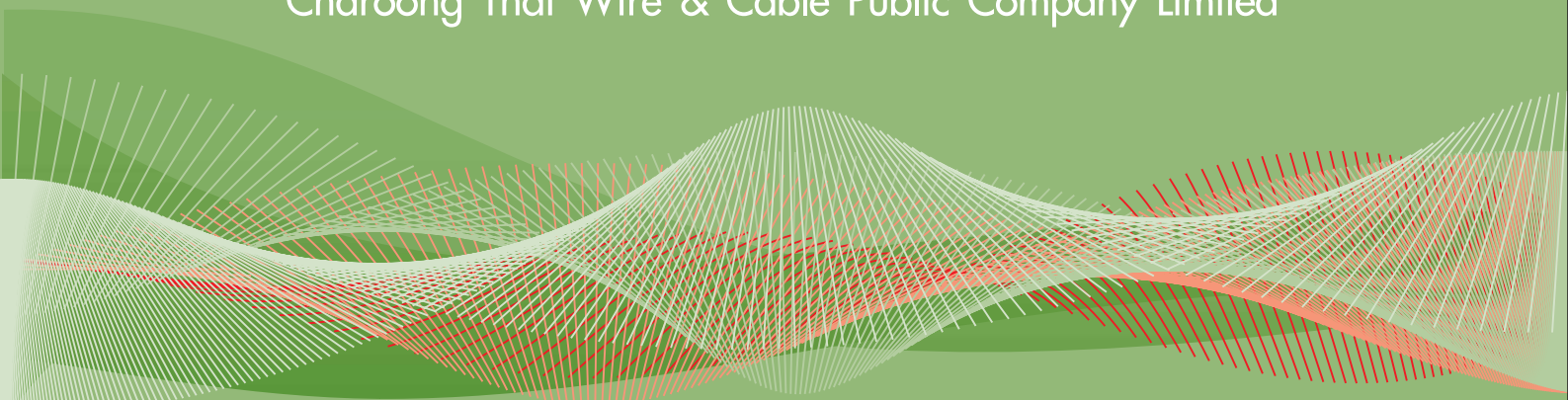




Charoong Thai Wire & Cable Public Company Limited



Annual Report

2012

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Corporate Information

Charoong Thai Wire & Cable Public Company Limited (“CTW” or the “Company”), or in Thai บริษัท จรุงไทยไวร์แอนด์เคเบิล จำกัด (มหาชน), is located at 589/71 Central City Tower 12A Floor, Bangna-Trad Road, Bangna, Bangna, Bangkok 10260. Its telephone numbers are (662) 745-6118 to 30 and facsimile numbers are (662) 745-6131 to 32. The Company’s home page on the internet is www.ctw.co.th and its registration number is 0107537000599 (Former number is Bor Mor Jor 306). CTW has been a manufacturer and distributor of Aluminium Cables, Low Voltage Copper Cables, XLPE Insulated High Voltage Cables, Telephone Cables, Fibre Optic Cables and Enameled Wires sold to the domestic and export market. The Company is also an Original Equipment Manufacturer (OEM) which manufactures products for customers since 1967. As at 22 January 2013, 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. Thipawan Nananuwat, Certified Public Accountant License No.3459

Ernst & Young Office Limited 33rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110.

Tel. : (662) 264-0777 Fax : (662) 264-0789-90

Website : www.ey.com

Lawyer

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

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

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

General Information

Shareholding in Other Companies

Company Name and Location	Kind of Activity	Type	Issued Shares Numbers (Shares)	Shareholding Portion Numbers (Shares)	%
1. CTW-Beta Co., Ltd.	Investment & Holding Company	Ordinary Shares	10,000	9,993	100.00
2. Double D Cable Co., Ltd.	Manufacture and Distributor of Aluminium and Copper Cables	Ordinary Shares	200,000	199,995	100.00
3. 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
4. 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
5. Shanghai Yayang Electric Co., Ltd. Head Office : 2525 Daye R (d), Wuqiao Town, Feng Xian District, Shanghai, China Tel : (86 21) 5740 3196 Fax: (86 21) 5740 2366	Manufacturer and distributor of enameled copper wires	Ordinary Shares	7,048,737	6,548,737	92.91
6. Loxley Pacific Co., Ltd. Head Office : 102 Na Ranong Rd., Klong Toey, Bangkok 10110 Tel : (02) 240-3000 Fax : (02) 240-3180	Telecommunications	Ordinary Shares Preferred Shares	45,000,000 25,000,000	12,690,000 5,594,500	**24.56
7. Loxley Pacific Hong Kong Ltd. Head Office : Unit D, 9/F., Kai Centre, 36 Hung To Road, Kwun Tong, Kowloon, Hong Kong	Telecommunications	Ordinary Shares	40,002	9,825	24.56
8. 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
9. Thai Metal Processing Co., Ltd. Head Office : 25Fl., Two Pacific Place Bldg. 142 Sukhumvit Rd., Klongtoey, Bangkok 10110 Tel : (02) 653-2550 (30 lines) Fax : (02) 653-2617	Fabrication of Copper Rods	Ordinary Shares	1,500,000	225,000	15.00

Remarks : * The liquidation is currently in progress. ** Voting Rights.

Financial Highlights for 2010 - 2012

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Financial Information of the Company and its subsidiaries for 2010 - 2012

For the year ended December 31

(Unit : Million Baht)

	2012	2011	2010
OPERATING RESULTS			
Total Revenues	7,537.03	7,621.71	7,933.05
Revenue from Sales	7,283.83	7,574.47	7,812.94
Selling Expenses	131.14	131.32	130.29
Administrative Expense	297.30	238.86	220.38
Total Expenses	6,821.55	7,273.59	7,177.90
Net Income (Loss)	532.00	168.74	545.71
Earning (Loss) per Share (Baht)	1.34	0.42	1.36
Par Value (Baht/Share)	5.00	5.00	5.00
FINANCIAL POSITION			
Current Assets	5,082.69	4,891.52	5,375.49
Total Investments	47.47	36.47	39.24
Property, Plant and Equipment-Net	791.30	718.89	762.92
Total Assets	6,205.69	5,933.54	6,461.98
Current Liabilities	1,758.13	1,816.04	2,361.62
Total Liabilities	1,824.64	1,844.19	2,372.75
Equity attributable to CTW's Shareholders	4,256.97	3,963.03	3,970.20
Total Shareholders' Equity	4,381.05	4,089.35	4,089.23
Book Value (Baht/Share)	10.70	9.96	9.98
FINANCIAL RATIO			
Current Ratio (times)	2.89	2.69	2.28
Quick Ratio (times)	2.02	1.79	1.62
Gross Profit (%)	12.04	8.16	13.92
Net Profit (Loss) (%)	7.06	2.21	6.88
Return on Equity (%)	12.56	4.25	14.75
Debt to Equity Ratio (times)	0.42	0.45	0.58
Return on Assets (%)	8.76	2.72	9.75
Total Assets Turnover Ratio (times)	1.24	1.23	1.42

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), Double D Cable Co., Ltd. (Double D), 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. (CTW-Beta) 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	2012		2011		2010	
			Revenue	%	Revenue	%	Revenue	%
Manufacturing / Revenue	Charoong Thai Wire & Cable Plc.		3,446	45.72	3,231.53	42.40	2,611.38	32.92
	Siam Fiber Optics Co., Ltd.	60.00	263.41	3.49	301.68	3.96	574.46	7.24
	Siam Pacific Electric Wire & Cable Co., Ltd.	100.00	2,521.56	33.46	2,669.37	35.02	2,071.94	26.12
	Pacific-Thai Electric Wire & Cable Co., Ltd.*	100.00	-	-	-	-	1,375.44	17.34
	Double D Cable Co., Ltd.	100.00	0	0.00	-	-	-	-
	Shanghai Yayang Electric Co., Ltd.	92.91	1,306.06	17.33	1,419.13	18.62	1,299.83	16.38
Investment / Revenue	CTW-Beta Co., Ltd.	100.00	-	-	-	-	-	-
Total			7,537.03	100.00	7,621.71	100.00	7,933.05	100.00

(Expressed in Million Baht)

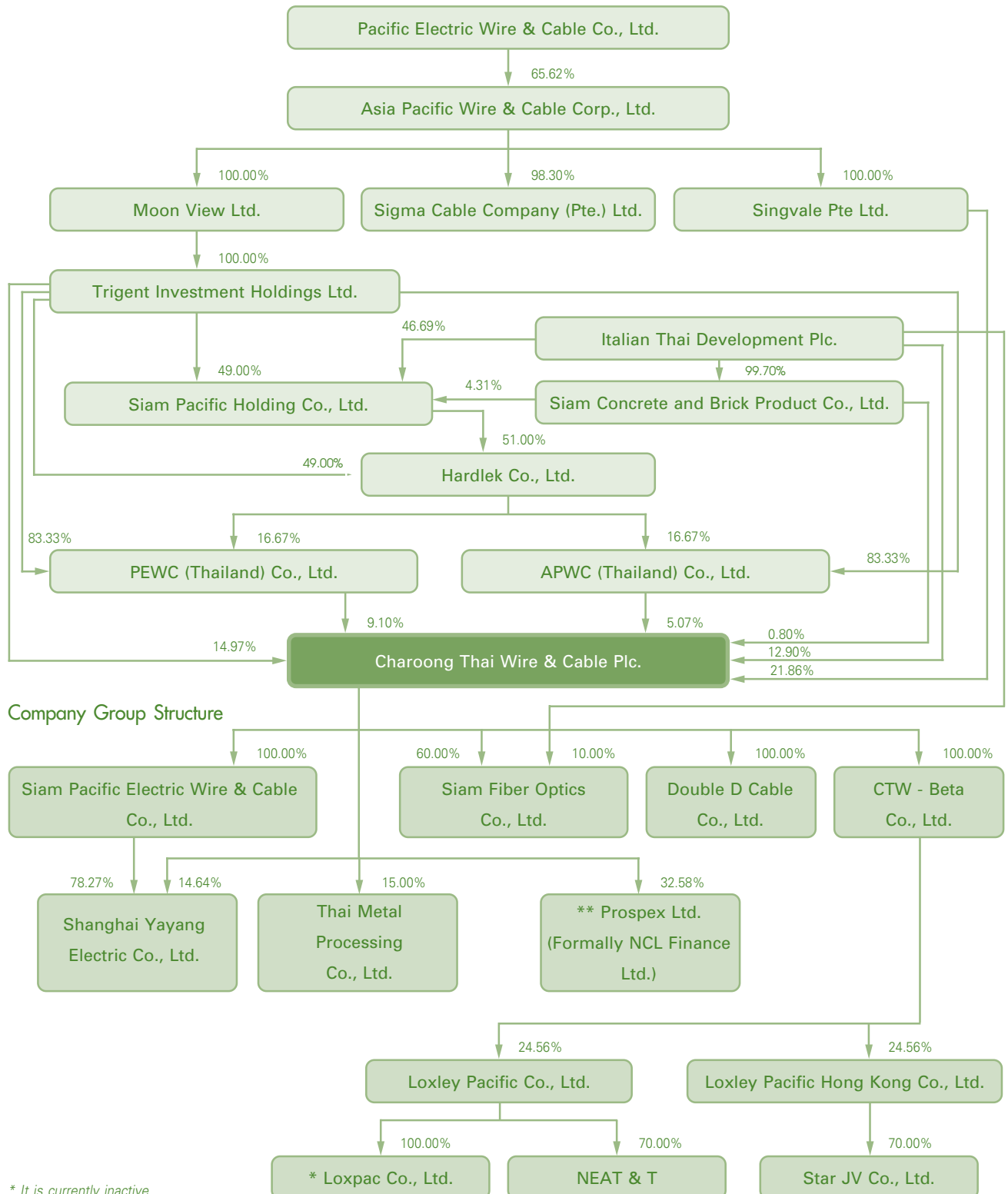
Product Line / Business Category	By	% of Investment	2012	2011	2010
Telecommunication** / Revenue	Loxley Pacific Co., Ltd.	24.56	75.90	91.60	29.83

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.

Shareholding Structure of the Company Group

Parent Group Structure (as at 31 December 2012)



* It is currently inactive.

** The liquidation is currently in progress.

Nature of Business

Top 10 Shareholders of PEWC, its Parent Company

(As at 17th April, 2012)

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. Ding-Hao ACME Co., Ltd.	5,179,619	0.77
5. PEWC Employee Welfare Committee	4,808,585	0.72
6. Qiu Xiao Xian	4,400,865	0.66
7. Qiu Xiao Qi	4,018,110	0.60
8. Liao Guang Rong	3,900,000	0.58
9. Yuan Yuan Corporation	3,466,785	0.52
10. Century Pacific Corporation	3,201,696	0.48
11. Minority Shareholders	605,465,251	90.50
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 (%) 2012	Description
Aluminium electrical wire	4.24	- ACSR1272 - AAC - PVC Insulated Aluminium Cable
Copper electrical wire	25.66	- Building Wire (THW, NYY,VSF) - Bare Copper

Product	Sales (%) 2012	Description
High voltage power cable	13.82	- Space Aerial - XLPE Copper Cable 12/20 KV, 24 KV, 115 KV
Telephone cable	8.77	- Self-Supporting Drop Wire - Figure 8 Alpeth - PE Alpeth - Foam/Skin Alpeth
Fiber optic cable	3.54	- Single/Multi Fiber Optics
Enameled Wire	43.97	- 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) and 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 manufactures 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), TIS 85-2548 (2005), TIS 2434-2552 (2009) etc. and License of Thai Industrial Standard e.g. TIS 64-2517 (1974), 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 TUV SUD PSB Pte. Ltd. Singapore.

With the above credentials, it would definitely helpful to convince the customers to choose and select the Company's products. With regard to its a subsidiary, SPEWC which faced with flooding in 2011 and the damaged machines were repaired and replaced with the new ones. As a result, it can produce better quality products.

2. Price

Last year, overall economy of Thailand varied against world economy especially USA and European Union countries. The Thai government had to expedite economic activities through the investment projects such as, the expansion of Mass Rapid Transit of Silom Line (Taksin - Petchakrasem), Purple line and Blue line, etc. According to these projects that

Nature of Business

advantage to the Company achieving target by setting the reasonable price concerning to main raw material. The main raw materials for production are copper and petroleum which vary all the time. In addition, the Company implements “Lean” system for production process that can reduce production cost and can control the profit margin. However, the Company has maintained to the standard and product quality by increasing production continuously, focusing to control unnecessary expense to sustain competitive price but some products are required increasing price against market mechanism as well.

3. Place

The Company goal is always to increase its wire and cable products market share to expand throughout 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), Small Power Producer (SPP) and Independence Power Producer (IPP) which these Projects must use the Company’s products as well as continue to increase distribution channels through the mall retailers large (Modern Trade), such as Home works, 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 aim directly to target 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, the Company has provided product knowledge training and seminars to the target customer, for expanding the customer base and for brand perception and familiarity. With regard to export to Vietnam, Singapore, Myanmar and Laos market, the Company has still faced the competition from other foreign manufacturers who have lower labor cost. Therefore, its export has been decreased.

In year 2013, SFO has joined the Fiber Optics Academic Conferences organized by associations, organizations or enterprises which related to telecommunication business and to represent product solutions and the accomplishment projects of the Company as turnkey provider of system integration and information system that SFO collaborated with Fujikura Company Limited (Fujikura) as a business partner.

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

The economic condition on Thailand in recent years seemed growing up continuously because the overall situation of Thailand after flood disaster and politics are more stable. The government has urged investing budget into existing infrastructure projects and future projects such as; Blue line Mass Rapid Transit, Purple Line, etc. These factors affect to market demanding more aluminum conductor cables.

Copper electrical wire

Market situation of copper wire is strongly competitive price for the large contractor business especially the high value project of this government. In the past year, Manufacturing, houses and building were damaged from flooding that government investing to restoration as well. Furthermore, the Company has worked on large project (Mega Project) from both of

government and private sectors such as the project of Mass Rapid Transit and accompany with main raw material as copper fluctuates highly which need to manage effectively, to sustain quality and increase competition performance in copper wire market.

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, including selling to the private companies who are the sub-contractor of government's projects.

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 Underwriters Laboratories Inc. (UL) which is accepted by domestic and overseas electrical manufacturers in the world. SPEWC has always emphasized its competitiveness of quality, quick delivery and service, and full responsibilities for solving the products problem. With regard to, the 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 is 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 (%)		
		2012	2011	2010
CTW				
Aluminium electrical wires	14,400	50	52	39
Copper electrical wires	12,000	63	52	39
Telephone cables (pairs-km)	1,440,000	6	6	11
High voltage power cables	4,800	61	41	62
SPEWC and SFO				
Enameled copper wires	9,600	66		
	21,600		29	41
Power cables	0.00	0.00		
	3,600		0.00	0.03
Communication cables (pairs-km)	1,152,000	20		
	2,304,000		10	17
Fiber optic cables (km-fiber)	500,000	21	35	81
Shanghai Yayang				
Enameled copper wires	8,400	56	54	55

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

Raw materials

In 2012, 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 49 suppliers of raw materials, 25 suppliers from domestic and 24 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, Philippine and Laos.

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 overseas 4 suppliers in USA, Japan, Sweden, Belgium, China, UAE and Vietnam etc.
- Thermosetting Plastic insulators are imported from international suppliers in Belgium, USA, Japan, Sweden and United Arab Emirates.
- Semi-conductive insulators are imported from international suppliers in Belgium, USA, Japan, Sweden and United Arab Emirates.

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 realize 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 2012, NEAT &T has paid Baht 10.09 million dividends to Loxpac.

During 2010, Loxpac using a newly 100% owned subsidiary company "Loxley Pacific Hong Kong Co., Ltd." (Loxpac HK) to starts a new Joint Venture name "Star J.V." with KPTC to be the ISP (Internet Service Provider) monopoly in DPRK. The Loxpac HK was spun off from Loxpac in late 2012 by same shareholders percentage of the Loxpac. Star J.V. lunched its internet service on 10 October 2010 and operating results for the year 2011 and 2012 are EUR 309,916 and EUR 498,191, respectively. Star J.V. paid Baht 10.20 million dividends to Loxpac HK in 2012.

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 fluctuated throughout the year 2012 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 2012, the Company and its subsidiaries have outstanding balance of liabilities denominated in foreign currencies of USD 33 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.

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 2012, 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 51 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 the shortage of skilled labor

In the last year, the government announced raising minimum labor wage including fund policy and other project related to agricultural sector. As that result, labors have moved back to their hometown for agriculture and Thailand is entering to the ASEAN Economic Community (AEC) in the year 2015, industries and the Company need to be adjusted by using modern machinery and implement more technology, also to support expanding production capacity. This business trend is notified the shortage of skilled labors.

Steps taken to mitigate the risk:

Although, the most production process of the Company is machineries but the Company still focuses on the importance of employees such as beginning process by recruitment, training and development in specified field. In addition, the Company increases the appropriate welfare to employees and cover to their family, including the increasing labor wage to production operators. The Company has the development plan for new employees to support the shortage of skilled labor in the future which they may return to their hometown and accordance Thailand entering into ASEAN Economic Community (AEC) by the year 2015.

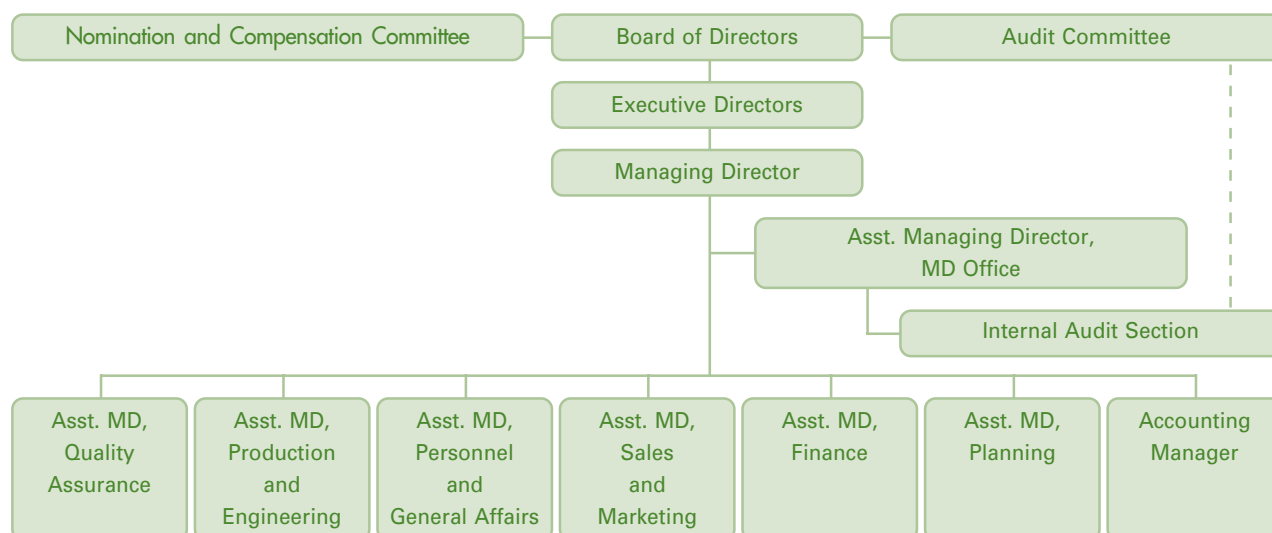
Shareholding and Management Structure

Major Shareholders as at 28th March 2012

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. Trigent Investment Holdings Ltd.	49,568,514	12.46	International Juristic Person
3. PEWC (Thailand) Co., Ltd.	36,206,398	9.10	Domestic Juristic Person
4. APWC (Thailand) Co., Ltd.	20,186,272	5.07	Domestic Juristic Person
	<u>192,960,684</u>	<u>48.49</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.	2,612,756	0.66	Domestic Juristic Person
	<u>57,128,557</u>	<u>14.36</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. Quam Securities Company Limited A/C Client	14,420,300	3.62	Domestic Juristic Person
12. Thai NVDR Co., Ltd.	6,228,178	1.56	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	84,055,171	21.12	
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 2012:

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 2012 :

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 has 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 2012 :

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 2012 :

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.

Shareholding and Management Structure

- 1.4 Have no or never had business relationship with its parent company, subsidiaries, associates, major shareholders, or controlling of the company in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the company, its parent company, subsidiaries, associates, major shareholders, or controlling of the company unless the foregoing status ended at least 2 years.
 - 1.5 Is not or has never been the auditor of the company, its parent company, subsidiaries, associates, major shareholders, or controlling of company, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the company, its parent company, subsidiaries, associates, major shareholders, or controlling of company unless the foregoing status ended at least 2 years.
 - 1.6 Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years.
 - 1.7 Is not the director who is nominated to be the representative of directors of the company, major shareholders, or any other shareholder related to the major shareholders.
 - 1.8 Do not operate the same and competitive business with the business of the company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the company, or its subsidiaries.
 - 1.9 Is not any otherwise which is unable to have the independent opinion regarding the business operation of the company.
2. The 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 2012

Name	Board Meeting (total 4 times)	2012 AGM (23rd April 2012)
1. Mr. Chai Sophonpanich	4/4	1
2. Mr. Premchai Karnasuta	3/4	1
3. Mr. Sun Tao-Heng	4/4	1
4. Mr. Pornwut Sarasin	4/4	1
5. Mr. Lee Michael Chao-Chun	4/4	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	3/4	1
10. Mr. Sai Wah Simon Suen	4/4	1
11. Mr. Steven Suey Ku	3/4	1
12. Mr. Surachai Sirivallop	4/4	1

Shareholding and Management Structure

The director compensation policy

The compensation of director consists of:

1. The director remuneration

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

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

Chairman	2.0 portions
Vice-Chairman	1.5 portions
Director	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

The 2011 Annual General Meeting of Shareholders resolved to determine the meeting fees for directors who only present at the meeting as follows:

- 2.1 Meeting fees for director : Baht 25,000 per meeting.
- 2.2 Meeting fees for audit committee :
 - 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 :
 - 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 2012

Monetary Compensation

Name	Position	Meeting Fees (Baht)	Director Remuneration (Baht) ***
1. Mr. Chai Sophonpanich	Chairman	100,000	1,803,500
2. Mr. Premchai Karnasuta	Vice-Chairman	75,000	1,352,500
3. Mr. Sun Tao-Heng	Managing Director	100,000	901,800
4. Mr. Pornwut Sarasin	Chairman of Audit Committee and Independent Director	100,000	901,800
5. Mr. Yuan Chun-Tang	Director	75,000	901,800
6. Mr. Kasem Kularbkeo	Director and Member of the Nomination and Compensation Committee	100,000	901,800
7. Mrs. Sununtha Phaengsook	Director and Asst. Managing Director, Finance	100,000	901,800
8. Mrs. Nijaporn Charanachitta	Director and Member of the Nomination and Compensation Committee	75,000	901,800
9. Mr. Sai Wah Simon Suen	Audit Committee Member, Independent Director and Chairman of the Nomination and Compensation Committee	100,000	901,800

Shareholding and Management Structure

Name	Position	Meeting Fees (Baht)	Director Remuneration (Baht) ***
10. Mr. Steven Suey Ku	Audit Committee Member and Independent Director	75,000	901,800
11. Mr. Surachai Sirivallop	Director	100,000	901,800
12. Mr. Lee Michael Chao-Chun *	Director	100,000	601,200
13. Mr. Cheng Andy Chow-Chun **	Director	-	300,600
Total		1,100,000	12,174,000

As at 31 December 2012, CTW had 12 directors.

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

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

*** Director remuneration was calculated from the 2011's operating results but it was paid in 2012

The Compensation of Audit Committee for 2012

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 2012

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 2012

	(Number of person)	Salary (Million Baht)	Consultant Fee and Bonus (Million Baht)	Total (Million Baht)
Executive Directors and Management Team	8	19.48	9.27	28.75

Shareholding and Management Structure

Details of the Executive Management and Controlling Person

The management of the Company and its subsidiaries has no disqualification or legal dispute.

Name-Surname / Position	Education	5 Years' Work Experience		
		Period	Position	Company
Mr. Pong Sarasin Honorary Chairman Age : 85 years % Holding : 0.05	Honorary Ph.D, Business Administration, Chulalongkorn University	1994 - Present	Honorary Chairman	Charoong Thai Wire & Cable Plc.
		2000 - Present	Chairman	Honda Automobile (Thailand) Co., Ltd.
		1993 - Present	Director	Bangkok Glass Industry Co., Ltd.
		1990 - Present	Executive Chairman	Thai Pure Drinks Co., Ltd.
		1994 - Present	Director	Sammakorn Plc.
Family Relation Between Management Father of Mr.Pornwut Sarasin, who is CTW's Independent Director and Chairman of Audit Committee.				
Mr. Chai Sophonpanich Chairman Age : 69 years % 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	Chairman	Charoong Thai Wire & Cable Plc.
		2010 - Present	Chairman and CEO	Bangkok Insurance Plc.
		1978 - 2009	Chairman and President	Bangkok Insurance Plc.
		1988 - Present	Chairman	Furukawa Metal (Thailand) Plc.
		1979 - Present	Chairman	Bumrungrat Hospital Plc.
		1978 - Present	Vice - Chairman	Thai Reinsurance Plc.
		1968 - Present	Director	Bangkok Life Assurance Plc.
Mr. Premchai Karnasuta Vice - Chairman Age : 59 years % Holding : 0.20	MBA, University of Southern California, USA	2009 - Present	Vice - Chairman	Charoong Thai Wire & Cable Plc.
		1993 - 2009	Executive Vice - Chairman	Charoong Thai Wire & Cable Plc.
		1979 - Present	Executive Chairman	Italian Thai Development Plc.
		1997 - Present	Director	Siam Fiber Optics Co., Ltd.
		Present	Director	Thai Maruken Co.,Ltd.
			Director	Thai Telephone and Communication Co., Ltd.
Family Relation Between Management Younger brother of Mrs. Nijaporn Charanachitta, who is CTW's Director.				
Mr. Sun Tao - Heng Managing Director (Authorized director) Age : 59 years % Holding : 1.57	- MBA, University of Southern California, USA - Training courses from Thai Institute of Directors (DAP 73 / 2008)	1994 - Present	Managing Director	Charoong Thai Wire & Cable Plc.
		1996 - Present	Managing Director	CTW - Beta Co., Ltd.
		1996 - Present	Director	Loxley Pacific Co., Ltd.
		1997 - Present	Managing Director	Siam Fiber Optics Co., Ltd.
		2003 - Present	President	Pacific Electric Wire & Cable Co., Ltd.
		2007 - Present	Chairman	Siam Pacific Electric Wire & Cable Co., Ltd.
		1995 - Present	Director	Thai Metal Processing Co., Ltd.
		1996 - Present	Director	Asia Pacific Wire & Cable Corp. Ltd.
		2012- Present	Director	Double D Cable Co., 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 : 54 years % Holding : 0.005	- MBA, Pepperdine University, USA - Training courses from Thai Institute of Directors (DAP 45 / 2005)	1986 - Present	Independent Director	Charoong Thai Wire & Cable Plc.
		2001 - Present	Chairman of Audit Committee	Charoong Thai Wire & Cable Plc.
		1999 - Present	Vice-Chairman	Thai Pure Drinks Co., Ltd.
Family Relation Between Management Son of Mr. Pong Sarasin, who is CTW's Honorary Chairman.				
Mr. Steven Suey Ku Independent Director and Member of Audit Committee Age : 56 years % Holding : None	B.A.(Textile Engineering), St. John's University Taiwan R.O.C.	2009 - Present	Independent Director and Member of Audit Committee	Charoong Thai Wire & Cable Plc.
		2002 - Present	President	Lay Grand International Co., Ltd.
		2002 - Present	President	Suzhou King Packing Materials Co., Ltd.
		2011 - Present	President	Smartoo International Co., Ltd.
Mr. Lee Michael Chao Chun Director Age : 63 years % Holding : 0.067	B.A. (Business Administration) Boston University, USA	2011 - Present	Director	Charoong Thai Wire & Cable Plc.
		2007 - Present	Director	Siam Pacific Electric Wire & Cable Co., Ltd.
		Present	Chairman and President Director	Pacific Acme Coffee & Foods Co., Ltd. Asia Pacific Wire & Cable Corp., Ltd.
Mr. Yuan Chun - Tang Director Age : 52 years % Holding : 0.15	M.S. (Applied Science), Waterloo University, Canada	2004 - Present	Director	Charoong Thai Wire & Cable Plc.
		2003 - Present	Chairman	Pacific Electric Wire & Cable Co., Ltd.
		2007 - Present	Director	Siam Pacific Electric Wire & Cable Co., Ltd.
		Present	CEO	Asia Pacific Wire & Cable Corp., Ltd.
Mr. Kasem Kularbkeo Director and Member of the Nomination and Compensation Committee (Authorized director) Age : 81 years % Holding : 0.006	- BSc. (Engineering), Chulalongkorn University - Training courses from Thai Institute of Directors (DAP 35/2005, RCC 2/2007 and DCP 126/2009) - Diploma, National Defence College (Class 29)	1995 - Present	Director	Charoong Thai Wire & Cable Plc.
		1992 - Present	Advisor	Charoong Thai Wire & Cable Plc.
		2006 - Present	Member of the Nomination and Compensation Committee	Charoong Thai Wire & Cable Plc.
		1992 - Present	Senior Advisor	TASA Industrial Co., Ltd.
Mr. Sai Wah Simon Suen Independent Director, Member of Audit Committee and Chairman of the Nomination and Compensation Committee Age : 53 years % 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.

Shareholding and Management Structure

Name-Surname / Position	Education	5 Years' Work Experience		
		Period	Position	Company
Mrs. Nijaporn Charanachitta Director and Member of the Nomination and Compensation Committee Age : 62 years % 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.
			Director	Bangkok Steel Wire Co., Ltd.
			Director	Siam Steel Syndicate Co., Ltd.
			Director	Siam Concrete and Brick Product Co., Ltd.
			Director	Italthai Engineering Co., Ltd.
		Director	Italthai Industrial Co., Ltd.	
		Family Relation Between Management		
Elder sister of Mr. Premchai Karnasuta, who is CTW's Vice - Chairman.				
Mr. Surachai Sirivallop Independent Director Age : 72 years % 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.
		1977 - Present	Director and Audit Committee Member	OHTL Plc.
Mrs. Sununtha Phaengsook Director and Asst.Managing Director, Finance (Authorized director) Age : 71 years % 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.
		2012 - Present	Director	Double D Cable Co., Ltd.
Mr. Ponrawat Charoensukpaisarn Asst.Managing Director, Personnel and General Affair Age : 75 years % 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 : 57 years % 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 : 62 years % 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 : 57 years % 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.
		2012- Present	Director	Double D Cable Co., Ltd.
Mr. Suvit Veerapong Asst.Managing Director, Production and Engineering Age : 61 years % 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.
		2012- Present	Director	Double D Cable Co., Ltd.
Mr. Chang Hsiao-Chun Asst.Managing Director, Office of Managing Director Age : 52 years % 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.
		2012- Present	Director	Double D Cable Co., Ltd.
Mrs. Apanut Wongjarit Accounting Manager Age : 56 years % Holding : None	B.A. (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	Double D
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										
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 Charanachitta	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 // = Executive 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.

SFO : Siam Fiber Optics Co., Ltd.

LoxPac : Loxley Pacific Co., Ltd.

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

ITD : Italian Thai Development Plc.

Double D : Double D Cable Co., Ltd.

Shareholding and Management Structure

Details of Directors of its Subsidiary Companies.

Name of Directors	Name of Subsidiary Companies				
	CTW - Beta	SFO	SPEWC	Shanghai Yayang	Double D
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

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 persons and shall be appointed by a general meeting of shareholders. Not less than half of the directors must have their domicile in the Kingdom of Thailand.

3. In voting to elect directors, it is deemed that every shareholder shall have one vote per share.

4. The majority vote of the shareholders who attend the meeting and cast their votes. In cast of a tie vote, the Chairman of the meeting shall have a casting vote.

Expiration of Directors

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

The retired directors may be re-elected.

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

4. To appoint the auditor and determine auditing fee

The Company informs the procedures of voting and score counting prior to the shareholders' meeting and use the voting card.

Shareholding and Management Structure

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 2012. 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 2012, the shareholders meeting was held an ordinary on April 23, 2012, at the Company's Head Office. Twelve directors in total had joined the meeting. 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 the 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. The invitation to shareholders meeting was also placed in daily newspapers and posted in both Thai and English 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 type B which shareholders could vote independently for each agenda is attached with the invitation letter.

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.

At the Annual General Meeting of Shareholders for 2012, the Company also provided an option to shareholders whereby they may appoint of three independent directors as their proxy. There were 10 shareholders who authorized the independent director to attend the meeting and vote on their behalf.

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

1. The executive officer will prepare and submit to the Company a securities holding report showing the number of securities held by him/her, his/her spouses and minor children in the prescribed form immediately following the delivery of such report to the SEC and SET.

2. The Company has submitted to each and every executive officer a circular to the effect that any executive officer who is informed of any insider information will suspend all trading transaction of the Company's securities prior to the Company's publication of operating results, (financial statements) or any other information which may materially affect the securities value.

3. The Company will restrict the access to the financial statements and relevant information of the Company prior to submit to the SET. The executive officer and other officers are instructed to keep all information confidential.

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

3. Role of Stakeholders

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

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

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.

In 2012, the Company has changed fuel used in manufacturing process of 100 % 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 regard to electricity, the major power source in the Company's operation, the Company has continued to support "the project for energy saving for power-intensive manufacturing section" by avoiding machine running during Peak Load period and improve Power Factor to higher level in order to save power cost and reduce system loss of power, as a result the power factor decreased in the previous year. Employees are encouraged to join the project for energy saving initiated by the Department of Alternative Energy Development and Efficiency. In the year 2013 the Company plans to implement the Environmental Management system "ISO 14000 : 2004" in the production process, management of resource and work environment.

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.

In year 2012, the auditor issued the unqualified opinion on the Company's 2012 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.

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 15-17) and also disclosed the duties of the Board for the year 2012 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 and page 19-20)

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

Shareholding and Management Structure

The Company has posted 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

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 2012, 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 2012, 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.1/2013 on 27 March 2013 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 25 March 2013 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 2012, 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 23 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.

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., determines the payout ratio of not less than 25 percent of net profit after tax and to comply with the Civil and Commercial Code.

Siam Fiber Optics Co., Ltd., Shanghai Yayang Electric Co., Ltd., and Double D Cable 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 Transactions

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

3. Measures or procedures to approve a Related Transaction

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

4. Potential future of Related Transactions

Trading

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

Financial support

The Company shall support its subsidiary companies 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 2012

Name	Amount (Million Baht)	Related Transactions	Relationship	Price policy/ Conditions	Notes
Siam Fiber Optics Co., Ltd. (SFO)	2.12	Sale of raw materials by CTW to SFO.	CTW holds a 60.00% stake in SFO, while Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta are directors of CTW and major shareholders of ITD (They and family hold 35.05% stake in ITD.), and ITD holds 10% stake in SFO.	Market price/ terms and conditions are considered to be a normal business practice offered to third parties.	Terms and conditions of this transactions are considered appropriate as they occur in the normal course of business and are disclosed in the Company's financial statements.
	0.36	SFO owes payment to CTW for sales.			
	5.11	SFO owes payment to CTW for management fee, service fee and rental fee.		Contract price/ Management Fee is in accordance with an Agreement. The management fee charged to SFO will vary depending on the number of advisory personnel CTW assigns to assist SFO. The rate charged for various levels of advisory personnel range. CTW charge in actual cost plus 10 per cent.	These transactions are described in an Agreement and are disclosed in the Company's financial statements.
	38.11	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.			
	3.39	Electric income from SFO to CTW.		At cost price (actual cost).	This transaction is disclosed in the Company's financial statements.
	75.00	Loan Guarantee provided by CTW to 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 is approved by the Board meeting. The Information Memorandum was submitted to the SET and disclosed in the Company's financial statements.
	139.75				

Related Transactions for the YEAR 2012

Name	Amount (Million Baht)	Related Transactions	Relationship	Price policy/ Conditions	Notes																																														
Siam Fiber Optics Co., Ltd.(SFO) and Fujikura Ltd.	38.67	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 statements.																																														
	6.91	SFO owes payment to Fujikura for raw materials.					45.58					Thai Metal Processing Co., Ltd. (TMP).	41.61	CTW hired TMP to melt copper rod.	CTW holds a 15% stake in TMP. Mr. Chai Sophonpanich, director of CTW holds 3.13% stake in Bangkok Insurance Plc. and holds 0.69% stake in CTW. Bangkok Insurance Plc. holds 5% stake in TMP.	Market Price/Terms and conditions are considered to be a normal business practice offered to third parties.	Terms and conditions are in the normal course of business. The Audit Committee agreed that the transaction is at fair price and more reasonable than CTW investing in additional machinery. This transaction is disclosed in financial statements.	3.64	CTW owed payment to TMP for melting fee of copper rod.	3.38	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 statements.		48.63					Pacific Electric Wire and Cable Co., Ltd. (PEWC).	1.65	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.	0.41	CTW owes the payment to PEWC for management fee expenses.	Sigma Cable Pte. Ltd. (Sigma).	0.44	Sales by CTW to Sigma.	Sigma is affiliated company under PEWC Group.	Market Price/ Terms and conditions are the same as those of other parties.	Normal course of business that disclosed in the financial statements.	Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Pacific Electric Wire and Cable Co., Ltd. (PEWC).	1.12	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.	11.73	SPEWC purchases product from PEWC.
	45.58																																																		
Thai Metal Processing Co., Ltd. (TMP).	41.61	CTW hired TMP to melt copper rod.	CTW holds a 15% stake in TMP. Mr. Chai Sophonpanich, director of CTW holds 3.13% stake in Bangkok Insurance Plc. and holds 0.69% stake in CTW. Bangkok Insurance Plc. holds 5% stake in TMP.	Market Price/Terms and conditions are considered to be a normal business practice offered to third parties.	Terms and conditions are in the normal course of business. The Audit Committee agreed that the transaction is at fair price and more reasonable than CTW investing in additional machinery. This transaction is disclosed in financial statements.																																														
	3.64	CTW owed payment to TMP for melting fee of copper rod.																																																	
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	48.63																																																		
Pacific Electric Wire and Cable Co., Ltd. (PEWC).	1.65	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.																																														
	0.41	CTW owes the payment to PEWC for management fee expenses.																																																	
Sigma Cable Pte. Ltd. (Sigma).	0.44	Sales by CTW to Sigma.	Sigma is affiliated company under PEWC Group.	Market Price/ Terms and conditions are the same as those of other parties.	Normal course of business that disclosed in the financial statements.																																														
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Pacific Electric Wire and Cable Co., Ltd. (PEWC).	1.12	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.																																														
	11.73	SPEWC purchases product from PEWC.																																																	
	6.32	SPEWC purchases machine from PEWC.		Contract price/ Terms and conditions are accordance with an Agreement for solving the impact from flooding crisis in 2011.	This transaction is described in the Comprehensive Services and Support Agreement for restoring SPEWC's operations back to normal that is approved by the Board meeting and is disclosed in the Company's financial statements.																																														

Related Transactions for the YEAR 2012

Name	Amount (Million Baht)	Related Transactions	Relationship	Price policy/ Conditions	Notes
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Pacific Electric Wire and Cable Co., Ltd. (PEWC) (Continued)	5.77	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.
	1.20	SPEWC owes the payment to PEWC for management fee expenses.			
SPEWC and Sigma-Epan International Pte. Ltd. (Sigma-Epan)	39.84	Sales by Sigma-Epan to SPEWC.	Sigma-Epan is affiliated company under PEWC Group.	Market price/ Same terms and conditions as other clients.	Normal course of business and disclosed in financial statement.
SPEWC and Asia Pacific Wire and Cable Co., Ltd. (APWC)	4.79	Service fee income from SPEWC to APWC.	APWC is subsidiary Company of PEWC and the parent company of CTW Group.	Market price/ Same terms and conditions as other clients.	Normal course of business and disclosed in financial statements.
	73.27				
Italian-Thai Development Plc. (ITD)	73.74	Sales by CTW to ITD.	Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta are directors of CTW and major shareholders of ITD. (They and family hold 35.05% 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.
	42.82	ITD owes payment to CTW for sales.			
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC)	2.12	Sales by SPEWC to ITD.			
and Italian-Thai Development Plc. (ITD)	0.09	Sales by SPEWC to ITD.			
Ital-Thai Engineering Co., Ltd.(Ital Thai)	16.30	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	0.19	Sales by CTW to ITD-ETF.	ITD-ETF is the joint venture company which ITD holds 65 % stake in ITD-ETF.		
	135.26				
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Moon View Ventures Ltd. (Moon View)	5.99	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.
	5.99				

Operating results

In 2012, Thailand's economy expanded well and stimulus measures from the government, industrial manufacturing also expanded in line with Thai economy. As a result, the projects of government and private sectors have been continuously expanded. The operating results of the Company and its subsidiaries for the year 2012 increased significantly. They had the net profit of Baht 532.00 million increased by Baht 363.26 million or 215.287% when compared with the net profit of Baht 168.74 million in 2011. The gross profit margin was 12.03 in 2012 and 8.16% in 2011. In addition, its a subsidiary received the compensation for losses from flooding of Baht 149.09 million. They also had gain on exchange of Baht 60.36 million in 2012 due to the strength of Thai Baht while they had loss on exchange of Baht 22.00 million in 2011.

Revenues

In 2012, the Company and its subsidiaries had total revenues of Baht 7,537.03 million decreased from the previous year by Baht 84.68 million or 1.11%. Most revenue were generated by sales of manufacturing group's product of Baht 7,283.83 million or 96.64% of total revenues and other revenues of Baht 253.19 million.

From the Consolidated Financial Statements, the Company's revenue from sales decreased from the previous year by Baht 290.63 million or 3.84%. Most revenue from sales is derived from private sector customers. In regard to sales, 43.69% of the sales were driven by its subsidiaries' enameled copper wires, 25.54% on copper electric wires, 13.82% on high voltage cables, 8.77% on telephone cables, 4.64% on aluminium electrical wires and 3.54% on fiber optic cables.

The other revenues of Baht 253.19 million consisted of compensation for losses from flooding of Baht 149.09 million, gain on exchange of Baht 60.36 million, interest income of Baht 31.50 million decreased from the previous year by Baht 2.74 million or 8.01%, and others of Baht 12.25 million decreased from the previous year by Baht 0.76 million.

Cost of sales and Expenses

In 2012, the Company and its subsidiaries had total operating expenses of Baht 6,821.55 million decreased from the previous by Baht 452.05 million or 6.21%. The cost of sales of Baht 6,406.86 million decreased from the previous by Baht 549.90 million or 7.90% due to the strength of Thai Baht and lower price of key raw materials. In addition, the Company reversed the allowance for diminution in value of inventory of Baht 135.68 million while it set up the allowance for diminution in value of inventory of Baht 155.63 million in 2011 due to flooding situation. In 2012, the Company had administrative expenses of Baht 297.30 million increased from the previous year by Baht 58.44 million or 24.47%. Finance cost of Baht 48.95 million decreased by Baht 0.95 million or 1.90% from the previous year due to a lower loan interest rate and loan repayment before the maturity date.

Financial Position

Assets

As at 31 December 2012, the Company and its subsidiaries had total assets of Baht 6,205.69 million, increased by Baht 272.15 million or 4.59% when compared with the end of 2011. Total assets consisted mainly of trade and other receivables of Baht 2,202.48 million or equal to 35.49% of total assets, followed by inventories of Baht 1,449.86 million and cash and cash equivalents of Baht 1,162.13 million or equal to 23.36% and 18.73% of total asset, respectively. Subsequently, property, plant and equipment of Baht 768.31million, restricted bank deposits of Baht 261.70 million, investment in associated company and other long-term investments of Baht 47.47 million or equal to 12.38%, 4.22% and 0.76% of total assets, respectively. In addition, there were other non-current assets of Baht 22.53 million or equal 0.36% of total assets.

At the end of 2012, cash and cash equivalents of Baht 1,162.13 million decreased by Baht 206.23 million or 15.07% when compared with Baht 1,368.36 million at the end of 2011. Trade and other receivables increased by Baht 393.43 million or 21.75% which most of these receivables are not yet due. Allowance for doubtful accounts of Baht 40.20 million decreased by Baht 17.92 million. The Company had net inventories of Baht 1,449.86 million at the end of 2012 while those inventories had cost of Baht 1,503.38 million, the Company, therefore, set up the allowance for diminution in value of inventories of Baht 53.52 million. Moreover, property, plant and equipment increased by Baht 73.65 million or 10.60%, which occurred from acquisition of machinery and equipment of Baht 176.32 million and depreciation for the year 2012 of Baht 99.31 million.

Management Discussion and Analysis

Liabilities

As at 31 December 2012, the Company and its subsidiaries had total liabilities of Baht 1,824.64 million decreased by Baht 19.55 million or 1.06% when compared with the end of 2011, by dividing into current liabilities of Baht 1,758.13 million and non-current liabilities of Baht 66.51 million. The significant accounts of total liabilities consisted of trust receipts (T/R) of Baht 908.56 million decreased by Baht 174.72 million or 16.13% due to repayment before the maturity date, short-term loans from financial institutions of its an overseas subsidiary of Baht 305.31 million increased by Baht 20.96 million or 7.37%. Trade and other payables, which resulted from purchasing domestic raw materials from general suppliers of Baht 416.58 million increased by Baht 67.26 million or 19.25%. In addition, the Company and its subsidiaries set up the provision for long-term employee benefits of Baht 66.11 million which is the compensations on employees' retirement.

Cash flow statement

In 2012, the Company and its subsidiaries had net cash flows from operating activities of Baht 411.55 million, net cash flows used in investing activities of Baht 257.65 million, net cash flows used in financing activities of Baht 357.13 million and cash decreased in translation adjustments of Baht 3.58 million. As a result of those, cash and cash equivalents for the year 2012 decreased by Baht 206.81 million.

As at 31 December 2012, the Company and its subsidiaries had cash and cash equivalents of Baht 1,162.13 million. Cash flows from operating activities of Baht 302.47 million and cash received for compensation for losses from flooding of Baht 109.09 million, its significant account consisted of the cash flow from operating activities of Baht 483.60 million, cash paid for long-term employee benefits of Baht 31.77 million to the retired employees, cash paid for the interest expenses and corporate income tax of Baht 149.36 million. In regard to, the operating assets, such as, trade and other receivables increased by Baht 346.28 million and inventories decreased by Baht 181.12 million. Net cash flows used in investing activities of Baht 257.65 million which was mainly for the purchase of machinery and equipment of Baht 176.32 million, current investment increased by Baht 110 million and interest income of Baht 31.96 million. In addition, net cash flow used in financing activities of Baht 357.13 million consisted of dividend paid of Baht 198.95 million, cash paid for trust receipts of Baht 167.07 million and cash paid for liabilities under financial lease agreements of Baht 4.07 million.

Liquidity

As at 31 December 2012, the Company and its subsidiaries had the current ratio of 2.89 times and quick ratio of 2.02 times which increased from the current ratio of 2.69 times and quick ratio of 1.79 times at the end of the year 2011 since the short-term investments increased by Baht 110.00 million, as result of collection of trade accounts receivable and the trade receivables that have not yet due increased by Baht 393.43 million. At the same time, current liabilities of the Company group decreased a lot, especially trust receipts decreased by Baht 174 million due to repayment before the maturity date.

Capital structure

As at 31 December 2012, the Company and its subsidiaries had the capital structure comprising the shareholders' equity of Baht 4,256.96 million increased from the previous year by Baht 293.94 million or 7.42%, and total liabilities of Baht 1,824.64 million, or the debt to equity ratio was 0.42 times, decreased from 0.45 times at the end of 2011 since current liabilities decreased a lot due to the payment for raw materials to both local and overseas trade payables. The Company's operating results from the separated financial statements for the year 2011 showed profit, then, it paid the dividend for the 2011's operating results at 0.50 Baht per share, in the total amount of Baht 198.85 million and set the appropriated-statutory reserve of Baht 16 million. In the 2012, the retained earnings of the Company and its subsidiaries increased from the previous by Baht 283.52 million or 38.38%.

Other factors and potential effect on the future operations

The economic trend for 2013 is expected to continue expansion from the year 2012. The industrial sectors will also grow continuously. The Company group then expects the operating results shall be better than the previous year. The Company and its subsidiaries have entered into the contract commitments to purchase raw materials for 1 year period for supporting the procurement and price fluctuation of key raw materials which may affect the Company's profitability.

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 2012, 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:

	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 2012, the certified public accountant from Ernst & Young Office Limited performed properly and efficiently. Therefore, the Audit Committee considers and proposes Ernst & Young Office Limited and its audit fee proposal for the year 2013 for the Company and subsidiaries totaling Baht 4.89 million, then send their recommendation to the Board for consideration and such proposal will be proposed to the 2013 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 27, 2013

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 2012 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 27, 2013

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



(Mr. Chai Sophonpanich)

Chairman



(Mr. Sun Tao-Heng)

Managing Director

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

I have audited the accompanying consolidated financial statements of Charoong Thai Wire and Cable Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Charoong Thai Wire and Cable Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, 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 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok: 27 February 2013

Statement of financial position

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	6	1,162,131,056	1,368,357,304	291,679,946	528,011,404
Current investments		190,000,000	80,000,000	100,000,000	-
Trade and other receivables	8	2,202,478,467	1,809,051,513	1,097,654,965	1,000,791,803
Inventories	9	1,449,861,033	1,495,297,518	835,820,530	710,354,040
Other current assets		78,220,094	138,814,379	4,073,300	51,269,808
Total current assets		5,082,690,650	4,891,520,714	2,329,228,741	2,290,427,055
Non-current assets					
Restricted bank deposits		261,700,000	261,729,044	-	-
Long-term loans to subsidiary	7	-	-	14,052,315	14,354,027
Investments in subsidiaries	10	-	-	1,209,749,751	1,204,749,876
Investment in associate	11	13,965,917	13,965,917	-	-
Other long-term investments	12	33,500,000	22,500,000	22,500,000	22,500,000
Investment properties	13	22,996,897	24,232,841	15,733,059	16,400,859
Property, plant and equipment	14	768,306,535	694,660,946	440,255,368	420,801,681
Other non-current assets		22,533,505	24,935,492	2,055,624	2,127,346
Total non-current assets		1,123,002,854	1,042,024,240	1,704,346,117	1,680,933,789
Total assets		6,205,693,504	5,933,544,954	4,033,574,858	3,971,360,844

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

Statement of financial position (Continued)

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	305,308,440	284,353,200	-	-
Trust receipts	15	908,557,409	1,083,284,231	114,872,226	263,845,697
Trade and other payables	16	416,579,004	349,323,125	229,522,576	170,273,341
Short-term loans from related company	7	5,992,951	6,198,262	-	-
Income tax payable		66,185,179	47,283,700	58,068,259	40,740,766
Other current liabilities		55,503,021	45,596,819	46,948,166	32,826,405
Total current liabilities		1,758,126,004	1,816,039,337	449,411,227	507,686,209
Non-current liabilities					
Provision for long-term employee benefits	17	66,108,909	23,672,076	55,630,853	16,800,210
Other non-current liabilities		409,970	4,479,881	709,970	4,489,671
Total non-current liabilities		66,518,879	28,151,957	56,340,823	21,289,881
Total liabilities		1,824,644,883	1,844,191,294	505,752,050	528,976,090
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	18	147,000,000	131,000,000	147,000,000	131,000,000
Unappropriated		1,022,237,641	738,714,849	285,357,692	215,919,638
Other components of shareholders' equity		(7,736,681)	(2,153,660)	-	-
Equity attributable to owners of the Company		4,256,966,076	3,963,026,305	3,527,822,808	3,442,384,754
Non-controlling interests of the subsidiaries		124,082,545	126,327,355	-	-
Total shareholders' equity		4,381,048,621	4,089,353,660	3,527,822,808	3,442,384,754
Total liabilities and shareholders' equity		6,205,693,504	5,933,544,954	4,033,574,858	3,971,360,844

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

Income statement

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Revenues					
Sales		7,283,833,329	7,574,468,005	3,489,833,118	3,316,317,961
Other income					
Interest income		31,497,422	34,239,800	8,813,559	7,767,895
Gain on exchange		60,360,497	-	20,838,897	-
Management fee income		-	-	38,114,745	40,794,985
Dividend income		3,375,000	3,375,000	15,375,000	79,084,932
Compensation for losses from flooding	20	149,087,283	-	-	-
Others		8,873,011	9,630,720	20,334,221	20,842,958
Total revenues		7,537,026,542	7,621,713,525	3,593,309,540	3,464,808,731
Expenses					
Cost of sales		6,542,544,029	6,801,135,301	2,941,217,931	2,921,562,986
Allowance for diminution in value of inventory (reversal)		(135,683,235)	155,630,117	(16,911,595)	23,796,954
Total cost of sales		6,406,860,794	6,956,765,418	2,924,306,336	2,945,359,940
Selling expenses		131,137,814	131,319,245	91,238,846	80,794,216
Administrative expenses		297,302,874	238,861,956	157,100,410	133,844,361
Other expenses					
Reversal of allowance for doubtful accounts		(12,974,539)	(56,200,117)	(3,352,995)	(543,025)
Loss on sale of other long-term investment	12	-	2,067,207	-	-
Loss on impairment of property, plant and equipment (reversal)		(780,000)	780,000	-	-
Total expenses		6,821,546,943	7,273,593,709	3,169,292,597	3,159,455,492
Profit before finance cost and income tax expenses		715,479,599	348,119,816	424,016,943	305,353,239
Finance cost		(48,952,027)	(49,901,036)	(6,883,080)	(7,226,417)
Profit before income tax expenses		666,527,572	298,218,780	417,133,863	298,126,822
Income tax expenses	21	(128,346,164)	(123,930,258)	(99,218,426)	(80,925,529)
Profit for the year		538,181,408	174,288,522	317,915,437	217,201,293
Profit attributable to:					
Equity holders of the Company		532,000,175	168,740,944	317,915,437	217,201,293
Non-controlling interests of the subsidiaries		6,181,233	5,547,578		
		538,181,408	174,288,522		
Earnings per share	22				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.34	0.42	0.80	0.55

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

Statement of comprehensive income

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Profit for the year		538,181,408	174,288,522	317,915,437	217,201,293
Other comprehensive income:					
Actuarial losses	17	(33,525,039)	-	(33,525,039)	-
Exchange differences on translation of financial statements in foreign currency		(6,009,064)	24,679,761	-	-
Other comprehensive income for the year		(39,534,103)	24,679,761	(33,525,039)	-
Total comprehensive income for the year		498,647,305	198,968,283	284,390,398	217,201,293
Total comprehensive income attributable to:					
Equity holders of the Company		492,892,115	191,670,910	284,390,398	217,201,293
Non-controlling interests of the subsidiaries		5,755,190	7,297,373	-	-
		498,647,305	198,968,283	284,390,398	217,201,293

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

Statement of changes in shareholders' equity

Charoeng Thai Wire and Cable Public Company Limited and its subsidiaries

For the year ended 31 December 2012

(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	Other comprehensive income	Exchange differences on translation of financial statements in foreign currency	Total equity attributable to owners of the Company			
			Appropriated	Unappropriated	Unappropriated				Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries		
Balance as at 1 January 2011	1,989,531,420	1,105,933,696	120,000,000	779,821,299	(25,083,626)	3,970,202,789	119,029,982	4,089,232,771				
Dividend paid (Note 25)	-	-	-	(198,847,394)	-	(198,847,394)	-	(198,847,394)				
Total comprehensive income for the year	-	-	-	168,740,944	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)	3,963,026,305	126,327,355	4,089,353,660				
Balance as at 1 January 2012	1,989,531,420	1,105,933,696	131,000,000	738,714,849	(2,153,660)	3,963,026,305	126,327,355	4,089,353,660				
Dividend paid (Note 25)	-	-	-	(198,952,344)	-	(198,952,344)	-	(198,952,344)				
Total comprehensive income for the year	-	-	-	498,475,136	(5,583,021)	492,892,115	5,755,190	498,647,305				
Unappropriated retained earnings transferred to statutory reserve	-	-	16,000,000	(16,000,000)	-	-	-	-				
Decrease in non-controlling interests of the subsidiaries from dividend payment	-	-	-	-	-	-	(8,000,000)	(8,000,000)				
Balance as at 31 December 2012	1,989,531,420	1,105,933,696	147,000,000	1,022,237,641	(7,736,681)	4,256,966,076	124,082,545	4,381,048,621				

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

Statement of changes in shareholders' equity (Continued)

Charoeng Thai Wire and Cable Public Company Limited and its subsidiaries

For the year ended 31 December 2012

(Unit: Baht)

Separate financial statements

	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at 1 January 2011	1,989,531,420	1,105,933,696	120,000,000	208,565,739	3,424,030,855
Dividend paid (Note 25)	-	-	-	(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
Balance as at 1 January 2012	1,989,531,420	1,105,933,696	131,000,000	215,919,638	3,442,384,754
Dividend paid (Note 25)	-	-	-	(198,952,344)	(198,952,344)
Total comprehensive income for the year	-	-	-	284,390,398	284,390,398
Unappropriated retained earnings transferred to statutory reserve	-	-	16,000,000	(16,000,000)	-
Balance as at 31 December 2012	1,989,531,420	1,105,933,696	147,000,000	285,357,692	3,527,822,808

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

Cash flow statement

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	666,527,572	298,218,780	417,133,863	298,126,822
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Dividend income	(3,375,000)	(3,375,000)	(15,375,000)	(79,084,932)
Compensation for losses from flooding	(149,087,283)	-	-	-
Depreciation and amortisation	101,643,459	117,433,829	52,283,554	52,695,418
Reversal of allowance for doubtful accounts	(12,974,539)	(56,200,117)	(3,352,995)	(543,025)
Allowance for diminution in value of inventory (reversal)	(135,683,235)	155,630,117	(16,911,595)	23,796,954
Loss on onerous sale contracts	676,792	-	676,792	-
Reversal of allowance for impairment of other long-term investment	(1,580,220)	-	(1,580,220)	-
Loss on sale of other long-term investment	-	2,067,207	-	-
Gains on sales of property, plant and equipment	(472,981)	(1,019,798)	(1,295,612)	(718,580)
Allowance for impairment of property, plant and equipment (reversal)	(780,000)	780,000	-	-
Allowance for impairment of investment properties	667,800	-	667,800	-
Provision for long-term employee benefits	40,679,357	30,600,826	33,528,889	19,198,221
Unrealised (gain) loss on exchange	(2,648,226)	49,495,295	(224,019)	11,448,382
Interest income	(31,497,422)	(34,239,800)	(8,813,559)	(7,767,895)
Interest expenses	37,656,152	43,024,796	5,646,614	6,913,028
Profit from operating activities before changes in operating assets and liabilities	509,752,226	602,416,135	462,384,512	324,064,393
Operating assets (increase) decrease				
Trade and other receivables	(346,276,822)	897,049,772	(93,208,455)	126,423,080
Inventories	181,119,720	(162,749,117)	(108,554,895)	31,309,488
Other current assets	60,128,662	(74,252,674)	47,677,796	(39,036,300)
Operating liabilities increase (decrease)				
Trade and other payables	67,286,981	(346,656,065)	59,247,723	(207,906,747)
Other current liabilities	11,587,364	(13,620,950)	16,087,457	8,279,149
Cash flows from operating activities	483,598,131	902,187,101	383,634,138	243,133,063
Cash paid for long-term employee benefits	(31,767,563)	(6,928,750)	(28,223,285)	(2,398,011)
Cash paid for interest expenses	(39,919,083)	(42,219,283)	(5,718,060)	(6,897,898)
Cash paid for corporate income tax	(109,444,729)	(168,388,437)	(81,890,933)	(78,576,017)
Cash flows from operating activities before compensation for losses from flooding	302,466,756	684,650,631	267,801,860	155,261,137
Cash received for compensation for losses from flooding	109,087,283	-	-	-
Net cash flows from operating activities	411,554,039	684,650,631	267,801,860	155,261,137

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

Cash flow statement (Continued)

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

For the year ended 31 December 2012

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Increase in current investments	(110,000,000)	(80,000,000)	(100,000,000)	-
Decrease in restricted bank deposits	29,044	-	-	-
Increase in investment in subsidiary	-	-	(4,999,875)	-
Decrease (increase) in other long-term investments	(9,419,780)	-	1,580,220	-
Acquisition of property, plant and equipment	(176,324,581)	(62,959,244)	(71,787,713)	(44,626,992)
Interest income	31,963,089	32,307,487	8,332,271	7,788,363
Dividend income	3,375,000	3,375,000	15,375,000	79,084,932
Proceeds from sales of other long-term investment	-	710,603	-	-
Proceeds from sales of property, plant and equipment	2,547,775	1,099,542	1,415,003	736,275
Decrease (increase) in other assets	180,337	(2,159,071)	2,803	(2,058,878)
Net cash flows from (used in) investing activities	(257,649,116)	(107,625,683)	(150,082,291)	40,923,700
Cash flows from financing activities				
Increase in short-term loans from financial institutions	20,955,240	82,970,909	-	-
Increase (decrease) in trust receipts	(167,066,129)	(155,888,758)	(148,747,940)	29,866,193
Repayment of short-term loan from related company	-	(116,025,000)	-	-
Cash paid for liabilities under financial lease agreements	(4,069,911)	(6,845,591)	(6,350,743)	(6,568,616)
Dividend paid to non-controlling interests of the subsidiaries	(8,000,000)	-	-	-
Dividend paid	(198,952,344)	(198,847,394)	(198,952,344)	(198,847,394)
Net cash flows used in financing activities	(357,133,144)	(394,635,834)	(354,051,027)	(175,549,817)
Increase (decrease) in translation adjustments	(3,579,804)	13,300,953	-	-
Net increase (decrease) in cash and cash equivalents	(206,808,025)	195,690,067	(236,331,458)	20,635,020
Unrealised gain on exchange for cash and cash equivalents	581,777	298,329	-	-
Cash and cash equivalents at beginning of year	1,368,357,304	1,172,368,908	528,011,404	507,376,384
Cash and cash equivalents at end of year	1,162,131,056	1,368,357,304	291,679,946	528,011,404

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

Notes to consolidated financial statements

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

For the year ended 31 December 2012

1. General 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. The registered office of the Company is at 589/71 Central City Tower, 12A Floor, Bangna-trad Road, Bangna, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 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	
			2012 Percent	2011 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
Double D Cable Co., Ltd.	Pre- operating stage	Thailand	100	-

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

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

d) The financial statements of Shanghai Yayang Electric Company Limited which is the overseas subsidiary were audited by other auditor in overseas. As at 31 December 2012 and 2011, the financial statements reflected total assets approximately Baht 622 million and Baht 575 million, respectively. Total revenues and loss for the year ended 31 December 2012

amounted to approximately Baht 1,322 million and Baht 10 million, respectively (for the year ended 31 December 2011 total revenues of approximately Baht 1,419 million and profit of Baht 3 million, respectively).

e) 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.

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

g) 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 profit or loss and within equity in the consolidated statements of financial position.

h) On 8 June 2012, the Meeting of the Board of Directors resolved to set up Double D Cable Company Limited as the Company’s subsidiary with 100% held. The subsidiary has already registered its incorporation on 30 August 2012 with Baht 20 million registered capital.

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

3. New accounting standards 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

Financial Reporting Standard:

TFRS 8	Operating Segments
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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 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. The management of the Company expects the adoption of this accounting standard to have the effect of increasing the Company and its subsidiaries’ brought-forward retained earnings and other components of shareholders’ equity of the year 2013 by approximately Baht 50 million in total (the Company only: approximately Baht 24 million).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	<u>Effective Date</u>
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of these accounting treatment guidance, accounting standard interpretation and financial reporting standard interpretations are not relevant to the business of the Company.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Interest income

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade 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.

4.4 Inventories

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

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

4.5 Investments

a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss 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.

b) Investments in debt securities expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

c) 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 loss (if any).

d) Investment in associate is accounted for in the consolidated financial statements using the equity method.

e) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association.

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 profit or loss.

4.6 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. Depreciation of buildings is included in determining income.

No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on 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 - 15 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 profit or loss in the year when the asset is derecognised.

4.8 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.

4.9 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 long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.10 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.

4.11 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 and investments 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 profit or loss.

4.12 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.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

For the first-time adoption of TAS 19 Employee Benefits in 2011, 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.

4.13 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.

4.14 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.

4.15 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 profit or loss.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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 from these estimates. 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 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 of the management.

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 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 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.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash	2,513	1,293	650	650
Bank deposits	905,339	707,064	291,030	427,361
Bills of exchange	254,279	660,000	-	100,000
Total	1,162,131	1,368,357	291,680	528,011

As at 31 December 2012, bank deposits in saving accounts and bills of exchange carried interests between 0.25 and 2.75 percent per annum (2011: between 0.05 and 3.70 percent per annum).

7. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2012	2011	2012	2011	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	58	78	Market price
Sales of raw materials	-	-	4	3	Cost plus margin
Fabrication income	-	-	16	17	Market price
Purchases of goods	-	-	28	16	Market price
Purchases of raw materials	-	-	51	-	Market price
Management fee income	-	-	38	41	Contract price
Service income	-	-	9	9	Contract price
Rental income	-	-	6	6	Contract price
Electric income	-	-	3	4	At cost
Dividend income	-	-	12	76	Announced rate
<u>Transactions with related parties</u>					
Sales of goods	140	130	91	130	Market price
Sales of raw materials	3	-	-	-	Cost plus margin
Purchase of goods	102	-	-	-	Market price
Purchases of raw materials	35	214	-	144	Market price
Fabrication cost	42	35	42	35	Market price
Management fee	7	7	2	2	Contract price
Dividend income	3	3	3	3	Announced rate
Interest income	-	1	-	-	4.5% per annum
Service fee	12	1	-	-	Contract price

As at 31 December 2012 and 2011, 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	
	2012	2011	2012	2011
<u>Trade and other receivables - related parties</u>				
(Note 8)				
Subsidiaries	-	-	30,895	25,391
Related companies (related as the shareholders of the Company or common shareholders or directors)	64,135	37,371	60,262	37,371
Total trade and other receivables - related parties	64,135	37,371	91,157	62,762

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<u>Trade and other payables - related parties</u>				
(Note 16)				
Subsidiaries	-	-	5,260	-
Related companies (related as indirect shareholders of the Company or shareholder of a subsidiary or investee of the Company)	54,093	10,727	4,048	2,428
Total trade and other payables - related parties	54,093	10,727	9,308	2,428

Long-term loans to subsidiary

As at 31 December 2012 and 2011, the balances of loans between the Company and its subsidiary and the movements are as follow:

(Unit: Thousand Baht)

Loan to	Separate financial statements			
	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
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)	(302)	-	(623,061)
Total	14,354	(302)	-	14,052

Long-term loans to 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 82 million of interest receivable under the agreement was not recorded in its accounts. Interest income for the years ended 31 December 2012 and 2011 amounted to Baht 15 million and Baht 12 million, respectively).

Short-term loans from related company

As at 31 December 2012 and 2011, the balance of short-term loans from related company and the movement are as follow:

(Unit: Thousand Baht)

Consolidated financial statements					
Loans from	Related by	Balance as at 31 December 2011	Increase (decrease) during the year	Unrealised loss on exchange	Balance as at 31 December 2012
Moon View Ventures Ltd.	Indirect shareholder	6,198	-	(205)	5,993

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

Directors and management's benefits

During the years ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term employee benefits	92,408	61,210	52,609	33,909
Post-employment benefits	23,292	7,867	21,235	5,866
Total	115,700	69,077	73,844	39,775

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with their related parties, as described in Note 26.4 to financial statements.

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	31,124	3,534	55,632	23,730
Past due				
Up to 3 months	30,200	33,837	27,489	33,837
3 - 6 months	2,786	-	2,786	-
6 - 12 months	25	-	25	-
Total trade receivables - related parties	64,135	37,371	85,932	57,567

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,575,273	1,362,230	686,387	798,355
Past due				
Up to 3 months	458,230	245,679	277,727	93,855
3 - 6 months	41,864	48,023	38,106	18,959
6 - 12 months	4,401	29,088	-	22,369
Over 12 months	56,484	142,270	8,948	12,817
Total	2,136,252	1,827,290	1,011,168	946,355
Less: Allowance for doubtful accounts	(40,196)	(58,124)	(4,670)	(8,325)
Total trade receivables - unrelated parties, net	2,096,056	1,769,166	1,006,498	938,030
Total trade receivables - net	2,160,191	1,806,537	1,092,430	995,597
<u>Other receivable</u>				
Other receivable - subsidiary	-	-	5,225	5,195
Insurance compensation receivables	40,000	-	-	-
Other receivable	2,287	2,515	-	-
Total other receivables	42,287	2,515	5,225	5,195
Trade and other receivable - net	2,202,478	1,809,052	1,097,655	1,000,792

During the year 2012, the Company and its subsidiary wrote-off bad debt and reversed the related allowance for doubtful accounts amounting to Baht 5 million (2011: Baht 5 million) (Separate financial statements: Nil, 2011: Baht 3 million).

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2012	2011	2012	2011	2012	2011
Finished goods	589,059	566,012	(19,967)	(42,853)	569,092	523,159
Work in process	362,070	341,099	(18,874)	(56,716)	343,196	284,383
Raw materials and factory supplies	439,501	714,130	(14,678)	(88,782)	424,823	625,348
Goods in transit	112,750	63,259	-	(851)	112,750	62,408
Total	1,503,380	1,684,500	(53,519)	(189,202)	1,449,861	1,495,298

(Unit: Thousand Baht)

Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2012	2011	2012	2011	2012	2011
Finished goods	380,706	392,739	(18,256)	(25,594)	362,450	367,145
Work in process	262,587	204,846	(2,074)	(12,300)	260,513	192,546
Raw materials and factory supplies	111,050	150,136	(6,660)	(6,008)	104,390	144,128
Goods in transit	108,467	6,535	-	-	108,467	6,535
Total	862,810	754,256	(26,990)	(43,902)	835,820	710,354

10. 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	
	2012	2011	2012	2011	2012	2011
Siam Fiber Optics Company Limited	240,000	240,000	144,000	144,000	12,000	-
Siam Pacific Electric Wire and Cable Company Limited	670,000	670,000	1,067,703	1,067,703	-	75,710
Double D Cable Company Limited	5,000	-	5,000	-	-	-
Shanghai Yayang Electric Company Limited	7,049 Thousand USD	7,049 Thousand USD	41,110	41,110	-	-
CTW-Beta Company Limited	100	100	100	100	-	-
Total			1,257,913	1,252,913	12,000	75,710
Less: Allowance for impairment loss of investments			(48,163)	(48,163)		
Total investments in subsidiaries - net			1,209,750	1,204,750		

11. Investment in associate

11.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2012 (%)	2011 (%)	2012	2011	2012	2011
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 loss of investment							(91,185)	(91,185)
Total investment in associated company - net							13,966	13,966

11.2 Share of loss and dividend received

During the year, the Company has not recognised its share of loss from investment in associated company in the consolidated financial statements because in 2010 the subsidiary recognised the allowance for impairment of investments totaling Baht 91 million. In addition, there was no dividend income received from that associate in separate financial statements.

11.3 Summarised financial information of associate

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Loss for	
	as at		as at		as at		for the year ended		the year ended	
	31 December		31 December		31 December		31 December		31 December	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Loxley Pacific Company Limited	700	700	372	414	7	33	76	92	(26)	(37)

These financial statements included investment in associate which based on the audited financial statements by other auditor. This associate 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 associate 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 loss 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 cash flows prepared by the Company's management.

12. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Non-marketable equity securities				
Thai Metal Processing Co., Ltd.	22,500	22,500	22,500	22,500
H.R. Silvine Electronics Co., Ltd.	-	1,359	-	1,359
B.I.P. Engineering and Construction Co., Ltd.	-	221	-	221
Total	22,500	24,080	22,500	24,080
Less: Allowance for impairment of investments	-	(1,580)	-	(1,580)
Total non-marketable equity securities - net	22,500	22,500	22,500	22,500
Held-to-maturity debt securities				
Subordinated debentures of BBL PLC.	11,000	-	-	-
Total held-to-maturity debt securities	11,000	-	-	-
Total other long-term investments - net	33,500	22,500	22,500	22,500

During the year 2012, the Company received dividend from the long-term investment at Baht 3 million (2011: Baht 3 million). In addition, the Company wrote-off the investments in H.R. Silvine Electronics Co., Ltd. and B.I.P. Engineering and Construction Co., Ltd. and reversed the allowance for impairment of investments totally Baht 1.6 million as a result of the completion of liquidation.

13. Investment properties

The net book value of investment properties as at 31 December 2012 and 2011 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
31 December 2012						
Cost	19,068	11,363	30,431	19,068	-	19,068
<u>Less</u> Accumulated depreciation	-	(4,099)	(4,099)	-	-	-
<u>Less</u> Allowance for diminution in value	(3,335)	-	(3,335)	(3,335)	-	(3,335)
Net book value	15,733	7,264	22,997	15,733	-	15,733
31 December 2011						
Cost	19,068	11,363	30,431	19,068	-	19,068
<u>Less</u> Accumulated depreciation	-	(3,531)	(3,531)	-	-	-
<u>Less</u> 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

A reconciliation of the net book value of investment properties for the years 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Net book value at beginning of year	24,233	24,801	16,401	16,401
Depreciation charged (Included in administrative expenses)	(568)	(568)	-	-
Allowance for impairment loss (Included in administrative expenses)	(668)	-	(668)	-
Net book value at end of year	22,997	24,233	15,733	16,401

The fair value of the investment properties as at 31 December 2012 and 2011 was stated below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Land - not being used for operation	343,300	216,507	343,300	216,507
Office building for rent	20,077	19,590	-	-

(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:							
1 January 2011	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)	-
31 December 2011	149,013	512,904	1,711,064	67,363	49,477	7,890	2,497,711
Additions	-	564	7,234	2,483	4,001	57,506	71,788
Disposals	-	-	(88,120)	(5,162)	(3,089)	-	(96,371)
Transfers	-	194	15,248	266	2,631	(18,339)	-
31 December 2012	149,013	513,662	1,645,426	64,950	53,020	47,057	2,473,128
Accumulated depreciation:							
1 January 2011	-	(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
31 December 2011	-	(396,092)	(1,596,463)	(57,197)	(27,157)	-	(2,076,909)
Depreciation for the year	-	(20,245)	(20,924)	(3,200)	(7,846)	-	(52,215)
Depreciation on disposals	-	-	88,114	5,150	2,987	-	96,251
31 December 2012	-	(416,337)	(1,529,273)	(55,247)	(32,016)	-	(2,032,873)
Net book value:							
31 December 2011	149,013	116,812	114,601	10,166	22,320	7,890	420,802
31 December 2012	149,013	97,325	116,153	9,703	21,004	47,057	440,255
Depreciation for the year							
2011 (Baht 45 million included in manufacturing cost, and the balance in selling and administrative expenses)							52,637
2012 (Baht 44 million included in manufacturing cost, and the balance in selling and administrative expenses)							52,215

As at 31 December 2012 and 2011, the Company and its subsidiary had vehicles under finance lease agreements with net book values amounting to Baht 12 million and Baht 18 million, respectively (The Company only: Baht 11 million, 2011: Baht 17 million).

As at 31 December 2012 and 2011, certain plant and equipment items had been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 3,389 million and Baht 3,519 million, respectively (The Company only: Baht 1,639 million, 2011: Baht 1,658 million).

As at 31 December 2012, the subsidiary companies have pledged assets amounting to approximately Baht 91 million and RMB 6 million (2011: Baht 99 million and RMB 5 million, respectively) as collateral against credit facilities received from financial institutions.

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

Short-term loans from financial institutions carry interest at rates of 6.2 - 6.9% per annum (2011: 4.7 - 6.3% per annum) while trust receipts carry interest at rates of 1.3 - 2.1% per annum (2011: 1.4 - 2.3% 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.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Trade payables - related parties	52,487	7,708	8,902	1,887
Trade payables - unrelated parties	191,712	225,842	115,830	89,867
Other payables - related parties	1,606	3,019	406	541
Other payables	37,143	32,260	27,555	20,509
Accrued expenses	133,631	80,219	76,830	57,194
Retention	-	275	-	275
Total trade and other payables	416,579	349,323	229,523	170,273

17. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Defined benefit obligation at beginning of year	85,127	82,218	61,385	58,728
Current service cost	4,897	4,689	2,957	2,809
Interest cost	3,201	3,220	2,208	2,246
Project downsizing	-	1,929	-	-
Benefits paid during the year	(31,767)	(6,929)	(28,223)	(2,398)
Actuarial loss	33,525	-	33,525	-
Past service costs	79,469	-	79,469	-
Defined benefit obligation at end of year	174,452	85,127	151,321	61,385
Unrecognised transitional provisions	(47,890)	(61,455)	(35,237)	(44,585)
Unrecognised past service costs	(60,453)	-	(60,453)	-
Provisions for long-term employee benefits at end of year	66,109	23,672	55,631	16,800

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Current service cost	4,897	4,689	2,957	2,809
Interest cost	3,201	3,220	2,208	2,246
Transitional liability recognised during the year	13,565	22,692	9,348	14,143
Past service costs recognised during the year	19,016	-	19,016	-
Total expense recognized in profit or loss	40,679	30,601	33,529	19,198
Line items under which such expenses are included in profit or loss				
Cost of sales	19,131	18,382	13,903	9,614
Selling and administrative expenses	21,548	12,219	19,626	9,584

Total actuarial losses recognized in the other comprehensive income of the Company and its subsidiary as at 31 December 2012 amounted to Baht 34 million (2011: Nil) (The Company only: Baht 34 million and 2011: Nil).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.8 - 4.0	4.2	3.8	4.2
Average future salary increase rate (depending on age)	6.0	6.0 - 8.0	6.0	6.0
Average staff turnover rate	0.0 - 15.0	3.4 - 7.2	0.0 - 9.0	3.4

Amounts of defined benefit obligation for the year 2012 and 2011 are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Year 2012	174,452	151,321	28,524	28,524
Year 2011	85,127	61,385	-	-

18. 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.

19. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Raw materials and consumables used and purchase finished goods	5,801	6,273	2,507	2,677
Changes in finished goods and work in progress	(44)	(140)	(46)	(164)
Salary and wages and other employee benefits	484	393	289	238
Packing expenses	148	110	118	92
Fabrication expenses	26	18	42	35
Electric expenses	127	108	58	49
Repair and maintenance expenses	60	42	45	36
Depreciation and amortisation	102	117	52	53
Commission expenses	53	61	43	41
Allowance for doubtful accounts (reversal)	(13)	(56)	(3)	(1)

20. Compensation from floods

During the year, the Company's subsidiary received the letter confirmation regarding the amount of insurance claims from floods recovered by insurance company from independent surveyor. Hence, the subsidiary recorded the compensation from floods totaling Baht 149 million in profit or loss. However, during the current year, the subsidiary received the interim payment from insurance company totaling Baht 109 million and the subsidiary expected that the remaining will be received from insurance company in a period of time.

21. Income tax

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.

22. 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.

23. Segment information

The Company's and its subsidiaries' business operations 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. Below is the consolidated financial information of the Company and its subsidiaries, for the years ended 31 December 2012 and 2011 by segment.

(Unit: Million Baht)

	Domestic Segment		Foreign segment		Elimination of inter-segment revenues		Consolidation	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues from external customers	5,878	6,025	1,263	1,419	-	-	7,141	7,444
Inter-segment revenues	257	243	58	-	(172)	(113)	143	130
Total revenues	6,135	6,268	1,321	1,419	(172)	(113)	7,284	7,574
Segment income	823	561	54	57	-	-	877	618
Unallocated income and expenses:								
Interest income							32	34
Gain on exchange rate							60	-
Dividend income from investment in other company							3	3
Other income							158	10
Selling expenses							(131)	(131)
Administrative expenses							(284)	(183)
Other expenses							-	(3)
Financial cost							(49)	(50)
Income tax expenses							(128)	(124)
Non-controlling interests of the subsidiaries							(6)	(5)
Profit for the year							532	169

(Unit: Million Baht)

	Domestic Segment		Foreign segment		Elimination of inter-segment revenues		Consolidation	
	2012	2011	2012	2011	2012	2011	2012	2011
Property, plant and equipment	691	605	77	90	-	-	768	695
Trade and other receivables	1,837	1,487	402	347	(36)	(25)	2,203	1,809
Inventories	1,365	1,402	85	93	-	-	1,450	1,495
Other assets	1,741	1,904	58	45	(14)	(14)	1,785	1,935
Total assets							6,206	5,934

Transfer prices between business segments are as set out in Note 7 to the financial statements.

24. 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 2012, the Company and its subsidiary contributed Baht 7 million (2011: Baht 7 million) (the Company only: Baht 4 million, 2011: Baht 4 million) to the fund.

25. 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
Final dividends for 2011	Annual General meeting of the shareholders on 23 April 2012	198,952	0.5

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2012, the Company and its subsidiary had capital commitments of approximately Baht 39 million, relating to the construction of factory building improvement and Baht 3 million relating to acquisition of machinery (2011: Nil).

26.2 Service commitments

As at 31 December 2012 and 2011, the Company and its subsidiary had commitments in respect of service as follows:

	Unrelated parties		Related parties			
	2012	2011	2012	2011	2012	2011
	(Million Baht)		(Million USD)		(Million TWD)	
Payable within 1 year	5	3	-	3	2	3

26.3 Commitment to purchase raw materials

As at 31 December 2012 and 2011, the Company and its subsidiary had commitments to purchase raw materials as follows:

As at 31 December 2012		
The company and its subsidiary	The Company only	Pricing
(Metric ton)	(Metric ton)	(USD/Metric ton)
9,300 - 10,450	4,200	reference to the market price
300	300	7,900 - 8,100
As at 31 December 2011		
The company and its subsidiary	The Company only	Pricing
(Metric ton)	(Metric ton)	(USD/Metric ton)
8,364 - 9,789	3,000	reference to the market price
1,700	1,700	7,000 - 9,300

26.4 Guarantee

a) As at 31 December 2012, 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 21 million (2011: Baht 75 million, USD 5 million and RMB 15 million).

b) As at 31 December 2012 and 2011, there were the following outstanding bank guarantees issued by the banks in respect of certain performance bonds required in the normal course of business by the Company and its subsidiaries.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Letter of guarantee for bidding	129	175	120	171
Letter of guarantee for performance in accordance with the contracts	791	367	765	341
Letter of guarantee for utilities usage	25	26	10	10
	945	568	895	522

27. Financial instruments

27.1 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 and other 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, debentures, trust receipts and financial lease liabilities. Most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities 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 as at 31 December 2012				Total	Effective interest rate (% p.a.)
	Fixed interest rates		Floating interest rate	Non - interest bearing		
	Within 1 year	Over 5 years				
Financial assets						
Cash and cash equivalents	254	-	874	34	1,162	0.3 - 2.8
Current investments	190	-	-	-	190	2.9 - 3.6
Trade and other receivables	-	-	-	2,202	2,202	-
Restricted bank deposit	262	-	-	-	262	1.8 - 2.8
Other long-term investments	-	11	-	23	34	4.4
	706	11	874	2,259	3,850	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2012

	Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	Over 5 years				
Financial liabilities						
Short-term loans from financial institutions	-	-	305	-	305	6.2 - 6.9
Trust receipts	794	-	115	-	909	1.3 - 2.1
Trade and other payables	-	-	-	417	417	-
Short-term loans from related company	-	-	-	6	6	-
	794	-	420	423	1,637	

(Unit: Million Baht)

Separate financial statements as at 31 December 2012

	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	-	-	285	7	292	0.7 - 1.4
Current investments	100	-	-	-	100	3.6
Trade and other receivables	-	-	-	1,098	1,098	-
Long-term loans to subsidiary	-	-	14	-	14	1.4 - 2.8
	100	-	299	1,105	1,504	
Financial liabilities						
Trust receipts	-	-	115	-	115	1.3 - 1.9
Trade and other payables	-	-	-	230	230	-
	-	-	115	230	345	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2011

	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
Current investments	80	-	-	-	80	3.3 - 4.0
Trade and other receivables	-	-	-	1,809	1,809	-
Restricted bank deposits	262	-	-	-	262	1.4 - 2.3
	1,002	-	668	1,849	3,519	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2011

	Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
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	-
	-	-	1,367	355	1,722	

(Unit: Million Baht)

Separate financial statements as at 31 December 2012

	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	-
	-	-	264	170	434	

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 are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2012 (Million)	2011 (Million)	2012 (Million)	2011 (Million)	2012 (Baht per 1 foreign currency unit)	2011
US dollar	12	4	33	36	30.6316	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.

27.2 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.

28. 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 2012, the Group's debt-to-equity ratio was 0.42:1 (2011: 0.45:1) and the Company's was 0.14:1 (2011: 0.15:1).

29. Approval of financial statements

These financial statements were authorised for issue by the authorised director of the Company on 27 February 2013.

Fee to the Auditor

1. Audit fee

The Company and its subsidiaries paid audit fee to :

- The Company's auditor for the year 2012 totaling Baht 4,540,000.
- Other than the Company's auditor but, related individual or related company of the Company's auditor for the year 2012 totaling

Baht 0.

2. Non-audit fee

The Company and its subsidiaries paid non-audit fee for the year 2012 totaling Baht 0.

Charoong Thai Wire & Cable Public Company Limited

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