.25 - 2.90	1,192,557,148	538,063,185	222,949,248	54,529,675
Total		1,393,939,439	725,944,184	222,949,248	54,529,675

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.

15. Liabilities under finance lease agreements

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Liabilities under finance lease agreements	19,757,249	7,724,765	18,801,937	6,441,917
Less: Deferred interest expenses	(1,784,486)	(734,257)	(1,692,908)	(573,838)
Total	17,972,763	6,990,508	17,109,029	5,868,079
Less: Portion due within one year	(6,845,592)	(2,803,795)	(6,568,616)	(2,545,101)
Liabilities under finance lease agreements - net of current portion	11,127,171	4,186,713	10,540,413	3,322,978

The Company and its subsidiary have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years.

As at 31 December 2010, 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	7,908,363	11,848,886	7,580,828	11,221,109
Deferred interest expenses	1,062,772	721,714	1,012,211	680,697

16. 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.

17. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Raw materials and consumables used and purchase finished goods	5,993.9	3,192.3	1,844.8	1,377.0
Changes in finished goods and work in progress	1.6	310.2	(16.5)	231.5
Salary and wages and other employee benefits	419.8	328.9	228.9	182.9
Packing expenses	87.0	46.0	63.6	43.5
Fabrication expenses	36.8	33.0	36.8	33.0
Electric expenses	153.3	116.9	47.8	35.8
Repair and maintenance expenses	38.9	29.7	28.7	22.3
Depreciation and amortisation	141.2	155.6	50.3	48.4
Commission expenses	71.4	29.2	38.4	21.6
Allowance for doubtful accounts (reversal)	(32.2)	(3.9)	98.6	1.9

18. 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, excluding certain reversals of allowances that are not deemed to be taxable income and deducting with tax loss brought forward from previous year.

19. Earnings per share

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

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 2010 and 2009 by segment.

(Unit: Million Baht)

	Domestic Segment		Foreign segment		Elimination of inter-segment revenues		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues from external customers	6,391	3,978	1,298	829	-	-	7,689	4,807
Inter-segment revenues	342	205	-	-	(218)	(62)	124	143
Total revenues	6,733	4,183	1,298	829	(218)	(62)	7,813	4,950
Segment income	1,032	565	56	35	-	-	1,088	600
Unallocated income and expenses:								
Interest income							9	7
Gain on exchange rate							95	4
Dividend income from other company							3	2
Other income							12	31
Selling expenses							(130)	(80)
Administrative expenses							(140)	(119)
Management benefit expense							(80)	(66)
Loss on impairment of investments							(102)	-
Other expenses							-	(3)
Share of loss from investment in associated company							(8)	(5)
Financial cost							(36)	(45)
Corporate income tax							(130)	(28)
Minority interest							(35)	6
Net income							546	304

(Unit: Million Baht)

	Domestic Segment		Foreign segment		Elimination of inter-segment revenues		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009
Property, plant and equipment - net	932	1,006	92	114	(277)	(277)	747	843
Trade accounts receivable - net	2,510	1,458	284	219	(140)	(8)	2,654	1,669
Inventories - net	1,414	1,004	74	71	-	-	1,488	1,075
Other assets							1,573	1,148
Total assets							6,462	4,735

Transfer prices between business segments are described in Note 7.

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 2010 and 2009, the Company and the subsidiaries contributed Baht 6.4 million and Baht 6.3 million, respectively to the fund. (the Company only: Baht 3.8 million and Baht 3.9 million, respectively).

22. Commitments and contingent liabilities

22.1 Capital commitments

As at 31 December 2010, the subsidiary company had capital commitments of approximately Baht 4.2 million, relating to the installation of equipment and acquisition of machinery.

22.2 Service comments

As at 31 December 2010, the Company and the subsidiary company had comments in respect of service as follows:

	Unrelated parties (Million Baht)	Related party (Thousand USD)
Payable within:		
1 year	4.9	150.0
1 to 3 years	-	85.4

22.3 Commitment to purchase raw materials

As at 31 December 2010, the Company and its subsidiary had contractual commitments to purchase raw materials approximately 12,700 - 14,500 metric tons (the Company only approximately 4,900 metric tons).

22.4 Guarantee

a) As at 31 December 2010, the Company and two subsidiary companies had guarantee obligations for bank credit lines of four subsidiary companies and related company at approximately Baht 75.0 million and USD 10.3 million (2009: Baht 75 million and USD 10.3 million).

b) As at 31 December 2010, two subsidiary companies had commitments to provide cross guarantees for credit lines at the total of approximately Baht 1.9 billion and USD 5.0 million (2009: Baht 1.9 billion and USD 4.0 million).

c) As at 31 December 2010 and 2009, the Company and its subsidiary companies had outstanding bank guarantees of approximately Baht 596.4 million and Baht 491.4 million respectively (The Company only: Baht 542.6 million, 2009: Baht 461.7 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.

23. Financial instruments

23.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "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 and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures. In addition, the Company and its subsidiaries sold goods to credit worthiness customers such as state enterprise and government agencies and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have the large customer bases. 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 and its subsidiaries are exposure to interest rate risk relates primarily to its cash at banks, short-term loans, trust receipts and financial lease liabilities. However, since most of the Company and its subsidiaries 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.

Significant financial assets and liabilities as at 31 December 2010 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
	(Million Baht)						(% p.a.)
Financial assets							
Cash and cash equivalents	300	-	-	846	26	1,172	0.05 - 1.60
Trade accounts receivable - net	-	-	-	-	2,654	2,654	-
Deposits at bank with restrictions	192	70	-	-	-	262	0.50 - 1.00
	492	70	-	846	2,680	4,088	
Financial liabilities							
Short-term loans for financial institutions	153	-	-	48	-	201	5.31 - 5.59
Trust receipts	-	-	-	1,193	-	1,193	1.25 - 2.90
Trade accounts payable	-	-	-	-	537	537	-
Other account payable - related company	-	-	-	-	1	1	-
Short-term loans from related companies	-	-	-	-	122	122	-
Other accounts payable	-	-	-	-	21	21	-
Financial lease liabilities	-	18	-	-	-	18	6.50 - 8.40
	153	18	-	1,241	681	2,093	

Separate financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
	(Million Baht)						(% p.a.)
Financial assets							
Cash and cash equivalents	300	-	-	202	5	507	0.25 - 1.60
Trade accounts receivable - net	-	-	-	-	1,121	1,121	-
Other account receivable - subsidiary	-	-	-	-	5	5	-
Long-term loans to subsidiary - net	-	-	-	14	-	14	0.50 - 1.38
	300	-	-	216	1,131	1,647	
Financial liabilities							
Trust receipts	-	-	-	223	-	223	1.25 - 1.90
Trade accounts payable	-	-	-	-	276	276	-
Other accounts payable	-	-	-	-	14	14	-
Financial lease liabilities	-	17	-	-	-	17	6.50 - 8.40
	-	17	-	223	290	530	

Foreign currency risk

The Company and its subsidiaries are exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek 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 2010 are summarised below.

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate as at 31 December 2010 (Baht per 1 foreign currency unit)
US dollar	11.4	47.9	30.1513

The Company and its subsidiary companies had no foreign exchange contracts outstanding at 31 December 2010.

23.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries 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.

24. Capital management

The primary objective of the Company and its subsidiaries capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2010, the Group's debt-to-equity ratio was 0.58:1 (2009: 0.35:1) and the Company's was 0.20:1 (2009: 0.07:1).

25. Approval of financial statements

These financial statements were authorised for issue by the authorised director of the Company on 23 February 2011.

Fee to the Auditor

1. Audit fee

The Company and its subsidiaries paid audit fee to :

- The Company's auditor for the year 2010 totaling Baht 4,510,000
- Other than the Company's auditor but, related individual or related company of the Company's auditor for the year 2010 totaling Baht 0.

2. Non-audit fee

The Company and its subsidiaries paid non-audit fee for the year 2010 totaling Baht 2,345,000.



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