

Annual Report

2011



Charoong 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, 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 17 January 2012, 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. (TSD)
62 The Stock Exchange of Thailand Building, Rachadapisek Road,
Klongtoey, Bangkok, 10110, Thailand
Tel. : (662) 229-2800 Fax : (662) 359-1259
TSD Call Center : (662) 229-2888
Website : www.tsd.co.th

Auditor

Mr. Supachai Phanyawattano, Certified Public Accountant License No. 3930 or
Mr. Narong Puntawong, Certified Public Accountant License No. 3315 or
Ms. Sirapron Ouaanunkun, Certified Public Accountant License No. 3844
Ernst & Young Office Limited 33^d 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 | 100.00 |
| 2. Siam Fiber Optics Co., Ltd. Head office : 589/71 Central City Tower Fl. 12 A, Bangna-Trad Rd, Bangna, Bangna, Bangkok 10260 Tel. : (02) 745-6118-30 Fax : (02) 745-6575 | Manufacturer and distributor of Fibre optic cables | Ordinary Shares | 24,000,000 | 14,399,994 | 60.00 |
| 3. Siam Pacific 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 wire and cable products, and enameled copper wires | Ordinary Shares | 6,700,000 | 6,700,000 | 100.00 |
| 4. 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 |
| 5. 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 |
| 6. 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 |
| 7. 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 |
| 8. 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 2009 - 2011

Financial Information of the Company and its subsidiaries for 2009 - 2011

For the year ended December 31

(Unit : Million Baht)

| | 2011 | 2010 | 2009 |
|---|-----------------|----------|----------|
| OPERATING RESULTS | | | |
| Total Revenues | 7,621.71 | 7,933.05 | 4,994.85 |
| Revenue from Sales | 7,574.47 | 7,812.94 | 4,950.12 |
| Selling Expenses | 131.32 | 130.29 | 80.12 |
| Administrative Expense | 182.66 | 220.38 | 119.20 |
| Total Expenses | 7,273.59 | 7,177.90 | 4,619.74 |
| Net Income (Loss) | 168.74 | 545.71 | 304.33 |
| Earning (Loss) per Share (Baht) | 0.42 | 1.36 | 0.76 |
| Par Value (Baht/Share) | 5.00 | 5.00 | 5.00 |
| FINANCIAL POSITION | | | |
| Current Assets | 4,891.52 | 5,375.49 | 3,443.68 |
| Total Investments | 36.47 | 39.24 | 139.57 |
| Property, Plant and Equipment-Net | 718.89 | 762.92 | 859.83 |
| Total Assets | 5,933.54 | 6,461.98 | 4,735.50 |
| Current Liabilities | 1,816.04 | 2,361.62 | 1,216.51 |
| Total Liabilities | 1,844.19 | 2,372.75 | 1,220.70 |
| Equity attributable to CTW's Shareholders | 3,963.03 | 3,970.20 | 3,429.64 |
| Total Shareholders' Equity | 4,089.35 | 4,089.23 | 3,514.80 |
| Book Value (Baht/Share) | 10.28 | 10.28 | 8.83 |
| FINANCIAL RATIO | | | |
| Current Ratio (times) | 2.69 | 2.28 | 2.83 |
| Quick Ratio (times) | 1.79 | 1.62 | 1.91 |
| Gross Profit (%) | 8.16 | 13.92 | 12.09 |
| Net Profit (Loss) (%) | 2.21 | 6.88 | 6.09 |
| Return on Equity (%) | 4.25 | 14.75 | 9.27 |
| Debt to Equity Ratio (times) | 0.45 | 0.58 | 0.35 |
| Return on Assets (%) | 2.72 | 9.75 | 5.78 |
| Total Assets Turnover Ratio (times) | 1.23 | 1.42 | 0.95 |

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 four 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"), and Shanghai Yayang Electric Co., Ltd. ("Shanghai Yayang") are significant manufacturers and distributors 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 | 2011 | | 2010 | | 2009 | |
|--|---|--------------------|----------|--------|----------|--------|----------|--------|
| | | | Revenue | % | Revenue | % | Revenue | % |
| Manufacturing / Revenue | Charoong Thai Wire & Cable Plc. | | 3,231.53 | 42.40 | 2,611.38 | 32.92 | 1,828.17 | 36.60 |
| | Siam Fiber Optics Co., Ltd. | 60.00 | 301.68 | 3.96 | 574.46 | 7.24 | 181.62 | 3.63 |
| | Siam Pacific Electric Wire & Cable Co., Ltd. | 100.00 | 2,669.37 | 35.02 | 2,071.94 | 26.12 | 1,107.13 | 22.17 |
| | Pacific-Thai Electric Wire & Cable Co., Ltd.* | 100.00 | - | - | 1,375.44 | 17.34 | 1,048.99 | 21.00 |
| | Shanghai Yayang Electric Co., Ltd. | 92.91 | 1,419.13 | 18.62 | 1,299.83 | 16.38 | 828.95 | 16.60 |
| Investment / Revenue | CTW-Beta Co., Ltd. | 100.00 | - | - | - | - | - | - |
| Total | | | 7,621.71 | 100.00 | 7,933.05 | 100.00 | 4,994.86 | 100.00 |

(Expressed in Million Baht)

| Product Line / Business Category | By | % of Investment | 2011 | 2010 | 2009 |
|----------------------------------|--------------------------|--------------------|-------|-------|-------|
| Telecommunication** / Revenue | Loxley Pacific Co., Ltd. | 24.56 | 91.60 | 29.83 | 81.29 |

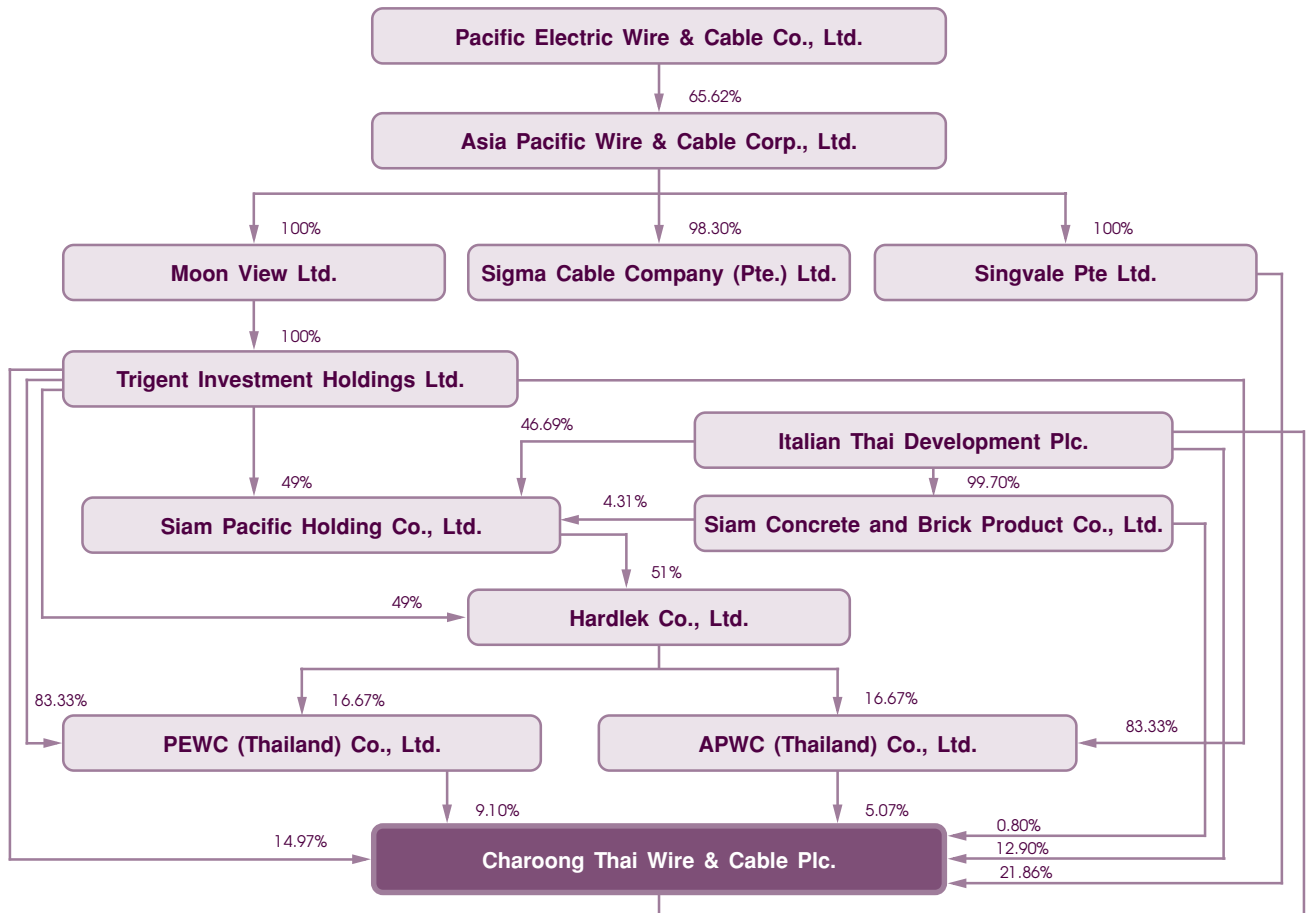
Remarks : * Registered the dissolution on 5th January, 2011

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

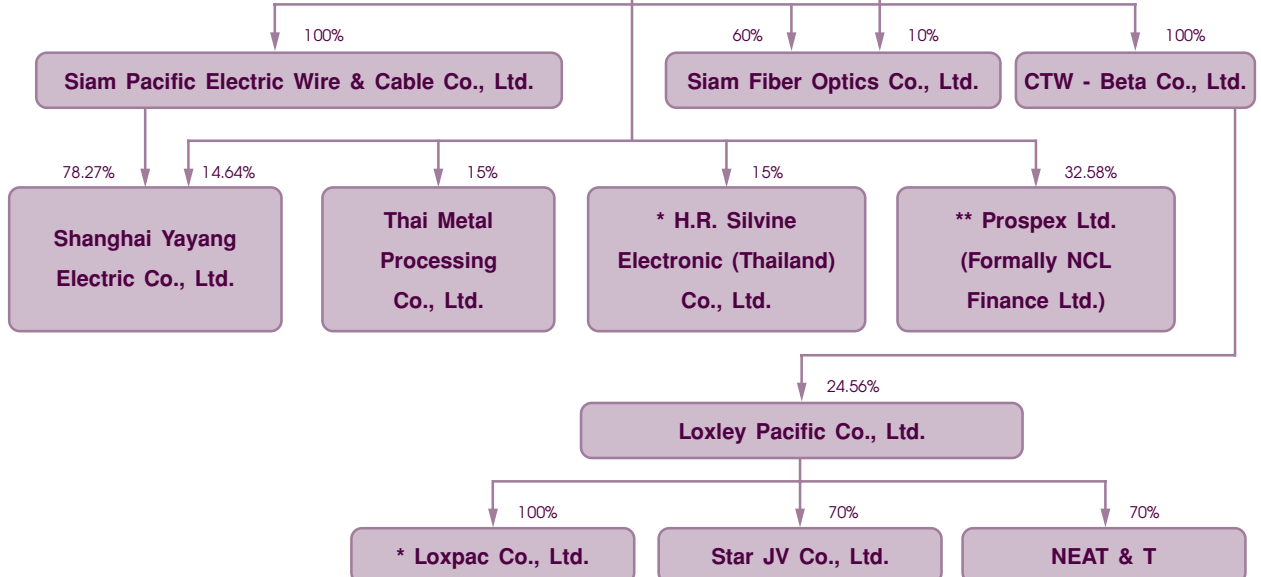
Nature of Business

Shareholding Structure of the Company Group

Parent Group Structure (as at 1 March 2012)



Company Group Structure



* It is currently inactive.

** The liquidation is currently in progress.

Nature of Business

Top 10 Shareholders of PEWC, its Parent Company

(As at 24th April, 2011)

| 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. Ding-Hao ACME Co., Ltd. | 3,908,000 | 0.58 |
| 8. Liao Guang Rong | 3,900,000 | 0.58 |
| 9. Bao Hua Investment Co., Ltd. | 3,146,447 | 0.47 |
| 10. Tony Yu Jie | 3,027,653 | 0.45 |
| 11. Minority Shareholders | 607,226,251 | 90.77 |
| 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 (%) 2011 | Description |
|---------------------------|-------------------|---|
| Aluminium electrical wire | 9.83 | - ACSR 1272 - AAC - PVC Insulated Aluminium Cable |
| Copper electrical wire | 22.40 | - Building Wire (THW, NYY, VSF) - Bare Copper |

Nature of Business

| Product | Sales (%) 2011 | Description |
|--------------------------|-------------------|---|
| High voltage power cable | 8.01 | - Space Aerial - XLPE Copper Cable 12/20 KV, 24 KV, 115 KV |
| Telephone cable | 9.73 | - Self-Supporting Drop Wire - Figure 8 Alpeth - PE Alpeth - Foam/Skin Alpeth |
| Fiber optic cable | 3.90 | - Single/Multi Fiber optics |
| Enameled Wire | 46.13 | - 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., and are sold to private sector such as the contractors and general customers 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 Electronic Commission), British Standard (BS), American Standard (ASTM) etc.. Furthermore, its products also received many product certificates from Thai Government and other creditable institution as the followings:

- License of Compulsory Thai Industrial Standard e.g. TIS 11-2531(1988), TIS 293-2541 (1998), TIS 2202-2547 (2004) etc. and License of Thai Industrial Standard e.g. TIS 64-2517 (1974), TIS 85-2548 (2005), TIS 838-2531 (1988), TIS 2143-2546 (2003) etc.

- Type Test Approval of High Voltage Power Cable (69 & 115 KV.) from Engineering Faculty, Chulalongkorn University and King Monkut's Institute of Technology Ladkrabang.

- Product License of Fire Resistance Cable from PSB Corporation, Singapore.

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, Thailand's overall economic had fluctuated with the global economic crisis and there were major events that effected to the Thai economy such as, political policy, oil price fluctuations and severe flooding etc.

Therefore, the government has implemented certain stimulus in economic and investment in many projects such as Thai Khem Kaeng (Strong Thailand) which is mega-project programme for development of transportation system, Rapid Transit Projects, Medical Hub Projects, Expansion Project of Suvarnabhumi International Airport, etc.

Nature of Business

As a result, the Company's sales could meet the target and achieve success although it faced intense key raw material price fluctuation such as aluminum, copper and oil. The price of such raw materials has been consistently fluctuated. 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.

3. Place

The Company goal is always to increase its wire and cable products market share to expand its across the country. Its sales mainly focus on electrical contractors and existing distributors as well as new distributors with high potential.

In addition, the Company has created more sales opportunities. 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 Taksin - Pechkasem Line 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.

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.

In 2011, SFO has invited engineering teams and faculty from universities who specialize in theory and installation of fiber optic cable to provide the knowledge and understanding through seminar and training to the fiber optic cable users in neighboring countries which are the target markets. This was intended to establish an awareness and understanding of difference between the quality and qualification of standardized cable and poor quality cable which may affect stability of communication system and useful life of cable.

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

In the previous year, the domestic economic situation has fluctuated, with the global economic crisis, the price increase of oil and raw material resulted in intense competition in both domestic and overseas industry. The government, therefore, has implemented certain stimulus package in many aspects thus resulting in the increase of domestic demand for electrical cable.

Nature of Business

Copper electrical wire

Copper electrical wire market situation has faced intense price competition along with copper price fluctuations. The Company had to manage effectively for competitive in the copper electric wire markets.

The Company has still received the orders from Mega Project of the government and private sectors, such as Rapid Transit Projects, the continuation of condominium construction, and Shopping Mall etc.

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 2011, the Company secured certain number of purchase orders from this latter customer group.

Fiber optic cable

Presently, the government has expanded the Communication network in order to enhance the speed of data transmission, adoption, upload and download data from mobile phone and Pocket PC etc. which TOT corporation Plc. need to use the fiber optic cable (OFC) for communication network expansion including the cable installation for Fiber to the Home (FTTH) project.

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 more profit to it.

Nature of Business

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 Subdistrict, 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), Wuqiao Town, Feng Xian District, Shanghai, China.

Production Capacity and Utilisation Rate :

| | Full Capacity (metric tones/ year) | Annualised Utilisation Rate (%) | | |
|---------------------------------|--|------------------------------------|------|------|
| | | 2011 | 2010 | 2009 |
| CTW | | | | |
| Aluminium electrical wires | 14,400 | 52 | 39 | 24 |
| Copper electrical wires | 12,000 | 52 | 39 | |
| | 9,600 | | | 34 |
| Telephone cables (pairs-km) | 1,440,000 | 6 | 11 | 18 |
| High voltage power cables | 4,800 | 41 | 62 | 21 |
| SPEWC, PTEWC, SFO | | | | |
| Enameled copper wires | 21,600 | 29 | 41 | 35 |
| Power cables | 3,600 | 0.00 | 0.03 | 0.66 |
| Communication cables (pairs-km) | 2,304,000 | 10 | 17 | 11 |
| Fiber optic cables (km-fiber) | 500,000 | 35 | 81 | 20 |
| Shanghai Yayang | | | | |
| Enameled copper wires | 8,400 | 54 | 56 | 43 |

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.

Nature of Business

Raw materials

In 2011, 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, 17 suppliers from domestic and 23 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 2 suppliers and imported from oversea 4 suppliers in USA, Japan, Sweden, Belgium, China, UAE and Vietnam 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 2011, NEAT &T has paid Baht 10.09 million dividends to Loxpac. During 2010, Loxpac starts new Joint Venture name "Star J.V." with KPTC to be the ISP (Internet Service Provider) monopoly in DPRK. The service lunched on 10 October 2010 and operating results for the year 2011, Star J.V. will pay Baht 10.20 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 2011 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 derived 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 derived from currency exchange rate fluctuation

The Company and its subsidiaries import raw materials used in the production from foreign countries which the Company may be affected on the aspect of cost derived from currency exchange rate fluctuation. In addition, there are exposure to foreign currency risk from investments in its subsidiary and associated companies that are denominated in foreign currencies As at 31 December 2011, the Company and its subsidiaries have outstanding balance of liabilities denominated in foreign currencies of USD 36 million. Therefore, to reduce the effect from exchange rate fluctuation, the Company has managed the risk from exchange rate by using forward exchange contracts. Generally, the forward contracts mature within one year.

Risk Factors

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. As at 31 December 2011, its a subsidiary had outstanding buy foreign exchange contracts of approximately USD 2 million. In addition, the Company has the a policy to promote its export business to foreign markets which will be base on US dollars revenue and thereby it could help as a natural hedge mechanics. It has also followed closely the movement in exchange rates all the time.

4 Risk factors associated with control by major shareholders

There are four major shareholders of CTW that ultimately relate to Pacific Electric Wire & Cable 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.

5 Risk derived from flooding

In 2011 Thailand suffered from severe flood in many provinces. It also affected Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC), a subsidiary having a plant in Pathum Thani Province, one of the area severely affected by flood. SPEWC's plant was flooded and its operation had to be ceased and the plant was then announced closed temporarily. From the evaluation based on loss sustained by SPEWC, the amount was equal to Baht 110 million according to its income statements for the year 2011. SPEWC is nevertheless considered to be still under risk of flood.

Steps taken to mitigate the risk :

The Company and its subsidiaries normally take up insurance to cover range of risks every year and after the last flood, the Company has set up flood monitoring center and emergency plans to respond to situation that may take place anytime. For SPEWC, its new fence is being constructed as 3-meter wall from the ground and is expected to be completed in August 2012.

6 Risk derived from the shortage of skilled labor

Due to the new basic wage rate for the whole country to be enforceable in this April 2012, this may pose risk upon the Company in terms of shortage of skilled labour as the Company's plant is situated in Chachoensao, the area adjoining Bangkok and Samut Prakan in which basic wage rate is higher than that of Chachoensao for more than 11.52% and this will be a significant incentive for skilled labour to move to the area where basic wage rate is higher.

Steps taken to mitigate the risk :

In order to manage such risk, the Company has provided range of welfare to compensate such lower wage rate compared with basic wage rate in Bangkok and Samut Prakan e.g. active payment, overtime pay, transport service and dormitory for employees etc.

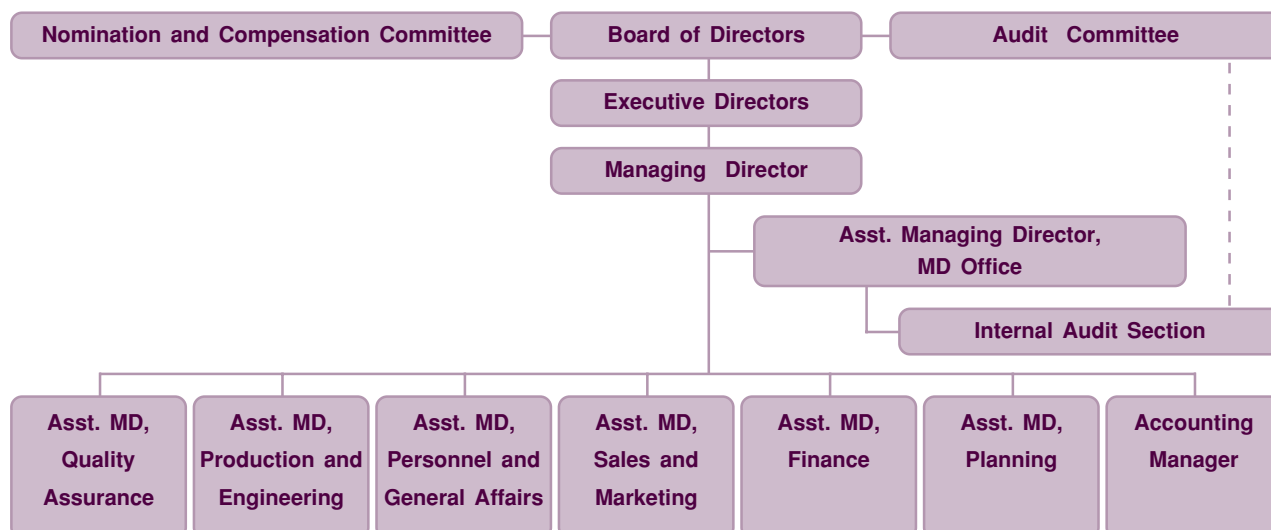
Shareholding and Management Structure

Major Shareholders as at 8th April 2011

| 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 |
| | <u>171,960,684</u> | <u>43.21</u> | |
| <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 |
| | <u>57,248,557</u> | <u>14.39</u> | |
| <u>Bangkok Insurance Plc. Group</u> | | | |
| 8. Bangkok Insurance Plc. | 25,608,724 | 6.44 | Domestic Juristic Person |
| 9. Mr. Chai Sophonpanich | 2,731,210 | 0.69 | Domestic Natural Person |
| | <u>28,339,934</u> | <u>7.13</u> | |
| <u>Management Group</u> | | | |
| 10. Mr. Sun Tao-Heng | 6,273,460 | 1.58 | International Natural Person |
| <u>Other Group</u> | | | |
| 11. Thai NVDR Co., Ltd. | 22,541,378 | 5.66 | Domestic Juristic Person |
| 12. Quam Securities Company Limited A/C Client | 13,518,100 | 3.40 | International Juristic Person |
| 13. RBC Dexia Investor Services Bank S.A. | 5,000,000 | 1.26 | International Juristic Person |
| 14. Mr. Si Lok Mark Lee | 3,500,000 | 0.88 | International Natural Person |
| 15. Minority Shareholders | 89,524,171 | 22.49 | |
| Total | <u>397,906,284</u> | <u>100.00</u> | |

Management Structure

Organization Chart of Charoong Thai Wire & Cable Public Company Limited



Shareholding and Management Structure

Directors Structure

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 2011 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. Lee Michael Chao-Chun | Director |
| 6. Mr. Kasem Kularbkeo* | Director and Member of the Nomination and Compensation Committee |
| 7. Mrs. Sununtha Phaengsook* | Director and Asst. Managing Director, Finance |
| 8. Mrs. Nijaporn Charanachitta | Director and Member of the Nomination and Compensation Committee |
| 9. Mr. Sai Wah Simon Suen | Chairman of the Nomination and Compensation Committee, Audit Committee Member and Independent Director |
| 10. Mr. Steven Suey Ku | Audit Committee Member and Independent Director |
| 11. Mr. Yuan Chun - Tang | 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:

1. 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.
2. To arrange meetings at least once in every three months at the Head Office of the Company or the province nearby in the meeting.
3. To implement and direct the Company's policies, as well as monitor and supervise its operations to maximize economic value and shareholders' wealth.
4. 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.

Shareholding and Management Structure

2. Audit Committee

The Company's Audit Committee as at 31 December 2011 :

| 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 | 3/4 |

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

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.

Member of the Audit Committee are in 3 years per a period.

3. Nomination and Compensation Committee

The Company's Nomination and Compensation Committee as at 31 December 2011 :

| Name | Position | Meeting Attendance (Total 1 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 |

Shareholding and Management Structure

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

4. Executive Directors and Management Team

The Company's Executive Directors and Management Team as at 31 December 2011 :

| Name | Position |
|------------------------------------|---|
| 1. Mr. Sun Tao-Heng | Managing Director |
| 2. Mr. Kasem Kularbkeo | Executive Director |
| 3. Mrs. Sununtha Phaengsook | Executive 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 Charoengsukpaisarn | 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.
 - 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,

Shareholding and Management Structure

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 member of the Nomination and Compensation is considering an appropriate person to the Board of Directors for the company 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 2011

| Name | Board Meeting (total 4 times) | 2011 AGM (25 th April, 2011) |
|----------------------------------|----------------------------------|--|
| 1. Mr. Chai Sophonpanich | 3/4 | 1 |
| 2. Mr. Premchai Karnasuta | 3/4 | 1 |
| 3. Mr. Sun Tao-Heng | 4/4 | 1 |
| 4. Mr. Pornwut Sarasin | 3/4 | 1 |
| 5. Mr. Cheng Andy Chow-Chun * | 1/1 | 1 |
| 6. Mr. Kasem Kularbkeo | 4/4 | 1 |
| 7. Mrs. Sununtha Phaengsook | 4/4 | 1 |
| 8. Mrs. Nijaporn Charanachitta | 3/4 | 1 |
| 9. Mr. Yuan Chun-Tang | 4/4 | 1 |
| 10. Mr. Lee Michael Chao-Chun ** | 3/3 | - |
| 11. Mr. Sai Wah Simon Suen | 4/4 | 1 |
| 12. Mr. Steven Suey Ku | 3/4 | 1 |
| 13. Mr. Surachai Sirivallop | 3/4 | 1 |

Remarks : * To be retired by rotation at the 2011 Annual General Meeting of Shareholders on April 25, 2011.

** To be appointed as the Company's director on April 25, 2011.

Shareholding and Management Structure

Compensation

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 2011 Annual General Meeting of Shareholders resolved to approve the meeting fees for directors who only present at the meeting at Baht 25,000 per meeting.

2.2 Meeting fees for audit committee :

The Extraordinary General Meeting of Shareholders No.1/2011 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

The Compensation of Directors for 2011

Monetary Compensation

| No. | Name | Position | Meeting Fees (Baht) | Director Remuneration (Baht) *** |
|-----|---------------------------|--|---------------------|----------------------------------|
| 1. | Mr. Chai Sophonpanich | Chairman | 75,000 | 3,411,000 |
| 2. | Mr. Premchai Karnasuta | Vice-Chairman | 75,000 | 2,558,300 |
| 3. | Mr. Sun Tao-Heng | Managing Director | 100,000 | 1,737,200 |
| 4. | Mr. Pornwut Sarasin | Chairman of Audit Committee and Independent Director | 75,000 | 1,737,200 |
| 5. | Mr. Cheng Andy Chow-Chun* | Director | 25,000 | 1,737,200 |
| 6. | Mr. Yuan Chun-Tang | Director | 100,000 | 1,737,200 |
| 7. | Mr. Kasem Kularbkeo | Director and Member of the Nomination and Compensation Committee | 100,000 | 1,737,200 |
| 8. | Mrs. Sununtha Phaengsook | Director and Asst. Managing Director, Finance | 100,000 | 1,737,200 |

Shareholding and Management Structure

| No. | Name | Position | Meeting Fees (Baht) | Director Remuneration (Baht) *** |
|-------|------------------------------|--|------------------------|-------------------------------------|
| 9. | Mrs. Nijaporn Charanachitta | Director and Member of the Nomination and Compensation Committee | 75,000 | 1,737,200 |
| 10. | Mr. Sai Wah Simon Suen | Audit Committee Member, Independent Director and Chairman of the Nomination and Compensation Committee | 100,000 | 1,737,200 |
| 11. | Mr. Steven Suey Ku | Audit Committee Member and Independent Director | 75,000 | 1,737,200 |
| 12. | Mr. Surachai Sirivallop | Independent Director | 75,000 | 1,421,250 |
| 13. | Mr. Lee Michael Chao-Chun ** | Director | 75,000 | 1,705,500 |
| Total | | | 1,050,000 | 24,730,850 |

As at 31 December 2011, CTW had 12 directors.

Remarks : * To be retired by rotation at the 2011 Annual General Meeting of Shareholders on 25 April 2011

** To be appointed as the Company's director on April 25, 2011

*** Director remuneration was calculated from the 2010's operating results but was paid in 2011

The Compensation of Audit Committee for 2011

| 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 | 90,000 |
| Total | | 370,000 |

The Compensation of the Nomination and Compensation Committee for 2011

| 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 2011

| | (Number of person) | Salary (Million Baht) | Consultant Fee and Bonus (Million Baht) | Total (Million Baht) |
|---|-----------------------|--------------------------|--|-------------------------|
| Executive Directors and Management Team | 8 | 19.09 | 8.87 | 27.96 |

Shareholding and Management Structure

Board of Directors and Management

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

| NAME-SURNAME / POSITION | EDUCATION | 5 YEARS' WORK EXPERIENCE | | |
|---|--|--|---|--|
| | | PERIOD | POSITION | COMPANY |
| MR. PONG SARASIN Honorary Chairman Age : 84 % Holding : 0.05 | Honorary Ph.D, Business Administration, Chulalongkorn University | 1994 - Present 2000 - Present 1993 - Present 1990 - Present 1994 - Present | Honorary Chairman Chairman Director Executive Chairman Director | Charoong Thai Wire & Cable Plc. Honda Automobile (Thailand) Co., Ltd. Bangkok Glass Industry Co., Ltd. Thai Pure Drinks Co., Ltd. Sammakorn Plc. |
| <u>FAMILY RELATION BETWEEN MANAGEMENT</u> | | | | |
| Father of Mr. Pornwut Sarasin, who is CTW's Independent Director and Chairman of Audit Committee. | | | | |
| MR. CHAI SOPHONPANICH Chairman Age : 68 % Holding : 0.69 | - B.A. (Business Administration) Colorado University, USA - Training courses from Thai Institute of Directors (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 1989 - Present 2010 - Present 1978 - 2010 1988 - Present 1979 - Present 1978 - Present 1968 - Present | Chairman Vice - Chairman Chairman and CEO Chairman Chairman Vice - Chairman Director | Charoong Thai Wire & Cable Plc. Thai Metal Processing Co., Ltd. Bangkok Insurance Plc. Bangkok Insurance Plc. Furukawa Metal (Thailand) Plc. Bumrungrat Hospital Plc. Thai Reinsurance Plc. Bangkok Life Assurance Plc. |
| MR. PREMCHAI KARNASUTA Vice - Chairman Age : 58 % Holding : 0.00 | MBA, University of Southern California, USA | 1993 - Present 1993 - 2009 1979 - Present 1997 - Present Present | Vice - Chairman Executive Vice - Chairman Executive Chairman Director Director Director | Charoong Thai Wire & Cable Plc. Charoong Thai Wire & Cable Plc. Italian Thai Development Plc. Siam Fiber Optics Co., Ltd. Thai Maruken Co., Ltd. Thai Telephone and Communication Co., Ltd. |
| <u>FAMILY RELATION BETWEEN MANAGEMENT</u> | | | | |
| Younger brother of Mrs. Nijaporn Charanachitta, who is CTW's Director. | | | | |
| MR. SUN TAO - HENG Managing Director (Authorized director) Age : 58 % Holding : 1.58 | - MBA, University of Southern California, USA - Training courses from Thai Institute of Directors (DAP 73 / 2008) | 1994 - Present 1996 - Present 1996 - Present 1997 - Present 2003 - Present 2007 - Present 1995 - Present 1996 - Present | Managing Director Managing Director Director Managing Director President and Director Chairman Director Director | Charoong Thai Wire & Cable Plc. CTW - Beta Co., Ltd. Loxley Pacific Co., Ltd. Siam Fiber Optics Co., Ltd. Pacific Electric Wire & Cable Co., Ltd. Siam Pacific Electric Wire & Cable Co., Ltd. Thai Metal Processing Co., Ltd. Asia Pacific Wire & Cable Corp. Ltd. |

Shareholding and Management Structure

| NAME-SURNAME / POSITION | EDUCATION | 5 YEARS' WORK EXPERIENCE | | |
|--|--|--|---|---|
| | | PERIOD | POSITION | COMPANY |
| MR. PORNWUT SARASIN Independent Director and Chairman of Audit Committee Age : 52 % Holding : 0.005 | - MBA, Pepperdine University, USA - Training courses from Thai Institute of Directors (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. |
| <u>FAMILY RELATION BETWEEN MANAGEMENT</u> | | | | |
| Son of Mr. Pong Sarasin, who is CTW's Honorary Chairman. | | | | |
| MR. STEVEN SUEY KU Independent Director and Member of Audit Committee Age : 55 % Holding : None | 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. Lee Michael Chao Chun Director Age : 60 % Holding : 0.067 | B.A. (Business Administration) Boston University, USA | 2011 - Present 2007 - Present Present | Director Director Chairman and President Director | Charoong Thai Wire & Cable Plc. Siam Pacific Electric Wire & Cable Co., Ltd. Pacific Acme Coffee & Foods Co., Ltd. Asia Pacific Wire & Cable Corp., Ltd. |
| MR. YUAN CHUN - TANG Director Age : 52 % Holding : 0.15 | M.S. (Applied Science), Waterloo University, Canada | 2004 - Present 2003 - 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 : 80 % 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. |

Shareholding and Management Structure

| NAME-SURNAME / POSITION | EDUCATION | 5 YEARS' WORK EXPERIENCE | | |
|---|--|--------------------------|--|---------------------------------|
| | | PERIOD | POSITION | COMPANY |
| MR. SAI WAH SIMON SUEN Independent Director, Member of Audit Committee and Chairman of the Nomination and Compensation Committee Age : 52 % Holding : None | MBA, Finance Major, University of Hawaii, USA | 2009 - Present | Independent Director, Audit Committee Member and Chairman of the Nomination and Compensation Committee | Charoong Thai Wire & Cable Plc. |
| | | 1997 - Present | Managing Director | Delta Holiday Company Limited. |
| MRS. NIJAPORN CHARANACHITTA Director and Member of the Nomination and Compensation Committee Age : 61 % Holding : 0.00 | - MBA, University of Wisconsin (Medison), USA - Training courses from Thai Institute of Directors (DCP 56/2005) | 2002 - Present | Director | Charoong Thai Wire & Cable Plc. |
| | | 2006 - Present | Member of the Nomination and Compensation Committee | Charoong Thai Wire & Cable Plc. |
| | | 1994 - Present | Senior Vice - Executive Chairman | Italian Thai Development Plc. |
| | | Present | Director | Toyo Thai Corp., Ltd. |
| | | Present | Director | Bangkok Steel Wire Co., Ltd. |
| <u>FAMILY RELATION BETWEEN MANAGEMENT</u> | | | | |
| Elder sister of Mr. Premchai Karnasuta, who is CTW's Vice - Chairman. | | | | |
| MR. SURACHAI SIRIVALLOP Independent Director Age : 70 % Holding : None | - Bachelor of Laws, Thammasat University - International Law, Albert Ludwig University of Freiburg, Germany - Training courses from Thai Institute of Directors (DCP 18/2002) | 2010 - Present | Independent Director | Charoong Thai Wire & Cable Plc. |
| | | 2008 - Present | CEO and Director | Thai Reinsurance Plc. |
| | | 1990 - 2007 | CEO and Managing Director | Thai Reinsurance Plc. |
| | | 2011 - Present | Director and Audit Committee Member | OHTL Co., Ltd. |
| MRS. SUNUNTHA PHAENGSOOK Director and Asst. Managing Director, Finance (Authorized director) Age : 70 % Holding : 0.01 | - Mini MBA, Thammasat University - Training courses from Thai Institute of Directors (DCP 4/2000) | 2000 - Present | Director | Charoong Thai Wire & Cable Plc. |
| | | 1994 - Present | Asst. Managing Director, Finance | Charoong Thai Wire & Cable Plc. |
| | | 1996 - Present | Director | CTW - Beta Co., Ltd. |
| | | 2011 - Present | Director | Siam Pacific Holding Co., Ltd. |
| MR. PONRAWAT CHAROENSUKPAISARN Asst. Managing Director, Personnel and General Affair Age : 74 % Holding : 0.01 | High School, Chung-Yu College, Taiwan R.O.C. | 1994 - Present | Asst. Managing Director, Personnel and General Affairs | Charoong Thai Wire & Cable Plc. |
| | | 1996 - Present | Director | CTW - Beta Co., Ltd. |

Shareholding and Management Structure

| NAME-SURNAME / POSITION | EDUCATION | 5 YEARS' WORK EXPERIENCE | | |
|---|--|--------------------------|--|--|
| | | PERIOD | POSITION | COMPANY |
| MR. SATHIT TABPECH Asst. Managing Director, Quality Assurance Age : 56 % Holding : 0.002 | MBA, The University of the Thai Chamber of Commerce - Training courses from Thai Institute of Directors (DCP 149/2011) | 1994 - Present | Asst. Managing Director, Quality Assurance | Charoong Thai Wire & Cable Plc. |
| | | 1996 - Present | Director | CTW - Beta Co., Ltd. |
| | | 1997 - Present | Director and General Manager | Siam Fiber Optics Co., Ltd. |
| | | | | |
| MR. KUEI CHIH - CHUNG Asst. Managing Director, Planning Age : 61 % Holding : None | M.S. (Computer Science), Stevens Institute of Technology, USA | 1996 - Present | Asst. Managing Director, Planning | Charoong Thai Wire & Cable Plc. |
| | | 1996 - Present | Director | CTW - Beta Co., Ltd. |
| | | 2002 - Present | Director | Siam Fiber Optics Co., Ltd. |
| | | | | |
| MR. TANASIT AUNGKASIT Asst. Managing Director, Sales and Marketing Age : 56 % Holding : 0.007 | M.S. (Plant), California State University, USA | 1994 - Present | Asst. Managing Director, Sales and Marketing | Charoong Thai Wire & Cable Plc. |
| | | 1996 - Present | Director | CTW - Beta Co., Ltd. |
| | | 2000 - Present | Director | Siam Fiber Optics Co., Ltd. |
| | | | | |
| MR. SUVIT VEERAPONG Asst. Managing Director, Production and Engineering Age : 60 % Holding : 0.04 | M.S. (Engineering), King Mongkut's Institute of Technology (North Bangkok) | 1994 - Present | Asst. Managing Director, Production and Engineering | Charoong Thai Wire & Cable Plc. |
| | | 1996 - Present | Director | CTW - Beta Co., Ltd. |
| | | | | |
| | | | | |
| MR. CHANG HSIAO-CHUN Asst. Managing Director, Office of Managing Director Age : 51 % Holding : 0.03 | B.A. (Accounting), Fujin University, Taiwan R.O.C. | 2006 - Present | Asst. Managing Director, Office of Managing Director | Charoong Thai Wire & Cable Plc. |
| | | 1994 - 2006 | Manager of MD Office | Charoong Thai Wire & Cable Plc. |
| | | 2011 - Present | Director | Siam Pacific Electric Wire & Cable Co., Ltd. |
| | | 1996 - Present | Director | CTW - Beta Co., Ltd. |
| | | | | |
| MRS. APANUT WONGJARIT Accounting Manager Age : 55 % Holding : None | M.S. (Accounting), Kirk University | 2005 - Present | Accounting Manager | Charoong Thai Wire & Cable Plc. |
| | | 1996 - 2005 | Asst. Manager, Accounting | 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 | 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 | // | | // | // | | / |
| 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. Lee Michael Chao Chun | Director | | | / | | | | / | | |
| 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 | Independent 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

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

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

SPH : Siam Pacific Holding Co., Ltd.

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

TMP : Thai Metal Processing Co., Ltd.

// = Executive Director

SFO : Siam Fiber Optics Co., Ltd.

LoxPac : Loxley Pacific Co., Ltd.

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

ITD : Italian Thai Development Plc.

Shareholding and Management Structure

Details of Directors of its Subsidiary Companies.

| Name of Directors | Name of Subsidiary Companies | | | |
|--------------------------------|------------------------------|-----|-------|-----------------|
| | CTW - Beta | SFO | SPEWC | Shanghai Yayang |
| Mr. Chai Sophonpanich | | | | |
| Mr. Premchai Karnasuta | | // | | |
| Mr. Sun Tao-Tsun | | | / | |
| Mr. Sun Tao-Heng | // | // | 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. 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

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 case of a tie vote, the Chairman of the meeting shall have a casting vote.

Expiration of Directors

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

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

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

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

In the case that the director is vacant by other cause, except by rotation, the Board of Directors shall appoint a qualified person whom is not prohibited by the law of public company in his stead in the next meeting of the Board of Directors. Except the leaving 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. The Company has posed the minutes of shareholders meeting via SET channel and the Company's website within 7 days from the meeting date.

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 net profit
3. To elect the director and determine the directors' compensation

Shareholding and Management Structure

4. To appoint the auditor and determine auditing fee

There was no the additional agenda that was not included in the notice to call the meeting in the Annual General Meeting of Shareholders for 2011. The Company provided the opportunity for the shareholders to question and give opinion independently any matters concerning the Company's operation. The Company explains the voting method and vote counting system and provides the voting card before the shareholders meeting begins.

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 always recognizes the importance of shareholders and fair shareholder's practice. In 2011, the shareholders meeting was held an ordinary on April 25, 2011, 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.

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.

At the Annual General Meeting of Shareholders for 2011, the Company also provided an option to shareholders whereby they may appoint of two independent directors as their proxy. There were 9 shareholders who authorized the independent director to attend the meeting and vote on their behalf.

Each shareholder shall have a number of votes equal to the number of shares held with one vote per share. Shareholders have the right to elect each board member individually.

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.

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.

Shareholding and Management Structure

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.

Since 2011, the company has initiated to change fuel used in manufacturing process from Fuel Oils, which has to be imported from abroad while its price has been increased continually, to Natural Gas supplied by PTT Plc. which is considered as clean energy that is environmental friendly and help reduce pollution. It will directly cut the cost for treatment of emission from combustion. With respect to electricity, the major power source in the company's operation, the company has launched "the project for energy saving for power-intensive manufacturing section" by avoiding running the machine during Peak Load period and improve Power Factor to higher level in order to save power cost and reduce system loss of power. Employees are encouraged to join the project for energy saving initiated by the Department of Alternative Energy Development and Efficiency.

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, creditable 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.

The auditor issued the unqualified opinion on the Company's 2011 Financial Statements. The Company submits the financial report according to the regulation of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) within the specified period of time and no record of the financial statements revision ordered by the SEC and SET.

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 16 - 17) and also disclosed the duties of the Board for the year 2011 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 18 - 20)

The Company completely disclosed the details on the related party transactions. (Refer to the Related Transaction on page 31 - 34)

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 - 30 or e-mail address : kanjana@ctw.co.th

Shareholding and Management Structure

5. Responsibilities of the Board

The Company realizes the importance of directors' role and responsibility, details as follows:

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 2011, 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 16)

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 2011, 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 18)

At the Board meetings No. 1/2012 on 13 March 2012 which were attended by the 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 16 March 2012 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 not least than 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 2011, 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 15 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., 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 FOR THE YEAR 2011

| Name | Amount (Million Baht) | Related Transaction | Relationship | Price policy/ Conditions | Notes |
|--------------------------------------|--------------------------|---|---|---|--|
| Siam Fiber Optics Co., Ltd. (SFO) | 2.78 | Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Moon View Ventures Ltd. (Moon View) | CTW holds a 60.00% stake in SFO, while Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta are directors of CTW and | 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. |
| | 0.69 | SFO owes payment to CTW for sales | major shareholders of ITD (30.60% stake in ITD), | | |
| | 5.19 | SFO owes payment to CTW for management fee, service fee and rental fee. | and ITD holds 10% stake in SFO. | Contract price/ Management Fee is in accordance with an Agreement. The management fee charged to SFO will vary depending on the number of advisory personnel CTW assigns to assist SFO. The rate charged for various levels of advisory personnel range. | These transactions are described in an Agreement and are disclosed in the Company's financial statements. |
| | 40.79 | Management fee income for services provided by CTW to SFO | | | |
| | 9.45 | Service fee income from SFO to CTW | | Contract price/CTW receives Baht 787,435 services revenue monthly from SFO for the maintenance, repair, and cleaning of facilities at SFO's factory. | These transactions are described in an Agreement and are disclosed in the Company's financial statements. |
| | 5.91 | Rental Income from SFO to CTW | | CTW receives a monthly Baht 492,147 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 | | | |
| | 4.13 | Electric income from SFO to CTW | | At cost price (actual cost) | This transaction is disclosed in the Company's financial statements. |

RELATED TRANSACTIONS FOR THE YEAR 2011

| 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. |
| | 144.24 | | | | |
| Siam Fiber Optics Co., Ltd. (SFO) and Fujikura Ltd. | 41.09 | 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. |
| | 5.82 | SFO owes payment to Fujikura for raw material. | | | |
| | 46.91 | | | | |
| Thai Metal Processing Co., Ltd. (TMP) | 34.73 | CTW hired TMP to melt copper rod. | CTW holds a 15% stake in TMP. | Market Price/Terms and conditions are considered | 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. |
| | 1.89 | CTW owed payment to TMP for melting fee of copper rod | 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. | to be a normal business practice offered to third parties. | |
| | 3.34 | CTW received dividend income from TMP. | | CTW received a dividend of Baht 15 per share from 225,000 shares. | Normal course of business and disclosed in financial statement. |
| | 39.96 | | | | |
| Pacific Electric Wire and Cable Co., Ltd. (PEWC) | 1.60 | 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. |
| | 0.54 | CTW owes the payment to PEWC for management fee expenses. | | | |
| Australia Pacific Electric Cable Co., Ltd. (APEC-Australia) | 17.93 | 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. |

RELATED TRANSACTIONS FOR THE YEAR 2011

| Name | Amount (Million Baht) | Related Transaction | Relationship | Price policy/ Conditions | Notes |
|---|--------------------------|---|--|--|---|
| Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Pacific Electric Wire and Cable Co., Ltd. (PEWC) | 29.98 | 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. |
| | 5.46 | 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. |
| | 1.59 | SPEWC owes the payment to PEWC for management fee expenses. | | | |
| | 57.10 | | | | |
| Italian-Thai Development Plc. (ITD) | 96.60 | 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. |
| | 37.19 | ITD owes payment to CTW for sales. | | | |
| Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Italian-Thai Development Plc. (ITD) | 0.63 | Sales by SPEWC to ITD. | | | |
| Ital-Thai Engineering Co., Ltd. (Ital Thai) | 14.74 | 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. |
| ITD - ETF Joint Venture | 0.25 | Sales by CTW to ITD-ETF. | ITD-ETF is the joint venture company which ITD holds 65% stake in ITD-ETF. | | |
| | 149.41 | | | | |
| Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Moon View Ventures Ltd. (Moon View) | 6.20 | 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. |
| | 6.20 | | | | |

Management Discussion and Analysis

Operating results

In 2011, there was severe flooding in Thailand's many provinces. As a result, the projects of the government and private sectors were affected and halted. Some projects were postponed. The Company's customers also requested to postpone the delivery of products. The location of a subsidiary's factory was inundated, forcing the subsidiary to temporarily cease production. The operating results of the Company and its subsidiaries for the year 2011 decreased significantly. They had the net profit of Baht 168.74 million decreased by Baht 376.94 million or 39.07% when compared with the net profit of Baht 545.71 million in 2010. The gross profit margin was 8.16% in 2011 and 13.92% in 2010. In addition, they had loss on exchange rate of Baht 22.00 million in 2011 while they had gain on exchange rate of Baht 95.06 million in 2010 due to the depreciation of Thai Baht.

Revenues

In 2011, the Company and its subsidiaries had total revenues of Baht 7,621.71 million decreased from the previous year by Baht 311.34 million or 3.92%. Most revenue were generated by sales of manufacturing group's product of Baht 7,574.47 million or 99.38% of total revenues and other revenues of Baht 47.25 million.

From the Consolidated Financial Statements, the Company's revenue from sales decreased from the previous year by Baht 238.47 million or 3.05%. Most revenue from sales is derived from private sector customers. In regard to sales, 46.13% of the sales were driven by its subsidiaries' enameled copper wires, 22.40% on copper electric wires, 9.83% on aluminium electrical wires, 9.73% on telephone cables, 8.01% on high voltage cables and 3.90% on fiber optic cables.

The other revenues of Baht 47.25 million consisted of interest income of Baht 34.24 million increased from the previous year by Baht 25.17 million or 277.67%, dividend income and others income of Baht 13.01 million decreased from the previous year by Baht 2.98 million or 18.65%.

Cost of sales and Expenses

In 2011, the Company and its subsidiaries had total operating expenses of Baht 7,273.59 million increased from the previous by Baht 95.70 million or 1.33%. The cost of sales of Baht 6,956.77 million increased from the previous by Baht 231.77 million or 3.45% due to the fluctuations of key raw materials price. In addition, the Company had setup allowance for diminution in value of inventory of Baht 155.63 million which most products were flooded. In 2011, the Company had selling expenses of Baht 131.32 million increased slightly from the previous year by Baht 1.03 million or 0.79%. Administrative expenses of Baht 182.66 million decreased from the previous year by Baht 37.72 million or 17.11% since reducing unnecessary expenses.

In addition, in the second quarter of 2011, the subsidiary company had loss on sold of long-term investment of Baht 2.07 million. The finance cost of Baht 49.90 million increased from the previous year by baht 13.85 million or 38.43% due to increase in trust receipts from raw materials import from overseas.

Financial Position

Asset

As at 31 December 2011, the Company and its subsidiaries had total assets of Baht 5,933.54 million, decreased by Baht 528.44 million or 8.18% when compared with the end of 2010. Total assets consisted mainly of trade and other receivables of Baht 1,809.05 million or equal to 30.49% of total assets, followed by inventories of Baht 1,495.30 million and cash and cash equivalents of Baht 1,368.36 million or equal to 25.20% and 23.06% of total asset, respectively. Subsequently, property, plant and equipment of Baht 694.66 million, restricted bank deposits of Baht 261.73 million, investment in associated company and other long-term investments of Baht 36.47 million or equal to 11.71%, 4.41% and 0.61% of total assets, respectively. In addition, there were other non-current assets of Baht 24.94 million or equal 0.42% of total assets.

At the end of 2011, cash and cash equivalents of Baht 1,368.36 million increased by Baht 195.99 million or 16.72% when compared with Baht 1,172.37 million at the end of 2010. Trade and other receivables decreased by Baht 845.28 million or 31.85% due to sales increased and efficiency of account receivables collection. The Company had net inventories of Baht 1,495.30 million at the end of 2011 while those inventories had cost of Baht 1,684.50 million, the Company, therefore, set the allowance for diminution in value of inventories of Baht 189.20 million. Moreover, property, plant and equipment decreased by Baht 43.46 million or 5.89%, which occurred from depreciation for the year 2011 of Baht 115.12 million and acquisition of those of Baht 62.96 million.

Management Discussion and Analysis

Liabilities

As at 31 December 2011, the Company and its subsidiaries had total liabilities of Baht 1,844.19 million decreased by Baht 528.56 million or 22.28% when compared with the end of 2010, by dividing into current liabilities of Baht 1,816.04 million and non-current liabilities of Baht 28.15 million. The significant accounts of total liabilities consisted of trust receipts (T/R) of Baht 1,083.28 million decreased by Baht 109.28 million or 9.16%, short-term loans from financial institutions of Baht 284.35 million increased by Baht 82.97 million or 41.20% which resulted from increase in purchasing raw materials from oversea markets. Trade and other payables, which resulted from purchasing domestic raw materials from general suppliers of Baht 349.32 million decreased by Baht 346.11 million or 200.93%. In addition, the Company and its subsidiaries set the provision for long-term employee benefits of Baht 23.67 million which is the compensations on employees' retirement. This was to comply with the new accounting standards.

Cash flow statement

In 2011, the Company and its subsidiaries had net cash flows from operating activities of Baht 684.65 million, net cash flows used in investing activities of Baht 107.63 million, and net cash flows used in financing activities of Baht 394.64 million, and cash increased in translation adjustments of Baht 13.30 million. As a result of those, net increase in cash and cash equivalents for the year 2011 increased by Baht 195.69 million.

As at 31 December 2011, the Company and its subsidiaries had cash and cash equivalents of Baht 1,368.36 million. Net cash flows from operating activities of Baht 684.65 million, its significant account consisted of the cash flow from operating activities of Baht 902.19 million, cash paid for interest expenses and corporate income tax of Baht 210.61 million. In regard to, the operating assets, such as, trade and other receivables decreased by Baht 897.05 million and inventories increased by Baht 162.75 million. Net cash flows used in investing activities of Baht 107.63 million which was mainly for the purchase of machinery and equipment of Baht 62.96 million, restricted bank deposits increased by Baht 80.00 million, and interest income of Baht 32.31 million. In addition, net cash flow used in financing activities of Baht 394.64 million from increase in short-term loan from financial institutions of Baht 82.97 million, cash paid for trust receipts of Baht 155.89 million, repayment of short-term loan from related company of Baht 116.02 million, cash paid for liabilities under financial lease agreements of Baht 6.85 million and paid dividend of Baht 198.85 million.

Liquidity

As at 31 December 2011, the Company and its subsidiaries had the current ratio of 2.69 times and quick ratio of 1.79 times, the Company had increased liquidity when compared with current ratio of 2.28 times and quick ratio of 1.62 times at the end of 2010, since cash on hand and bank deposit increased by Baht 195.99 million as result of collection of trade accounts receivable and short-term investment increased by Baht 80.00 million. At the same time, current liabilities of the Company group decreased a lot, especially trust receipts decreased by Baht 155.89 million, trade and other payable decreased by baht 346.66 million. Short-term loan from associated companies decreased from the previous year by Baht 116.03 million due to repayment of short-term loan from the subsidiary company to the related company.

Capital structure

As at 31 December 2011, the Company and its subsidiaries had the capital structure comprising the shareholders' equity of Baht 3,963.03 million decreased slightly from the previous year by Baht 7.18 million or 0.18%, and total liabilities of Baht 1,844.19 million, or the debt to equity ratio was 0.45 times, decreased from 0.58 times at the end of 2010, since current liabilities decreased a lot due to the payment to both local and oversea trade payables for raw materials. The Company's operating results from the separated financial statements for the year 2010 showed profit, then, it paid the dividend for the 2010's operating results at 0.50 Baht per share, in amount total Baht 198.85 million and set the appropriated-statutory reserve of Baht 11 million. In the 2011, the retained earnings of the Company and its subsidiaries decreased from the previous by Baht 41.11 million.

Other factors and potential effect on the future operations

In 2012, the industry sector is likely to grow and there will be lots investment support factors from the government sector. The Company group then expects total sales volume for the year 2012 will increase and its operating results shall be better than the previous year since such investment positive factors and expenditure from the government sector will stimulate the domestic economy and help the recovery sooner.

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 2011, the Company's Audit Committee totally held four regular meetings and report to the Board of Directors every quarter. 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 | 3/4 |

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. In addition, the Audit Committee considered the suggestion to improve the accounting guidelines to be in line with the new and revised 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 2011, 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 audit fee proposal for the year 2012 for the Company and subsidiaries totaling Baht 4.46 million, equal to that of the previous year, then send their recommendation to the Board for consideration and such proposal will be proposed to the 2012 Annual General Meeting for further approval.

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

Pornwut Sarasin
(Mr. Pornwut Sarasin)

Chairman of the Audit Committee

March 13, 2012

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 2011 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 13, 2012

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



(Mr. Chai Sophonpanich)

Chairman



(Mr. Sun Tao-Heng)

Managing Director

Report of Independent Auditor

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

I have audited the accompanying consolidated statements of financial position of Charoong Thai Wire and Cable Public Company Limited and its subsidiaries as at 31 December 2011 and 2010, the related consolidated statements of income, comprehensive 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 2011 and 2010 of an overseas subsidiary company, of which financial statements reflect total assets of Baht 575 million as of 31 December 2011 and total revenues and profit for the year then ended of approximately Baht 1,419 million and Baht 3 million, respectively, (total assets of Baht 505 million as of 31 December 2010 and total revenues and profit for the year then ended of approximately Baht 1,300 million and Baht 18 million, respectively). The financial statements of this overseas subsidiary company were audited by another auditor, whose reports have been furnished to me and my opinions on the consolidated financial statements, insofar as it relates to the data included for this subsidiary company, is based solely on the reports of the other auditor.

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.

In my opinion, based on my audits and the reports of the other auditor, 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 2011 and 2010, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the above financial statements, I draw attention to the matter as discussed in Note 3 to the financial statements, during the current year, the Company and its subsidiaries adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in their preparation and presentation of the financial statements.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

(Unit : Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | 2011 | 2010 | 2011 | 2010 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 1,368,357,304 | 1,172,368,908 | 528,011,404 | 507,376,384 |
| Current investments | | 80,000,000 | - | - | - |
| Trade and other receivables | 9 | 1,809,051,513 | 2,654,327,061 | 1,000,791,803 | 1,126,671,866 |
| Inventories | 10 | 1,495,297,518 | 1,488,181,621 | 710,354,040 | 765,460,482 |
| Other current assets | | 138,814,379 | 60,609,241 | 51,269,808 | 12,253,976 |
| Total current assets | | 4,891,520,714 | 5,375,486,831 | 2,290,427,055 | 2,411,762,708 |
| Non-current assets | | | | | |
| Restricted bank deposits | | 261,729,044 | 261,729,044 | - | - |
| Long-term loans to subsidiary | 8 | - | - | 14,354,027 | 14,354,027 |
| Investments in subsidiaries | 11 | - | - | 1,204,749,876 | 1,204,749,876 |
| Investment in associated company | 12 | 13,965,917 | 13,965,917 | - | - |
| Other long-term investments | 13 | 22,500,000 | 25,277,810 | 22,500,000 | 22,500,000 |
| Investment properties | 14 | 24,232,841 | 24,800,985 | 16,400,859 | 16,400,859 |
| Property, plant and equipment | 15 | 694,660,946 | 738,116,375 | 420,801,681 | 428,830,370 |
| Other non-current assets | | 24,935,492 | 22,607,767 | 2,127,346 | 125,900 |
| Total non-current assets | | 1,042,024,240 | 1,086,497,898 | 1,680,933,789 | 1,686,961,032 |
| Total assets | | 5,933,544,954 | 6,461,984,729 | 3,971,360,844 | 4,098,723,740 |

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

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2011 and 2010

(Unit : Baht)

| | Note | Consolidated | | Separate | |
|---|------|----------------------|----------------------|----------------------|----------------------|
| | | financial statements | | financial statements | |
| | | 2011 | 2010 | 2011 | 2010 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institutions | 16 | 284,353,200 | 201,382,291 | - | - |
| Trust receipts | 16 | 1,083,284,231 | 1,192,557,148 | 263,845,697 | 222,949,248 |
| Trade and other payables | 17 | 349,323,125 | 695,436,197 | 170,273,341 | 377,761,970 |
| Short-term loans from related companies | 8 | 6,198,262 | 121,924,252 | - | - |
| Income tax payable | | 47,283,700 | 91,741,879 | 40,740,766 | 38,391,254 |
| Other current liabilities | | 45,596,819 | 58,583,020 | 32,826,405 | 24,750,000 |
| Total current liabilities | | 1,816,039,337 | 2,361,624,787 | 507,686,209 | 663,852,472 |
| Non-current liabilities | | | | | |
| Provision for long-term employee benefits | 19 | 23,672,076 | - | 16,800,210 | - |
| Other non-current liabilities | | 4,479,881 | 11,127,171 | 4,489,671 | 10,840,413 |
| Total non-current liabilities | | 28,151,957 | 11,127,171 | 21,289,881 | 10,840,413 |
| Total liabilities | | 1,844,191,294 | 2,372,751,958 | 528,976,090 | 674,692,885 |
| 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 |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | 20 | 131,000,000 | 120,000,000 | 131,000,000 | 120,000,000 |
| Unappropriated | | 738,714,849 | 779,821,299 | 215,919,638 | 208,565,739 |
| Other components of shareholders' equity | | (2,153,660) | (25,083,626) | - | - |
| Equity attributable to owners of the Company | | 3,963,026,305 | 3,970,202,789 | 3,442,384,754 | 3,424,030,855 |
| Non-controlling interests of the subsidiaries | | 126,327,355 | 119,029,982 | - | - |
| Total shareholders' equity | | 4,089,353,660 | 4,089,232,771 | 3,442,384,754 | 3,424,030,855 |
| Total liabilities and shareholders' equity | | 5,933,544,954 | 6,461,984,729 | 3,971,360,844 | 4,098,723,740 |

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

Charoeng Thai Wire and Cable Public Company Limited and its subsidiaries

Statements of income

For the years ended 31 December 2011 and 2010

(Unit : Baht)

| | Note | Consolidated | | Separate | |
|--|------|----------------------|----------------------|----------------------|----------------------|
| | | financial statements | | financial statements | |
| | | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | | |
| Sales | | 7,574,468,005 | 7,812,942,314 | 3,316,317,961 | 2,698,209,570 |
| Other income | | | | | |
| Interest income | | 34,239,800 | 9,066,173 | 7,767,895 | 4,407,690 |
| Gain on exchange | | - | 95,055,858 | - | 31,104,622 |
| Management fee income | | - | - | 40,794,985 | 40,994,593 |
| Dividend income | | 3,375,000 | 3,375,000 | 79,084,932 | 60,324,949 |
| Others | | 9,630,720 | 12,611,774 | 20,842,958 | 20,517,773 |
| Total revenues | | 7,621,713,525 | 7,933,051,119 | 3,464,808,731 | 2,855,559,197 |
| Expenses | | | | | |
| Cost of sales | | 6,801,135,301 | 6,727,886,236 | 2,921,562,986 | 2,174,190,980 |
| Allowance for diminution in value of inventory (reversal) | | 155,630,117 | (2,892,195) | 23,796,954 | (4,052,921) |
| Total cost of sales | | 6,956,765,418 | 6,724,994,041 | 2,945,359,940 | 2,170,138,059 |
| Selling expenses | | 131,319,245 | 130,292,475 | 80,794,216 | 70,629,290 |
| Administrative expenses | | 182,661,839 | 220,378,720 | 133,301,336 | 237,424,249 |
| Other expenses | | | | | |
| Loss on impairment of investment | | - | 102,231,771 | - | - |
| Loss on sale of other long-term investment | 13 | 2,067,207 | - | - | - |
| Loss on impairment of property, plant and equipment | | 780,000 | - | - | - |
| Total expenses | | 7,273,593,709 | 7,177,897,007 | 3,159,455,492 | 2,478,191,598 |
| Profit before share of loss from investment in associate company, finance cost and corporate income tax | | 348,119,816 | 755,154,112 | 305,353,239 | 377,367,599 |
| Share of loss from investment in associated company | 12 | - | (8,371,867) | - | - |
| Profit before finance cost and corporate income tax | | 348,119,816 | 746,782,245 | 305,353,239 | 377,367,599 |
| Finance cost | | (49,901,036) | (36,048,575) | (7,226,417) | (4,579,729) |
| Profit before corporate income tax | | 298,218,780 | 710,733,670 | 298,126,822 | 372,787,870 |
| Corporate income tax | 22 | (123,930,258) | (129,977,861) | (80,925,529) | (62,198,489) |
| Profit for the year | | 174,288,522 | 580,755,809 | 217,201,293 | 310,589,381 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 168,740,944 | 545,709,380 | 217,201,293 | 310,589,381 |
| Non-controlling interests of the subsidiaries | | 5,547,578 | 35,046,429 | | |
| | | 174,288,522 | 580,755,809 | | |
| Earnings per share | 23 | | | | |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | 0.42 | 1.37 | 0.55 | 0.78 |

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

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

(Unit : Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|--------------------|----------------------------------|--------------------|
| | | 2011 | 2010 | 2011 | 2010 |
| Profit for the year | | 174,288,522 | 580,755,809 | 217,201,293 | 310,589,381 |
| Other comprehensive income: | | | | | |
| Exchange differences on translation of financial statements in foreign currency | | 24,679,761 | (16,592,043) | - | - |
| Investments in available-for-sale securities transferred to loss on impairment of investment | 13 | - | 10,271,436 | - | - |
| Other comprehensive income for the year | | 24,679,761 | (6,320,607) | - | - |
| Total comprehensive income for the year | | 198,968,283 | 574,435,202 | 217,201,293 | 310,589,381 |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | | 191,670,910 | 540,565,092 | 217,201,293 | 310,589,381 |
| Non-controlling interests of the subsidiaries | | 7,297,373 | 33,870,110 | - | - |
| | | 198,968,283 | 574,435,202 | 217,201,293 | 310,589,381 |

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

Charoeng Thai Wire and Cable Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity

For the years ended 31 December 2011 and 2010

(Unit : Baht)

Consolidated financial statements

| | Equity attributable to owners of the Company | | | | | | | | | | Equity attributable to non-controlling interests of the subsidiaries | Total shareholders' equity |
|---|--|---------------|-------------------|----------------|---|---|--|--|--|--|--|----------------------------|
| | Issued and fully paid-up share capital | Share premium | Retained earnings | | Other components of equity | | | | Total equity attributable to owners of the Company | Equity attributable to non-controlling interests of the subsidiaries | | |
| | | | Appropriated | Unappropriated | Other comprehensive income | | Total other components of shareholders' equity | | | | | |
| | | | | | Exchange differences on translation of financial statements in foreign currency | Surplus (deficit) on changes in value of available-for-sale investments | | Total equity attributable to owners of the Company | | | | |
| Balance as at 31 December 2009 | 1,989,531,420 | 1,105,933,696 | 109,000,000 | 245,111,919 | (9,667,902) | (10,271,436) | (19,939,338) | 3,429,637,697 | 85,159,872 | 3,514,797,569 | | |
| Total comprehensive income for the year | - | - | - | 545,709,380 | (15,415,724) | 10,271,436 | (5,144,288) | 540,565,092 | 33,870,110 | 574,435,202 | | |
| 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 | 779,821,299 | (25,083,626) | - | (25,083,626) | 3,970,202,789 | 119,029,982 | 4,089,232,771 | | |
| Balance as at 31 December 2010 | 1,989,531,420 | 1,105,933,696 | 120,000,000 | 779,821,299 | (25,083,626) | - | (25,083,626) | 3,970,202,789 | 119,029,982 | 4,089,232,771 | | |
| Dividend paid (Note 26) | - | - | - | (198,847,394) | - | - | - | (198,847,394) | - | (198,847,394) | | |
| Total comprehensive income for the year | - | - | - | 168,740,944 | 22,929,966 | - | 22,929,966 | 191,670,910 | 7,297,373 | 198,968,283 | | |
| Unappropriated retained earnings transferred to statutory reserve | - | - | 11,000,000 | (11,000,000) | - | - | - | - | - | - | | |
| Balance as at 31 December 2011 | 1,989,531,420 | 1,105,933,696 | 131,000,000 | 738,714,849 | (2,153,660) | - | (2,153,660) | 3,963,026,305 | 126,327,355 | 4,089,353,660 | | |

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

Charoeng Thai Wire and Cable Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2011 and 2010

(Unit : Baht)

| | Separate financial statements | | | | | Total |
|---|--|---------------|-----------------------------|----------------|----------------|---------------|
| | Issued and fully paid-up share capital | Share premium | Retained earnings (deficit) | | Unappropriated | |
| | | | Appropriated | Unappropriated | | |
| Balance as at 31 December 2009 | 1,989,531,420 | 1,105,933,696 | 109,000,000 | (91,023,642) | | 3,113,441,474 |
| Total comprehensive income 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 |
| Balance as at 31 December 2010 | 1,989,531,420 | 1,105,933,696 | 120,000,000 | 208,565,739 | | 3,424,030,855 |
| Dividend paid (Note 26) | - | - | - | (198,847,394) | | (198,847,394) |
| Total comprehensive income for the year | - | - | - | 217,201,293 | | 217,201,293 |
| Unappropriated retained earnings transferred to statutory reserve | - | - | 11,000,000 | (11,000,000) | | - |
| Balance as at 31 December 2011 | 1,989,531,420 | 1,105,933,696 | 131,000,000 | 215,919,638 | | 3,442,384,754 |

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

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

Statements of cash flow

For the years ended 31 December 2011 and 2010

(Unit : Baht)

| | Consolidated | | Separate | |
|--|-----------------------------|----------------------|-----------------------------|---------------------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| Cash flows from operating activities | | | | |
| Profit before tax | 298,218,780 | 710,733,670 | 298,126,822 | 372,787,870 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: | | | | |
| Dividend income | (3,375,000) | (3,375,000) | (79,084,932) | (60,324,949) |
| Depreciation and amortisation | 117,433,829 | 141,232,448 | 52,695,418 | 50,254,187 |
| Withholding tax written off | - | 3,349,889 | - | - |
| Reversal of doubtful accounts - trade receivables | (56,200,117) | (32,172,094) | (543,025) | (1,157,977) |
| Doubtful accounts - long-term loans to subsidiary | - | - | - | 99,709,866 |
| Allowance for diminution in value of inventory (reversal) | 155,630,117 | (2,892,195) | 23,796,954 | (4,052,921) |
| Share of loss from investment in associated company | - | 8,371,867 | - | - |
| Reversal of allowance for impairment of investment | - | (1,085,039) | - | - |
| Loss on sale of other long-term investment | 2,067,207 | - | - | - |
| Loss on impairment of investment | - | 102,231,771 | - | - |
| Gains on sales of property, plant and equipment | (1,019,798) | (1,754,681) | (718,580) | (1,348,355) |
| Loss on impairment of property, plant and equipment | 780,000 | - | - | - |
| Long-term employee benefits | 30,600,826 | - | 19,198,221 | - |
| Unrealised (gain) loss on exchange | 49,495,295 | (3,908,777) | 11,448,382 | (2,351,475) |
| Interest income | (34,239,800) | (9,066,173) | (7,767,895) | (4,407,690) |
| Interest expenses | 43,024,796 | 29,579,169 | 6,913,028 | 4,289,350 |
| Profit from operating activities before changes in operating assets and liabilities | 602,416,135 | 941,244,855 | 324,064,393 | 453,397,906 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 897,049,772 | (960,457,015) | 126,423,080 | (508,243,280) |
| Inventories | (1,627,491,117) | (410,543,859) | 31,309,488 | (212,074,948) |
| Other current assets | (74,252,674) | (14,261,680) | (39,036,300) | (3,531) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | (346,656,065) | 396,859,632 | (207,906,747) | 203,656,812 |
| Other current liabilities | (13,620,950) | 9,211,411 | 8,279,149 | 29,723,375 |
| Cash flows from (used in) operating activities | 902,187,101 | (37,946,656) | 243,133,063 | (33,543,666) |
| Cash paid for long-term employee benefits | (6,928,750) | - | (2,398,011) | - |
| Cash paid for interest expenses | (42,219,283) | (27,118,772) | (6,897,898) | (3,197,462) |
| Cash paid for corporate income tax | (1,683,884,37) | (64,482,631) | (78,576,017) | (23,807,235) |
| Net cash flows from (used in) operating activities | 684,650,631 | (129,548,059) | 155,261,137 | (60,548,363) |

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

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

Statements of cash flow (continued)

For the years ended 31 December 2011 and 2010

(Unit : Baht)

| | Consolidated | | Separate | |
|---|----------------------|----------------------|----------------------|--------------------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| Cash flows from investing activities | | | | |
| Dividend income | 3,375,000 | 3,375,000 | 79,084,932 | 60,324,949 |
| Increase in current investments | (80,000,000) | - | - | - |
| Decrease in restricted bank deposits | - | 5,301,748 | - | - |
| Acquisition of property, plant and equipment | (62,959,244) | (36,628,583) | (44,626,992) | (19,016,761) |
| Interest income | 32,307,487 | 8,342,132 | 7,788,363 | 3,986,834 |
| Proceeds from sales of other long-term investment | 710,603 | - | - | - |
| Proceeds from sales of property, plant and equipment | 1,099,542 | 3,100,784 | 736,275 | 2,203,364 |
| Cash received from account receivable accounting to the business rehabilitation plan | - | 1,085,039 | - | - |
| (Increase) decrease in other assets | (2,159,071) | 584,681 | (2,058,878) | (40,000) |
| Net cash flows from (used in) investing activities | (107,625,683) | (14,839,199) | 40,923,700 | 47,458,386 |
| Cash flows from financing activities | | | | |
| Increase in short-term loans from financial institutions | 82,970,909 | 16,318,874 | - | - |
| Increase (decrease) in trust receipts | (155,888,758) | 661,635,687 | 29,866,193 | 170,651,455 |
| Repayment of short-term loan from related company | (116,025,000) | - | - | - |
| Cash paid for liabilities under financial lease agreements | (6,845,591) | (6,779,773) | (6,568,616) | (6,452,236) |
| Dividend paid | (198,847,394) | - | (198,847,394) | - |
| Net cash flows from (used in) financing activities | (394,635,834) | 671,174,788 | (175,549,817) | 164,199,219 |
| Translation adjustments | 13,300,953 | (8,909,150) | - | - |
| Net increase in cash and cash equivalents | 195,690,067 | 517,878,380 | 20,635,020 | 151,109,242 |
| Unrealised gain on exchange of cash and cash equivalents | 298,329 | 668,741 | - | - |
| Cash and cash equivalents at beginning of year | 1,172,368,908 | 653,821,787 | 507,376,384 | 356,267,142 |
| Cash and cash equivalents at end of year | 1,368,357,304 | 1,172,368,908 | 528,011,404 | 507,376,384 |
| Supplemental cash flows information | | | | |
| Non-Cash transactions: | | | | |
| Acquisition of assets through financial lease | - | 16,668,606 | - | 16,668,606 |

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

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

Note to consolidated financial statements

For the years ended 31 December 2011 and 2010

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. The parent company of the group is Pacific Electric Wire and Cable Co., 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.

In October and November 2011, there was severe flooding in Thailand. The location of a subsidiary's factory was inundated, forcing the subsidiary to temporarily cease production. The subsidiary estimated the damage to its assets and recorded losses due to the floods of approximately Baht 110 million in the current year's income statements. However, part of the loss can be claimed from the subsidiary's insurer since the subsidiary has insurance coverage for disaster risk. To date, the insurance company has not yet been able to estimate the compensation payable.

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 28 September 2011, 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 | |
|--|---|--------------------------|----------------------------|-----------------|
| | | | 2011 Percent | 2010 Percent |
| CTW-Beta Co., Ltd. | Investment & Holding Company | Thailand | 100 | 100 |
| Siam Fiber Optics Co., Ltd. | Manufacturer and distributor of fiber optic cables | Thailand | 60 | 60 |
| Siam Pacific Electric Wire and Cable Co., Ltd. | Manufacturer and distributor of wire and cable products, and enameled wires | Thailand | 100 | 100 |
| Pacific-Thai Electric Wire and Cable Co., Ltd. (Held by subsidiary) | Liquidation | Thailand | 100 | 100 |
| Shanghai Yayang Electric Co., Ltd. (Held by subsidiary 78%) | Manufacturer and distributor of enameled copper wires | China | 93 | 93 |

b) Subsidiaries are fully consolidated from 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 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 those of 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 2011 and 2010, the financial statements reflected total assets approximately Baht 575 million and Baht 505 million, respectively. Total revenues and profit for the year ended 31 December 2011 amounted to approximately Baht 1,419 million and Baht 3 million, respectively (for the year ended 31 December 2010 total revenues of approximately Baht 1,300 million and profit of Baht 18 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 end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

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

h) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of income and within equity in the consolidated statements of financial position.

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

3. Adoption of new accounting standards during the year

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

Accounting standards:

| | |
|-----------------------|---|
| 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 |
| Financial reporting standards: | |
| 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 |
| Financial Reporting Standard Interpretations: | |
| TFRIC 15 | Agreements for the Construction of Real Estate |
| Accounting Standard Interpretations: | |
| SIC 31 | Revenue-Barter Transactions Involving Advertising Services |

These accounting standards do not have any significant impact on the financial statements, except for the accounting standard on Employee Benefit as detailed below.

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. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries changed this accounting policy in the current year and recognised the liabilities in the transition period as an expense on a straight-line basis over up to five years from the date of adoption. The change has the effect of decreasing the profit of the Company and its subsidiaries for the year 2011 by Baht 31 million, (0.08 Baht per share) (Separate financial statements: decreasing profit by Baht 19 million, or 0.05 Baht per share).

As at 31 December 2011, the Company and its subsidiaries had the balance of unrecognised Baht 61 million of such liabilities in the transition period (Separate financial statements: Baht 45 million).

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

| | |
|-----------------------|--|
| 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 |

Accounting Standard Interpretations:

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

The Company's and its subsidiaries' 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 accounting standard on Income Taxes as detailed below.

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 this standard is adopted.

5. Significant accounting policies

5.1 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.

5.2 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.

5.3 Trade and other receivables

Trade and other receivables 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.

5.4 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.

5.5 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 statement of income 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.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in the statement of income.

5.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of buildings is calculated by reference to their costs on the straight-line basis over estimated useful life of 20 years.

No depreciation is provided on land.

Depreciation is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of income.

5.7 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 statement of income.

5.8 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 operating of the Company and its subsidiaries.

5.9 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 statement of income over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

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

5.10 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 end of reporting period.

Gains and losses on exchange are included in determining income.

5.11 Impairment of assets

At the end of each reporting period, 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 statement of income.

5.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company, its subsidiary and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the Company and its subsidiary' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plan. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiary elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, as an expense on a straight-line basis over up to five years from the date of adoption.

5.13 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.

5.14 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.

5.15 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 the statement of income.

6. 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 reporting 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 residual values of plant and equipment of the Company and its subsidiaries and to review estimate useful lives and residual 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 records 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.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Cash and cash equivalents

(Unit : Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-------------------|--------------------------------------|-----------|----------------------------------|---------|
| | 2011 | 2010 | 2011 | 2010 |
| Cash | 1,293 | 1,283 | 650 | 600 |
| Bank deposits | 707,064 | 851,086 | 427,361 | 206,776 |
| Bills of exchange | 660,000 | 320,000 | 100,000 | 300,000 |
| Total | 1,368,357 | 1,172,369 | 528,011 | 507,376 |

As at 31 December 2011, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.05 and 3.70 percent per annum (2010: between 0.05 and 1.60 percent per annum).

8. 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, its subsidiaries and those related parties.

(Unit : Million Baht)

| | Consolidated financial statements | | Separate financial statements | | Transfer Pricing Policy |
|---|--------------------------------------|------|----------------------------------|------|----------------------------|
| | 2011 | 2010 | 2011 | 2010 | |
| <u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements) | | | | | |
| Sales of goods | - | - | 78 | 98 | Market price |
| Sales of raw materials | - | - | 3 | 7 | Cost plus margin |
| Fabrication income | - | - | 17 | 24 | Market price |
| Purchases of goods | - | - | 16 | 36 | Market price |
| Purchases of raw materials | - | - | - | 53 | Market price |
| Management fee income | - | - | 41 | 41 | Contract price |
| Service income | - | - | 9 | 8 | Contract price |
| Rental income | - | - | 6 | 5 | Contract price |
| Electric income | - | - | 4 | 5 | At cost |
| Dividend income | - | - | 76 | 57 | Announced rate |

(Unit : Million Baht)

| | Consolidated | | Separate | | Transfer Pricing Policy |
|--|----------------------|------|----------------------|------|-------------------------|
| | financial statements | | financial statements | | |
| | 2011 | 2010 | 2011 | 2010 | |
| <u>Transactions with related parties</u> | | | | | |
| Sales of goods | 130 | 124 | 130 | 124 | Market price |
| Purchases of raw materials | 214 | 439 | 144 | - | Market price |
| Fabrication cost | 35 | 37 | 35 | 37 | Market price |
| Management fee | 7 | 6 | 2 | 1 | Contract price |
| Dividend income | 3 | 3 | 3 | 3 | Announced rate |
| Interest income | 1 | - | - | - | 4.5% per annum |
| Service fee | 1 | - | - | - | Contract price |

As at 31 December 2011 and 2010, the balances of the accounts between the Company, its subsidiaries and those related companies are as follows:

(Unit : Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|---------|----------------------|---------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| <u>Trade and other receivables - related parties</u> | | | | |
| <u>(Note 9)</u> | | | | |
| Subsidiaries | - | - | 25,391 | 88,422 |
| Related companies (related as the shareholders of the Company or common shareholders or directors) | 37,371 | 101,025 | 37,371 | 100,634 |
| Total trade and other receivables - related parties | 37,371 | 101,025 | 62,762 | 189,056 |
| <u>Trade and other payables - related parties</u> | | | | |
| <u>(Note 17)</u> | | | | |
| Subsidiaries | - | - | - | 56,857 |
| Related companies (related as indirect shareholders of the Company or shareholder of a subsidiary or investee of the Company) | 10,727 | 11,565 | 2,428 | 3,746 |
| Total trade and other payables - related parties | 10,727 | 11,565 | 2,428 | 60,603 |

Long-term loans to subsidiary

As at 31 December 2011 and 2010, the balances of loans between the Company and its subsidiary and the movements are as follow:

(Unit : Thousand Baht)

Separate financial statements

| Loan to | Balance as at 31 December 2010 | Increase during the year | Decrease during the year | Balance as at 31 December 2011 |
|---------------------------------------|--------------------------------------|--------------------------------|--------------------------------|--------------------------------------|
| CTW-Beta Company Limited | | | | |
| Loan | 540,939 | - | - | 540,939 |
| Add: Accrued interest | 96,174 | - | - | 96,174 |
| Total | 637,113 | | | 637,113 |
| Less: Allowance for doubtful accounts | (622,759) | - | - | (622,759) |
| Total | 14,354 | - | - | 14,354 |

Long-term loans due from subsidiary 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. (A total of Baht 67 million of interest receivable under the agreement was not recorded in its accounts. Interest income for the years ended 31 December 2011 and 2010 amounted to Baht 12 million and Baht 4 million, respectively).

Short-term loans from related companies

As at 31 December 2011 and 2010, the balances of loans between the Company and those related companies and the movements are as follow:

(Unit : Thousand Baht)

Consolidated financial statements

| Loans from | Related by | Balance as at 31 December 2010 | Increase during the year | Decrease during the year | Unrealised loss on exchange | Balance as at 31 December 2011 |
|---------------------------------------|----------------------|--|--------------------------------|--------------------------------|-----------------------------------|--|
| Moon View Ventures Ltd. | Indirect shareholder | 5,899 | - | - | 299 | 6,198 |
| Trigent Investment Holdings Co., Ltd. | Shareholder | 116,025 | - | (116,025) | - | - |
| Total | | 121,924 | - | (116,025) | 299 | 6,198 |

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

Directors and management's benefits

During the years ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit : Thousand Baht)

| | Consolidated | | Separate | |
|------------------------------|----------------------|--------|----------------------|--------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| Short-term employee benefits | 61,210 | 91,069 | 33,909 | 52,998 |
| Post-employment benefits | 7,867 | 1,262 | 5,866 | 858 |
| Total | 69,077 | 92,331 | 39,775 | 53,856 |

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 27.3.

9. Trade and other receivables

(Unit : Thousand Baht)

| | Consolidated | | Separate | |
|---------------------------------------|----------------------|-----------|----------------------|-----------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| <u>Trade receivables</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 1,368,279 | 1,893,115 | 822,085 | 1,019,634 |
| Past due | | | | |
| Up to 3 months | 279,516 | 542,592 | 127,692 | 66,266 |
| 3 - 6 months | 48,023 | 53,585 | 18,959 | 32,716 |
| 6 - 12 months | 29,088 | 7,841 | 22,369 | - |
| Over 12 months | 142,270 | 276,146 | 12,817 | 14,292 |
| Total | 1,867,176 | 2,773,279 | 1,003,922 | 1,132,908 |
| Less: Allowance for doubtful accounts | (58,124) | (118,952) | (8,325) | (11,535) |
| Total trade receivables - net | 1,809,052 | 2,654,327 | 995,597 | 1,121,373 |
| <u>Other receivable</u> | | | | |
| Other receivable - subsidiary | - | - | 5,195 | 5,299 |
| Total other receivables | - | - | 5,195 | 5,299 |
| Trade and other receivable - net | 1,809,052 | 2,654,327 | 1,000,792 | 1,126,672 |

The balance of trade receivables included balance of related companies totaling approximately Baht 37 million (2010: Baht 101 million) (Separate financial statements: Baht 37 million, 2010: Baht 101 million) which, aged on the basis of due dates, are not more than 6 months past due.

During the years 2011 and 2010, the Company and its subsidiary written off bad debt and reversed the related allowance for doubtful accounts amounting to Baht 5 million and Baht 8 million, respectively (2011: Separate financial statements: Baht 3 million).

10. Inventories

(Unit : Thousand Baht)

Consolidated financial statements

| | Cost | | Decrease to net realisable value | | Inventories - net | |
|----------------------------|------------------|------------------|-------------------------------------|-----------------|-------------------|------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Finished goods | 566,012 | 448,061 | (42,853) | (15,115) | 523,159 | 432,946 |
| Work in process | 341,099 | 319,468 | (56,716) | (5,531) | 284,383 | 313,938 |
| Raw materials and supplies | 714,130 | 553,273 | (88,782) | (12,923) | 625,348 | 540,350 |
| Goods in transit | 63,259 | 200,948 | (851) | - | 62,408 | 200,948 |
| Total | 1,684,500 | 1,521,750 | (189,202) | (33,569) | 1,495,298 | 1,488,182 |

(Unit : Thousand Baht)

Separate financial statements

| | Cost | | Decrease to net realisable value | | Inventories - net | |
|----------------------------|----------------|----------------|-------------------------------------|-----------------|-------------------|----------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Finished goods | 392,739 | 260,578 | (25,594) | (12,443) | 367,145 | 248,135 |
| Work in process | 204,846 | 172,788 | (12,300) | (1,605) | 192,546 | 171,183 |
| Raw materials and supplies | 150,136 | 224,717 | (6,008) | (6,057) | 144,128 | 218,660 |
| Goods in transit | 6,535 | 127,482 | - | - | 6,535 | 127,482 |
| Total | 754,256 | 785,565 | (43,902) | (20,105) | 710,354 | 765,460 |

11. Investments in subsidiaries

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

(Unit : Thousand Baht)

| Company's name | Paid-up capital | | Cost | | Dividend received during the year | |
|---|-----------------|-----------------|------------------|------------------|--------------------------------------|---------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Siam Fiber Optics Company Limited | 240,000 | 240,000 | 144,000 | 144,000 | - | - |
| Siam Pacific Electric Wire and Cable Company Limited | 670,000 | 670,000 | 1,067,703 | 1,067,703 | 75,710 | 56,950 |
| Shanghai Yayang Electric Company Limited | 7,049 | 7,049 | 41,110 | 41,110 | - | - |
| | Thousand USD | Thousand USD | | | | |
| CTW-Beta Company Limited | 100 | 100 | 100 | 100 | - | - |
| Total | | | 1,252,913 | 1,252,913 | 75,710 | 56,950 |
| Less: Allowance for impairment of investments | | | (48,163) | (48,163) | | |
| Total investments in subsidiaries - net | | | 1,204,750 | 1,204,750 | | |

12. Investment in associated company

12.1 Details of associated company:

(Unit : Thousand Baht)

| Company's name | Nature of business | Country of incorporation | Consolidated financial statements | | | | | |
|--|-------------------------------------|--------------------------|-----------------------------------|----------|---------|---------|---|----------|
| | | | Shareholding percentage | | Cost | | Carrying amounts based on equity method | |
| | | | 2011 (%) | 2010 (%) | 2011 | 2010 | 2011 | 2010 |
| Loxley Pacific Co., Ltd. | Providing telecommunication service | Thailand | 25 | 25 | 379,246 | 379,246 | 105,151 | 105,151 |
| Total | | | | | 379,246 | 379,246 | 105,151 | 105,151 |
| Less: Allowance for impairment of investment | | | | | | | (91,185) | (91,185) |
| Total investment in associated company - net | | | | | | | 13,966 | 13,966 |

12.2 Share of loss and dividend received

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

(Unit : Thousand 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 | |
| | 2011 | 2010 | 2011 | 2010 |
| Loxley Pacific Company Limited | - | 8,372 | - | - |
| Total | - | 8,372 | - | - |

12.3 Summarised financial information of associated company

Financial information of the associated company is summarised below.

(Unit : Million Baht)

| Company's name | Paid-up capital as at 31 December | | Total assets as at 31 December | | Total liabilities as at 31 December | | Total revenues for the year ended 31 December | | Loss for the year ended 31 December | |
|----------------|-----------------------------------|------|--------------------------------|------|-------------------------------------|------|---|------|-------------------------------------|------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | Loxley Pacific Company Limited | 700 | 700 | 414 | 438 | 33 | 18 | 92 | 30 | (37) |

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 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.

13. Other long-term investments

(Unit : Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------|----------------------|---------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| 13.1 General Investments | | | | |
| Thai Metal Processing Co., Ltd. | 22,500 | 22,500 | 22,500 | 22,500 |
| H.R.Silvine Electronics Co., Ltd. | 1,359 | 1,359 | 1,359 | 1,359 |
| B.I.P. Engineering and Construction Co., Ltd. | 221 | 221 | 221 | 221 |
| Less: Allowance for impairment of investments | (1,580) | (1,580) | (1,580) | (1,580) |
| General investments - net | 22,500 | 22,500 | 22,500 | 22,500 |
| 13.2 Investments in available-for-sale securities | | | | |
| TT&T Public Co., Ltd. | - | 13,824 | - | - |
| Less: Allowance for impairment of investments | - | (11,046) | - | - |
| Investments in available-for-sale securities - net | - | 2,778 | - | - |
| Total other long-term investments - net | 22,500 | 25,278 | 22,500 | 22,500 |

During the year 2011, the Company received dividend from the long-term investment at Baht 3 million (2010: Baht 3 million).

During 2010, the subsidiary companies recorded allowance for impairment of investments in TT&T amounting to Baht 11 million, as the decrease in the fair value of these investments was significant and prolonged, which the management considered to constitute an indication that the investments had 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. During the current year, the subsidiaries sold the investment with book values totaling Baht 3 million and recognised loss on the sales amounting to Baht 2 million in the statement of income.

14. Investment properties

The net book value of investment properties as at 31 December 2011 and 2010 is presented below.

(Unit : Thousand Baht)

| | Consolidated financial statements | | | Separate financial statements | | |
|--|-------------------------------------|--------------------------|---------|-------------------------------------|--------------------------|---------|
| | Land - not being used for operation | Office building for rent | Total | Land - not being used for operation | Office building for rent | Total |
| As at 31 December 2011 | | | | | | |
| Cost | 19,068 | 11,363 | 30,431 | 19,068 | - | 19,068 |
| Less Accumulated depreciation | - | (3,531) | (3,531) | - | - | - |
| Less Allowance for diminution in value | (2,667) | - | (2,667) | (2,667) | - | (2,667) |
| Net book value | 16,401 | 7,832 | 24,233 | 16,401 | - | 16,401 |
| As at 31 December 2010 | | | | | | |
| Cost | 19,068 | 11,363 | 30,431 | 19,068 | - | 19,068 |
| Less Accumulated depreciation | - | (2,963) | (2,963) | - | - | - |
| Less Allowance for diminution in value | (2,667) | - | (2,667) | (2,667) | - | (2,667) |
| Net book value | 16,401 | 8,400 | 24,801 | 16,401 | - | 16,401 |

A reconciliation of the net book value of investment properties for the years 2011 and 2010 is presented below.

(Unit : Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|--------|----------------------|--------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| Net book value at beginning of year | 24,801 | 25,369 | 16,401 | 16,401 |
| Depreciation charged (Included in administrative expenses) | (568) | (568) | - | - |
| Net book value at end of year | 24,233 | 24,801 | 16,401 | 16,401 |

The fair value of the investment properties as at 31 December 2011 and 2010 was stated below.

(Unit : Thousand Baht)

| | Consolidated | | Separate | |
|-------------------------------------|----------------------|---------|----------------------|---------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| Land - not being used for operation | 216,507 | 216,507 | 216,507 | 216,507 |
| Office building for rent | 19,590 | 19,590 | - | - |

The fair values of the above investment properties have been determined based on valuation performed by the treasury department.

15. Property, plant and equipment

(Unit : Thousand Baht)

| | Consolidated financial statements | | | | | | Total |
|------------------------|-----------------------------------|------------------------------------|-------------------------|--|----------------|--|-----------|
| | Land | Buildings and building improvement | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation and under construction | |
| Cost: | | | | | | | |
| As at 1 January 2010 | 202,364 | 1,003,297 | 3,541,443 | 103,767 | 69,908 | 17,980 | 4,938,759 |
| Additions | - | 1,629 | 10,565 | 4,435 | 21,539 | 15,129 | 53,297 |
| Disposals | - | - | (7,568) | (2,993) | (10,747) | (428) | (21,736) |
| Transfer | - | 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 | 1,000,647 | 3,561,504 | 105,305 | 80,516 | 4,676 | 4,955,012 |
| Additions | - | 1,050 | 11,146 | 4,843 | 1,503 | 44,417 | 62,959 |
| Disposals | - | (12) | (18,851) | (5,818) | (3,576) | - | (28,257) |
| Transfers | - | 14,593 | 13,122 | 3,936 | 3,150 | (34,801) | - |
| Translation adjustment | - | 6,203 | 14,904 | 215 | 378 | - | 21,700 |
| As at 31 December 2011 | 202,364 | 1,022,481 | 3,581,825 | 108,481 | 81,971 | 14,292 | 5,011,414 |

(Unit : Thousand Baht)

Consolidated financial statements

| | Land | Buildings and building improvement | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation and under construction | Total |
|--|---------|---|-------------------------------|---|-------------------|--|----------------|
| Accumulated depreciation: | | | | | | | |
| As at 1 January 2010 | - | (712,294) | (3,247,511) | (94,910) | (49,585) | - | (4,104,300) |
| Depreciation for the year | - | (49,407) | (78,343) | (3,612) | (9,147) | - | (140,509) |
| 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 | - | (760,581) | (3,312,153) | (95,468) | (48,693) | - | (4,216,895) |
| Depreciation for the year | - | (42,460) | (58,135) | (4,146) | (10,377) | - | (115,118) |
| Depreciation on disposals | - | 4 | 18,830 | 5,767 | 3,576 | - | 28,177 |
| Translation adjustment | - | (1,888) | (9,875) | (143) | (231) | - | (12,137) |
| As at 31 December 2011 | - | (804,925) | (3,361,333) | (93,990) | (55,725) | - | (4,315,973) |
| Allowance for impairment loss: | | | | | | | |
| As at 31 December 2010 | - | - | - | - | - | - | - |
| Increase during the year | - | - | (780) | - | - | - | (780) |
| As at 31 December 2011 | - | - | (780) | - | - | - | (780) |
| Net book value: | | | | | | | |
| As at 31 December 2010 | 202,364 | 240,066 | 249,351 | 9,837 | 31,823 | 4,676 | 738,117 |
| As at 31 December 2011 | 202,364 | 217,556 | 219,712 | 14,491 | 26,246 | 14,292 | 694,661 |
| Depreciation for the year | | | | | | | |
| 2010 (Baht 127 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | | <u>140,509</u> |
| 2011 (Baht 101 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | | <u>115,118</u> |

(Unit : Thousand Baht)

Separate financial statements

| | Land | Buildings and building improvement | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation and under construction | Total |
|---|---------|---|-------------------------------|---|-------------------|--|-------------|
| Cost: | | | | | | | |
| As at 1 January 2010 | 149,013 | 497,632 | 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 | 497,882 | 1,700,091 | 62,132 | 48,402 | 1,035 | 2,458,555 |
| Additions | - | 429 | 1,874 | 3,100 | 1,457 | 37,767 | 44,627 |
| Disposals | - | - | (147) | (1,792) | (3,532) | - | (5,471) |
| Transfers | - | 14,593 | 9,246 | 3,923 | 3,150 | (30,912) | - |
| As at 31 December 2011 | 149,013 | 512,904 | 1,711,064 | 67,363 | 49,477 | 7,890 | 2,497,711 |
| Accumulated depreciation: | | | | | | | |
| As at 1 January 2010 | - | (348,567) | (1,560,405) | (55,289) | (23,626) | - | (1,987,887) |
| Depreciation for the year | - | (24,206) | (17,503) | (1,953) | (6,592) | - | (50,254) |
| Depreciation on disposals | - | - | 340 | 634 | 7,442 | - | 8,416 |
| As at 31 December 2010 | - | (372,773) | (1,577,568) | (56,608) | (22,776) | - | (2,029,725) |
| Depreciation for the year | - | (23,319) | (19,039) | (2,366) | (7,913) | - | (52,637) |
| Depreciation on disposals | - | - | 144 | 1,777 | 3,532 | - | 5,453 |
| As at 31 December 2011 | - | (396,092) | (1,596,463) | (57,197) | (27,157) | - | (2,076,909) |
| Net book value: | | | | | | | |
| As at 31 December 2010 | 149,013 | 125,109 | 122,523 | 5,524 | 25,626 | 1,035 | 428,830 |
| As at 31 December 2011 | 149,013 | 116,812 | 114,601 | 10,166 | 22,320 | 7,890 | 420,802 |
| Depreciation for the year | | | | | | | |
| 2010 (Baht 43 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | | 50,254 |
| 2011 (Baht 45 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | | 52,637 |

As at 31 December 2011 and 2010, the Company and its subsidiary had vehicles under finance lease agreements with net book values amounting to Baht 18 million and Baht 25 million, respectively (The Company only: Baht 17 million, 2010: Baht 24 million).

As at 31 December 2011 and 2010, 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 3,519 million and Baht 3,081 million, respectively (The Company only: Baht 1,658 million, 2010: Baht 1,637 million).

As at 31 December 2011, the subsidiary companies have pledged assets amounting to approximately Baht 99 million and RMB 5 million (2010: Baht 115 million and RMB 10 million, respectively) as collateral against credit facilities received from financial institutions.

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

Short-term loans from financial institutions carry interest at rates of 4.7 - 6.3% per annum (2010: 5.3 - 5.6% per annum) while trust receipts carry interest at rates of 1.4 - 2.3% per annum (2010: 1.3 - 2.9% per annum). These are secured by pledges of fixed deposits of a subsidiary, by the mortgage of land, building and land leasehold right and the pledge of machinery by two subsidiaries and by guarantee provided by a subsidiary.

17. Trade and other payables

(Unit : Thousand Baht)

| | Consolidated | | Separate | |
|------------------------------------|----------------------|---------|----------------------|---------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| Trade payables - related parties | 7,708 | 10,182 | 1,887 | 60,252 |
| Trade payables - unrelated parties | 225,842 | 527,162 | 89,867 | 216,051 |
| Other payables - related companies | 3,019 | 1,383 | 541 | 351 |
| Other payables | 32,260 | 21,229 | 20,509 | 14,167 |
| Accrued expenses | 80,219 | 134,958 | 57,194 | 86,419 |
| Retention | 275 | 522 | 275 | 522 |
| Total trade and other payables | 349,323 | 695,436 | 170,273 | 377,762 |

18. Other liabilities - liabilities under finance lease agreements

(Unit : Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|---------|----------------------|---------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| Liabilities under finance lease agreements | 11,849 | 19,757 | 11,221 | 18,802 |
| Less: Deferred interest expenses | (722) | (1,784) | (681) | (1,693) |
| Total | 11,127 | 17,973 | 10,540 | 17,109 |
| Less: Portion due within one year | (6,647) | (6,846) | (6,351) | (6,569) |
| Liabilities under finance lease agreements - net of current portion | 4,480 | 11,127 | 4,189 | 10,540 |

The Company and its subsidiary have entered into the finance lease agreements with leasing company that is related to the Company through a common director 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 2011, future minimum lease payments required under the finance lease agreements were as follows:

(Unit : Thousand Baht)

| | Consolidated | | Separate | |
|-------------------------------|-----------------------------|------------|-----------------------------|------------|
| | financial statements | | financial statements | |
| | Less than 1 year | 1 - 4 year | Less than 1 year | 1 - 4 year |
| Future minimum lease payments | 7,219 | 4,630 | 6,892 | 4,329 |
| Deferred interest expenses | 572 | 150 | 541 | 140 |

19. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which is compensations on employees' retirement, was as follows:

(Unit : Thousand Baht)

| | Consolidated | Separate |
|---|-----------------------------|-----------------------------|
| | financial statements | financial statements |
| Defined benefit obligation at beginning of year | 82,218 | 58,728 |
| Current service cost | 4,689 | 2,809 |
| Interest cost | 3,220 | 2,246 |
| Curtailment loss | 1,929 | - |
| Benefits paid during the year | (6,929) | (2,398) |
| Defined benefit obligation at end of year | 85,127 | 61,385 |
| Unrecognised transitional provisions | (61,455) | (44,585) |
| Provision for long-term employee benefits at end of year | 23,672 | 16,800 |

Long-term employee benefit expenses included in the statement of income for the year ended 31 December 2011 amounting to Baht 31 million (Separate financial statements: Baht 19 million).

Principal actuarial assumptions at the valuation date were as follows:

| | Consolidated | | Separate | |
|-------------------------------------|-----------------------------|---------------|-----------------------------|---------------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| | (% per annum) | (% per annum) | (% per annum) | (% per annum) |
| Discount rate | 4.2 | 4.8 | 4.2 | 4.8 |
| Average future salary increase rate | 6.0 - 8.0 | 4.4 - 5.5 | 6.0 | 4.4 |
| Average staff turnover rate | 3.4 - 7.2 | 3.0 - 6.4 | 3.4 | 3.0 |

20. 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.

21. Expenses by nature

Significant expenses by nature are as follows:

(Unit : Million Baht)

| | Consolidated | | Separate | |
|--|----------------------|-------|----------------------|-------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| Raw materials and consumables used and purchase finished goods | 6,273 | 5,994 | 2,677 | 1,845 |
| Changes in finished goods and work in progress | (140) | 2 | (164) | (17) |
| Salary and wages and other employee benefits | 393 | 420 | 238 | 229 |
| Packing expenses | 110 | 87 | 92 | 64 |
| Fabrication expenses | 18 | 37 | 35 | 37 |
| Electric expenses | 108 | 153 | 49 | 48 |
| Repair and maintenance expenses | 42 | 39 | 36 | 29 |
| Depreciation and amortisation | 117 | 141 | 53 | 50 |
| Commission expenses | 61 | 71 | 41 | 38 |
| Allowance for doubtful accounts (reversal) | (56) | (32) | (1) | 99 |

22. 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.

23. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

| | Consolidated | | Separate | |
|--|----------------------|---------|----------------------|---------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| Profit for the year (Thousand Baht) | 168,741 | 545,709 | 217,201 | 310,589 |
| Weighted average number of ordinary shares (Thousand shares) | 397,906 | 397,906 | 397,906 | 397,906 |
| Earnings per share (Baht/share) | 0.42 | 1.37 | 0.55 | 0.78 |

24. 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 2011 and 2010 by segment.

(Unit : Million Baht)

| | Domestic Segment | | Foreign segment | | Elimination of inter-segment revenues | | Consolidation | |
|---|------------------|-------|-----------------|-------|---------------------------------------|-------|---------------|-------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Revenues from external customers | 6,025 | 6,391 | 1,419 | 1,298 | - | - | 7,444 | 7,689 |
| Inter-segment revenues | 243 | 342 | - | - | (113) | (218) | 130 | 124 |
| Total revenues | 6,268 | 6,733 | 1,419 | 1,298 | (113) | (218) | 7,574 | 7,813 |
| Segment income | 561 | 1,032 | 57 | 56 | - | - | 618 | 1,088 |
| Unallocated income and expenses: | | | | | | | | |
| Interest income | | | | | | | 34 | 9 |
| Gain on exchange rate | | | | | | | - | 95 |
| Dividend income from investment in other company | | | | | | | 3 | 3 |
| Other income | | | | | | | 10 | 12 |
| Selling expenses | | | | | | | (131) | (130) |
| Administrative expenses | | | | | | | (183) | (220) |
| Other expenses | | | | | | | (3) | (102) |
| Share of loss from investment in associated company | | | | | | | - | (8) |
| Financial cost | | | | | | | (50) | (36) |
| Corporate income tax | | | | | | | (124) | (130) |
| Non-controlling interests of the subsidiaries | | | | | | | (5) | (35) |
| Profit for the year | | | | | | | 169 | 546 |

(Unit : Million Baht)

| | Domestic Segment | | Foreign segment | | Elimination of inter-segment revenues | | Consolidation | |
|-------------------------------|------------------|-------|-----------------|------|---------------------------------------|-------|---------------|-------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Property, plant and equipment | 605 | 646 | 90 | 92 | - | - | 695 | 738 |
| Trade and other receivables | 1,487 | 2,510 | 347 | 284 | (25) | (140) | 1,809 | 2,654 |
| Inventories | 1,402 | 1,414 | 93 | 74 | - | - | 1,495 | 1,488 |
| Other assets | 1,904 | 1,876 | 45 | 56 | (14) | (350) | 1,935 | 1,582 |
| Total assets | | | | | | | 5,934 | 6,462 |

Transfer prices between business segments are described in Note 8.

25. Provident fund

The Company together with its subsidiary and their employees has jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees, the Company and its subsidiary 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 fund of the subsidiary, which is managed by Bangkok Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2011, the Company and its subsidiary contributed Baht 7 million to the fund (2010: Baht 6 million) (the Company only: Baht 4 million, 2010: Baht 4 million).

26. Dividends

| | Approved by | Total dividends (Thousand Baht) | Dividend per share (Baht) |
|--------------------------|---|------------------------------------|------------------------------|
| Final dividends for 2010 | Annual General meeting of the shareholders on 25 April 2011 | 198,847 | 0.5 |

27. Commitments and contingent liabilities

27.1 Service commitments

As at 31 December 2011, the Company and its subsidiary had commitments in respect of service as follows:

| | Unrelated parties | Related parties | |
|-----------------------|-------------------|-----------------|---------------|
| | (Million Baht) | (Million USD) | (Million TWD) |
| Payable within 1 year | 3 | 3 | 3 |

27.2 Commitment to purchase raw materials

As at 31 December 2011, the Company and its subsidiary had commitments to purchase raw materials as follows:

| The company and its subsidiary (Metric ton) | The Company only (Metric ton) | Pricing (USD/Metric ton) |
|--|----------------------------------|---------------------------------|
| 8,364 - 9,789 | 3,000 | With reference to market prices |
| 1,700 | 1,700 | 7,000 - 9,300 |

27.3 Guarantee

a) As at 31 December 2011, the Company and its subsidiary had guarantee obligations for bank credit lines of two subsidiaries at approximately Baht 75 million, USD 5 million and RMB 15 million (2010: Baht 75 million and USD 10 million).

b) As at 31 December 2011, the two subsidiaries had no commitment to provide cross guarantee for credit line (2010: Baht 2 billion and USD 5 million).

c) As at 31 December 2011 and 2010, the Company and its subsidiaries had outstanding bank guarantees of approximately Baht 568 million and Baht 596 million respectively (The Company only: Baht 523 million, 2010: Baht 543 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.

28. Financial instruments

28.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade receivables, 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 and other receivables and loans. 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 trade and other receivables and loans as stated in the statement of financial position.

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 2011 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.

(Unit : Million Baht)

Consolidated financial statements

| | Fixed interest rates | | Floating interest rate | Non-interest bearing | Total | Effective interest rate (% p.a.) |
|--|----------------------|-------------|------------------------|----------------------|-------|----------------------------------|
| | Within 1 year | 1 - 5 years | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 660 | - | 668 | 40 | 1,368 | 0.1 - 3.7 |
| Short-term investments | 80 | - | - | - | 80 | 3.3 - 4.0 |
| Trade and other receivables | - | - | - | 1,809 | 1,809 | - |
| Deposits at bank with restrictions | 262 | - | - | - | 262 | 1.4 - 2.3 |
| | 1,002 | - | 668 | 1,849 | 3,519 | |
| Financial liabilities | | | | | | |
| Short-term loans from financial institutions | - | - | 284 | - | 284 | 4.7 - 6.3 |
| Trust receipts | - | - | 1,083 | - | 1,083 | 1.4 - 2.3 |
| Trade and other payables | - | - | - | 349 | 349 | - |
| Short-term loans from related company | - | - | - | 6 | 6 | - |
| Financial lease liabilities | - | 11 | - | - | 11 | 6.5 - 7.7 |
| | - | 11 | 1,367 | 355 | 1,733 | |

(Unit : Million Baht)

Separate financial statements

| | Fixed interest rates | | Floating interest rate | Non-interest bearing | Total | Effective interest rate (% p.a.) |
|-------------------------------|----------------------|-------------|------------------------|----------------------|-------|----------------------------------|
| | Within 1 year | 1 - 5 years | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 100 | - | 427 | 1 | 528 | 0.8 - 3.5 |
| Trade and other receivables | - | - | - | 1,001 | 1,001 | - |
| Long-term loans to subsidiary | - | - | 14 | - | 14 | 1.4 - 2.5 |
| | 100 | - | 441 | 1,002 | 1,543 | |
| Financial liabilities | | | | | | |
| Trust receipts | - | - | 264 | - | 264 | 1.4 - 1.8 |
| Trade and other payables | - | - | - | 170 | 170 | - |
| Financial lease liabilities | - | 11 | - | - | 11 | 6.5 - 7.7 |
| | - | 11 | 264 | 170 | 445 | |

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 2011 are summarised below.

| Foreign currency | Financial assets (Million) | Financial liabilities (Million) | Average exchange rate as at 31 December 2011 (Baht per 1 foreign currency unit) |
|------------------|-------------------------------|------------------------------------|---|
| US dollar | 4 | 36 | 31.6912 |

As at 31 December 2011, the subsidiary company had outstanding buy foreign exchange contracts of approximately USD 2 million at contractual exchange rate 31 Baht per US dollars which will be mature on 16 January 2012.

28.2 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 statements of financial position.

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.

29. Capital management

The primary objective of the Company and its subsidiaries capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2011, the Group's debt-to-equity ratio was 0.45:1 (2010: 0.58:1) and the Company's was 0.15:1 (2010: 0.20:1).

30. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, following the adoption of presentation of the financial statements in accordance with the stipulations of the Notification of the Department of Business Development described in Note 2.

In addition, the Company and its subsidiary's reclassifications for the adoption of new accounting standard TAS 40 (revised 2009) investment property described in Note 3 are as follows:

(Unit : Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|--------------------------------------|---------------------------|----------------------------------|---------------------------|
| | As reclassified | As previously reported | As reclassified | As previously reported |
| Investment properties | 24,801 | - | 16,401 | - |
| Land not being used for operation | - | 16,401 | - | 16,401 |
| Property, plant and equipment | 738,117 | 746,517 | 428,830 | 428,830 |

The reclassifications had no effect to previously reported profit or shareholder's equity.

31. Approval of financial statements

These financial statements were authorised for issue by the authorised director of the Company on 27 February 2012.

Fee to the Auditor

1. Audit fee

The Company and its subsidiaries paid audit fee to :

- The Company's auditor for the year 2011 totaling Baht 4,565,000.
- Other than the Company's auditor but, related individual or related company of the Company's auditor for the year 2011 totaling Baht 0.

2. Non-audit fee

The Company and its subsidiaries paid non-audit fee for the year 2011 totaling Baht 0.

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