

Charoong Thai Wire and Cable  
Public Company Limited



Annual Report  
**2019**



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# Policy and Overall Business Operations

## Policy and Business Overview

Charoong Thai Wire & Cable Public Co., Ltd., ("Charoong Thai") or ("CTW") was established since 1967 with registered capital of Baht 10 million. The Company received investment supports from the Board of Investment (BOI) by the joint venture between Thai and Taiwanese investors which are Walsin Lihwa Electric Wire & Cable Corp. and Pacific Electric Wire and Cable Company Limited ("PEWC"). The Company became a public company limited after that and registered to enter into Thailand Stock Exchange on September 25<sup>th</sup>, 1975. It is categorized under electrical and computer section which is now under Industrial Materials & Machinery section.

PEWC is indirectly a parent company while running their business in Taiwan. The main business is manufacturing electric wires and cables, trading and telecommunication business in Asia.

The parent company and the Company are doing the same type of business which are manufacturing and distributing electrical wires and cable wires while both companies have geographically divided the job scope very clearly.

Charoong Thai and its subsidiaries such as Siam Fiber Optics Co., Ltd. ("SFO"), Double D Cable Co., Ltd. ("DDC"), Siam Pacific Electric Wire & Cable Co., Ltd. ("SPEWC") and Shanghai Asia Pacific Electric Co., Ltd. ("SAP") have their main business of manufacturing aluminum electrical wire, copper electrical wire, insulated electrical wire of both high-low voltage, telephone wire, cable wire, fiber optic cable, and enameled wire in order to sell both domestically and internationally. The business includes OEM, exchange, and transform the mentioned products.

The Company has an investment business company which is CTW-Beta Co., Ltd. ("CTW-Beta") which has business objective to gain the profit from investments. The Company also has the joint venture regarding communication and telecommunication business, Loxpac (Thailand) Co., Ltd. ("LOXPAC") and Loxpac Hong kong Co., Ltd. ("Loxpac HK"). At present, the Company does not have any policies to increase its investment unless such investment is able to support the main business of the Company.

From the Financial Statements for the past 3 years, during 2017 - 2019, the Company and its subsidiaries have sales revenue of Baht 7,902 million, Baht 7,960 million and Baht 5,961 million, respectively.

In 2019, the revenue from sales of the Company and subsidiaries decreased by Baht 1,999.37 million or 25.12% when compared with that of the previous year. Profit of Baht 77.24 million decreased by Baht 210.25 million or 73.13% from Baht 287.49 million in the previous year.

## Vision and Mission

### 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.

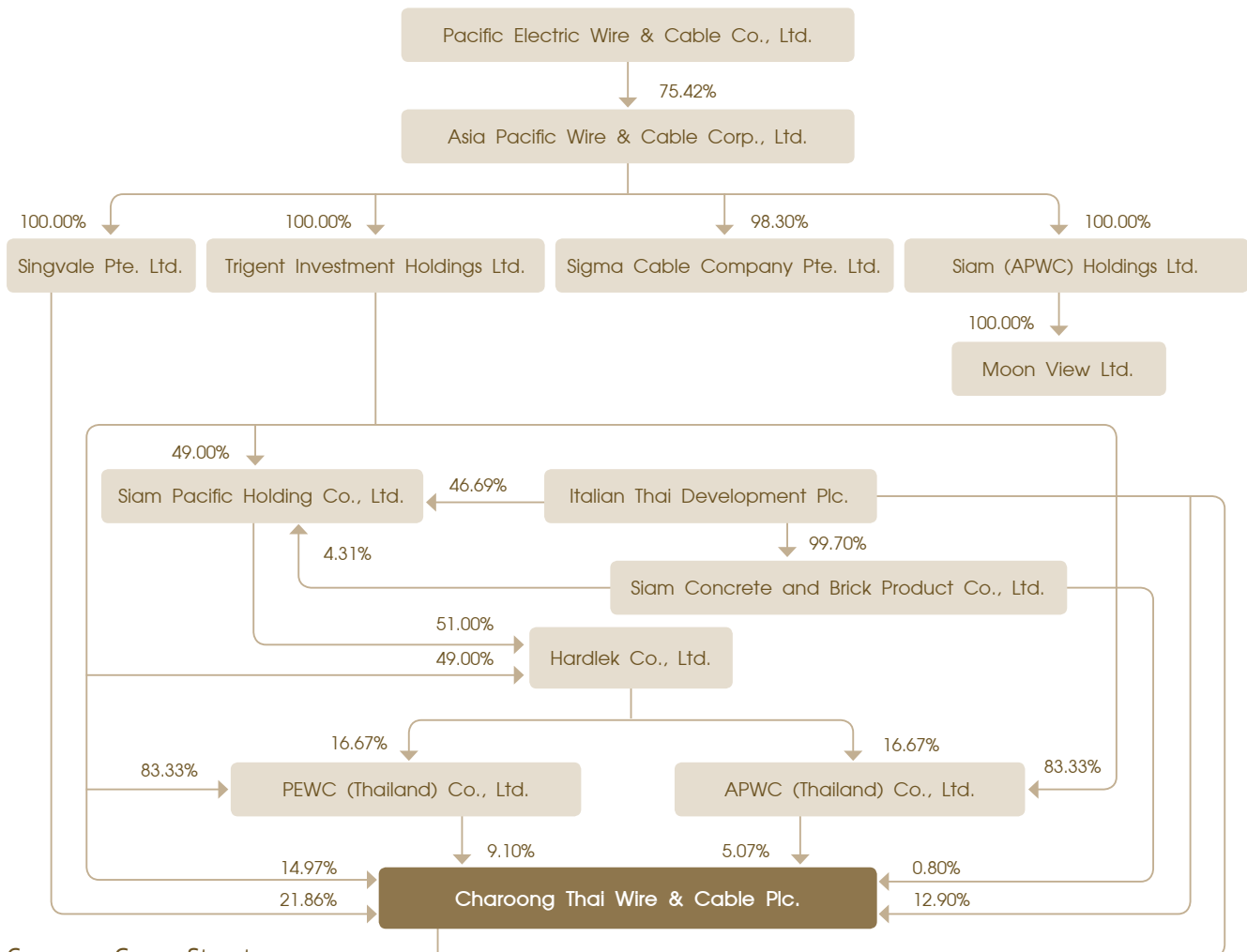
### Mission

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.

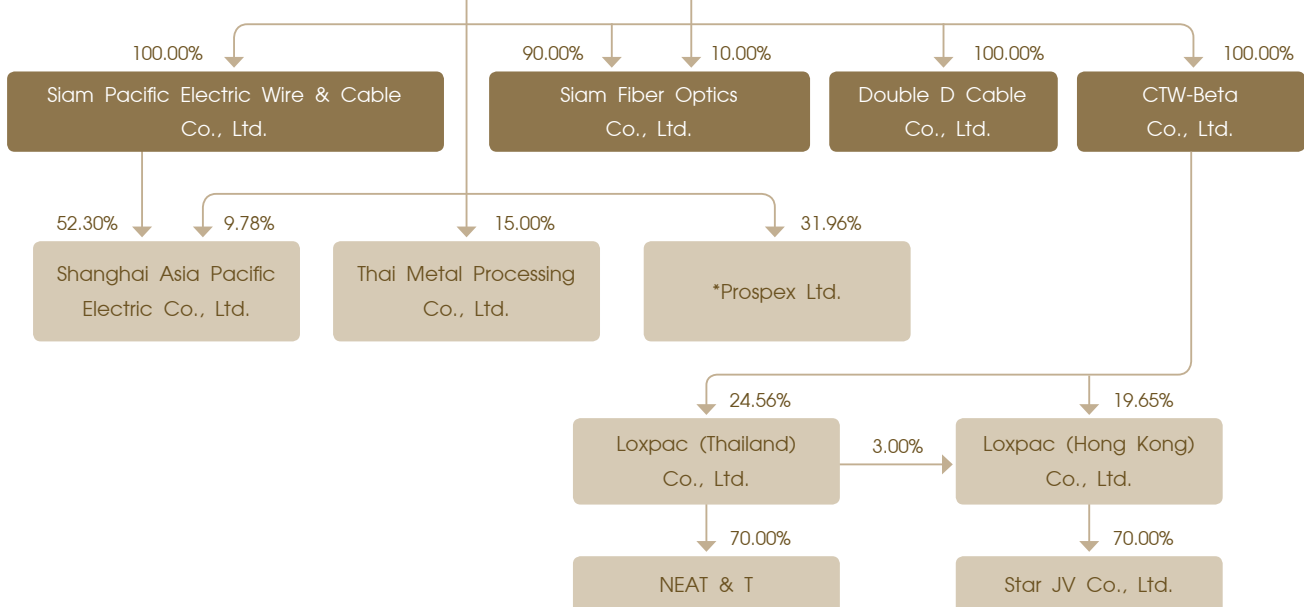
## Policy and Overall Business Operations

### Shareholding Structure of the Company Group

Parent Group Structure (as at 31 December 2019)



### Company Group Structure



Remarks : \* The liquidation is currently in progress

## Policy and Overall Business Operations

### Top 10 Shareholders of Pacific Electric Wire & Cable Co., Ltd. (PEWC), its Parent Company

(As at 28<sup>th</sup> September 2019)

Shareholders	Number of shares	Holding (%)
1. National Financial Stabilization Fund	26,225,241	3.56
2. Yuan Yuan Corporation	23,608,033	3.21
3. Sharp Precision Machinery Co., Ltd.	13,908,416	1.89
4. Century Pacific Corporation	12,255,293	1.67
5. Ding-Hao ACME Co., Ltd.	8,154,393	1.11
6. Tai Ho Investment Co., Ltd.	5,849,756	0.79
7. PEWC Employee Welfare Committee	5,289,443	0.72
8. Liao Guang Rong	4,290,000	0.58
9. Qiu Xiao Qi	4,032,721	0.55
10. Qiu Xiao Xian	3,966,638	0.54
11. Minority Shareholders	628,320,066	85.38
<b>Total shares issued</b>	<b>735,900,000</b>	<b>100.00</b>

## Nature of Business

### Features of Business of the Group

Charoong Thai Wire and Cable Plc. ("CTW" or "the Company") currently has five subsidiary companies and two associated companies. 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. (DDC), Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Shanghai Asia Pacific Electric Co., Ltd. (SAP) are significant manufacturers and distributors of Aluminium Power Cable, Copper Power Cable, High-Voltage Power Cable, Telephone Cable, Fibre Optic Cable, Enameled and Non-Enameled Wire 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 associated company that is engaged in the telecommunications business namely, Loxpac (Thailand) Co., Ltd. (Loxpac) and Loxpac Hong Kong Co., Ltd. (Loxpac HK)

## Nature of Business

### Revenue Structure

Revenue Structure of the Company by business group.

(Expressed in Million Baht)

Product Line/ Business Category	By	% of Investment	2019		2018		2017	
			Revenue	%	Revenue	%	Revenue	%
Manufacturing/ Revenue	Charoong Thai Wire and Cable Plc.		2,079.02	34.47	3,104.29	38.71	3,371.17	42.18
	Siam Pacific Electric Wire & Cable Co., Ltd.	100.00	3,238.50	53.69	3,746.47	46.72	3,324.51	41.58
	Shanghai Asia Pacific Electric Co., Ltd.	63.68	651.09	10.79	1,089.76	13.59	1,147.59	14.35
	Siam Fiber Optics Co., Ltd.	90.00	63.10	1.05	78.44	0.98	151.39	1.89
	Double D Cable Co., Ltd.	100.00	0.04	0.00	0.08	0.00	0.18	0.00
Investment/ Revenue	CTW-Beta Co., Ltd.	100.00	-	0.00	-	0.00	-	0.00
<b>Total</b>			<b>6,031.75</b>	<b>100.00</b>	<b>8,019.04</b>	<b>100.00</b>	<b>7,994.84</b>	<b>100.00</b>

Product Line/ Business Category	By	% of Investment	Expresses in	2019	2018	2017
Telecommunication*/ Revenue	Loxpac (Thailand) Co., Ltd.	24.56	Million Baht	2.02	15.92	151.18
	Loxpac Hongkong Co., Ltd.	20.39	EURO	389,183	271,586	798,019

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

### Product Line/Business Group

#### 1. The Manufacturing Group

##### 1.1 Features of Products

###### A) Products

Products of the group are classified into Four categories as follows:

1. Electric Cables (Aluminium Cable, Copper Cable, High Voltage Cable)
2. Telephone Cable
3. Fiber Optic Cable
4. Enameled and Non-Enameled Wire (Enameled Copper Wire, Enameled Aluminum Wire and Non-Enameled Copper Wire)

## Nature of Business

### B) Sales by product

Product	Sales (%) 2019	Description
Aluminium electrical wire	5.32	- ACSR1272 - AAC - PVC Insulated Aluminium Cable
Copper electrical wire	17.48	- Building Wire (THW, NYY, VSF) - Bare Copper
High voltage power cable	11.54	- Space Aerial - XLPE Copper Cable 12/20 KV, 24 KV, 115 KV
Telephone cable	0.49	- Self-Supporting Drop Wire - Figure 8 Alpeth - PE Alpeth - Foam/Skin Alpeth
Fiber optic cable	1.05	- Single/Multi Fiber Optics
Enameled and Non-Enameled Wire	64.02	- Enameled Copper Wire - Enameled Aluminum Wire - Non-Enameled Copper Wire
Others	0.10	
Total	100.00	

Most of the Company's products in the manufacturing group, Enameled Wire and Non-Enameled Wire 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 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 Electrical Wire, Copper Electrical Wire, High-Voltage Cables, Telecommunication Cables, Fiber Optic Cables, Enameled Wires and Non-Enameled Wires which meet certain high standard in domestic and international 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 have also obtained many product certificates from Thai Government and other credible institution as the followings:

- License of Compulsory Thai Industrial Standard e.g. TIS 11-2553 (2010), 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) by Thai Industrial Standards institute (TISI) etc.
- Type Test Approval of High Voltage Power Cable (69 KV. and 115 KV.) from Faculty of Engineering Chulalongkorn University and King Monkut's Institute of Technology Ladkrabang.
- Certificate of Fire Resistance Cable from TUV SUD PSB Pte. Ltd., Singapore.

## Nature of Business

With the above credentials, it would definitely helpful to convince the customers to choose and use the Company's products. In addition, the Company has developed the new products to support the Mass Rapid Transit Projects such as the Control and Signaling Cable etc. With regard to its subsidiaries, SPEWC initiated the production of LITZ wire and has produced and distributed since the beginning of the year 2018 onwards which is the semi-finished product that the overseas industrial customers using as the initial raw material. And regard to subsidiaries, SFO succeeds in developing the production of Flame Retardant Cable as new products which expected to enter the market soon. In the parts of developed conduit wiring cable to have lesser diameter for the purpose of increasing number of cable in the same conduit. SFO has reached a certain level, but the result is not the expected goal and has to takes time to further testing and improving.

### 2 Price

Last year, overall economy of Thailand has slowed down. The Company has tried to increase the sales amount and has to set the appropriate selling price according with the key raw material price in order to maintain the sales amount and profit margin due to the severe price competition. The Company has also focusing to control unnecessary expense and be suitable for the competition in the market. The Company has used the modern machinery that can produce faster and greater more volume also focused on providing good service and fast delivery as well as information services and product consulting services.

With regard to SPEWC, its a subsidiary, the company was strict to purchase raw materials by using just in time and matching purchase price with sale price as much as possible in the past year. This is able to control costs more accurately but it is facing intense price competition, especially competitors from China, then it has to sell at the lower using selling price.

### 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, existing distributors and new distributors with high potential as well as distributors in up-country. In addition, the Company has created more sales opportunities. It has aggressively expanded on bidding more mega projects such as the Mass Rapid Transit Projects (Blue Line, Red Line, Orange Line, Green Line, Gold Line, Yellow Line and Pink Line), Projects of the State Railway of Thailand (SRT) (Double Track Railway project), Thailand High-Speed Rail Project (HSR), Small Power Producer (SPP), Independence Power Producer (IPP), Construction of Suvarnabhumi Airport Phase 2 Project and Construction of New Parliament Projects The High-Speed Rail Linked 3 Airport Project (High Speed Train) and Infrastructure Projects in the area of Easter Economic Corridor (EEC) etc. These are long term projects (2 - 3 years) which need to use a large number of the electric wires and cables also Fiber optic cables. With regard to its subsidiary, SPEWC, has tried to find more distribution channel to sales of old products and new products to the neighboring and overseas countries. In 2019, SPEWC has to find more new customers in the existing market which are Vietnam and India.

### 4. Promotion

The Company made advertising and public relations through billboard, magazine and media which relate to electrical industry such as Thai Electrical & Mechanical Contractors Association (TEMCA), Thailand Engineering Journal etc... In 2019, the Company has been using advertisement through online media such as the Internet and Facebook etc. 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 for studying manufacturing, testing and calibrating process in order to ensure the high quality and standard of the Company's products. In addition, the Company has focused on product knowledge training and seminars to the target customer all regions of Thailand, for expanding the customer group 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, it could not increase export sales as expectation.



## Nature of Business

As a result of political turmoil in Thailand which has made SFO to encounter certain burdens in its business operation either the projects in public, state enterprise or private sector. Some have been suspended or even canceled due to reasons associating with such political conflict. In order to save cost and budget, many sale promotion activities were limited or canceled to reflect sluggish market condition. However, SFO still carries on environmental conservation activities under ISO 14001:2004 as well as legal requirements while CSR activities have been continued with limited budget. ISO 14001:2004 Environmental Management System need to be updated and changed to the new edition of the standard, ISO 14001:2015, which has been effective from September 2018 onwards. But SFO has prepared and adopted the new Environmental Management System since the mid- year of 2017 and received of ISO 14001:2015 certificate in the year 2018.

In 2019, SPEWC has still provided and offered the special discounts for dealers when the total value of order meets a specified amount or requirement.

### **B). Market Share and Competition**

#### **Aluminum electrical wire**

In 2019, overall economy of Thailand slowed down. The investments of the government delayed due to the Government budget delay and the transition of the new method of procurement of the State Enterprises. As a result, both the government and private sectors demanding aluminum conductor cables decreased. In 2019, the Company has a market share of approximately 20 percent.

#### **Copper electrical wire**

Thailand's overall economic has slowed down. The private sector has lacked the confidence to invest caused by the enforcement of the 2020 Budget Act delayed. Then actual budget disbursements delayed, purchasing power reduced. With regard to the long-term projects such as Mass Rapid Transit(Green Line-North, Blue Line-South) etc. have been also affected by the delayed project operation. And the Company has also faced competitions which there are new manufacturers. In 2019, the Company has a market share of approximately 15 percent. With regard to SPEWC, its a subsidiary, SPEWC had no revenue from sales of copper electrical wire.

#### **High voltage power cable**

Most of the High voltage power cable market is similar to the Aluminum electrical wire market. The Company will be OEM for state enterprises and distribute products to the private sector customers who are the sub-contractor of government sector's projects, including the ongoing and long-term projects such as Mass Rapid Transit (Yellow Line), Small Power Producer (SPP) of 12 Power Plants Projects of Gulf MP Co., Ltd., Construction of Suvarnabhumi Airport Phase 2 Project, Underground Cable Project on Rama 3 Road of MEA etc. In 2019, the Company has a market share of approximately 35 percent.

#### **Telephone cable**

Presently, the demand for copper telephone cable has declined significantly since there are alternate products resulting from technology changes, that is, fiber optic cable which be better than in technical such as reduction of signal attenuation, more data storage, small structure, lightweight, non-conductive (quality for insulation) etc.. The government agency that still uses copper telephone cable is TOT Corporation Plc., who purchase to replace the old that must be replaced it by lifetime. As for SPEWC, its sales volume also decreased for the same reason. SPEWC has a plan that this product will be available until expected to the next two years, after that it will consider to discontinue the production and distribution of this product since it is not worth manufacturing. In 2019, the Company and its a subsidiary (SPEWC) make an effort to maintain their market share of approximately 20 percent by bidding with TOT Corporation Plc. and the Private sectors.

## Nature of Business

### Fiber optic cable

Mobile communication in Thailand has moved from 3G (Third Generation Mobile Network) to 4G (Fourth-Generation Wireless). The National Broadcasting and Telecommunications Commission (NBTC) launched 4G license auction in December 2015. Such would increase demand for fiber optic cable in order to improve transmission speed. This business opportunity comes with ever more intense competition as opposed to the previous years as number of domestic fiber optic manufacturers has increased to substitute imported cable.

Presently, there are still only seven 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. Due to the intense competition of imported products, SFO has coordinated and asked for help from Thai Electrical Electronics and Telecommunication Industries Association, The Federation of Thai Industries to issue the letter to the relevant government agencies to push to support the use of products manufactured in Thailand.

### Enameled and non-enameled Wire

SPEWC is one of the top-three enameled copper wire 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 overseas and domestic markets for better selling price.

SPEWC has produced and exported the 2.6 millimeters and 1.8 millimeters bare copper wire which the overseas industrial customers used as the initial raw material since 2015. Although, SPEWC has a thin profit margin for bare copper wire, the management has considered that it can benefit from utilizing available manufacturing capacity to the maximum.

In 2018, SPEWC initiated the production of LITZ wire, a new product which is another strand wire that used in the electronics manufacturing industry. SPEWC plans to start the production and distribution of LITZ wire early in the year 2018 up to now. In 2019, SPEWC has a market share of Enameled wires and Non-Enameled wire of approximately 25 - 30 percent.

## 1.3 Procurement of Products

### A). Manufacturing of products

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

1. Office Building
2. Aluminium Cable Production Building
3. Power Cable Production Building
4. Telephone Cable Production Building
5. Ware House Building
6. Test Cable Building
7. Fiber Optic Cable Production Building

Plants of Subsidiary Companies, SPEWC's is located at 8 Moo 5, Tiwanon Road, Banmai Sub-district, Muang District, Pratumtanee Province.

## Nature of Business

Plant of Shanghai Asia Pacific 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 (%)		
		2019	2018	2017
<b><u>CTW</u></b>				
Aluminium electrical wires	14,400	47	79	118*
Copper electrical wires	12,000	55	43	50
Telephone cables (pairs-km)	1,440,000	0	1	2
High voltage power cables	4,800	50	97	58
<b><u>SPEWC</u></b>				
Enameled wires and Non-Enameled wire	15,600	92	96	85
Communication cables (pairs-km)	180,000	19	10	12
<b><u>SFO</u></b>				
Fiber optic cables (km-fiber)	500,000	13	25	36
<b><u>SAP</u></b>				
Enameled copper wires	8,020		54	
	7,955			59

*Remarks : \* The Company had to increase capacity utilization for a special case for supporting orders to customers.*

### 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 30 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 2018, around eighty five percent (85%) of the raw material used in the production process is imported from various countries through various agencies in Thailand and fifteen percent (15%) from domestic market. There were total 46 suppliers of raw materials, 19 suppliers from domestic and 27 suppliers from overseas.

Raw materials of CTW and its subsidiaries can be divided into four principal categories :

#### 1. 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 Australia, China and Indonesia etc. The both of metals price were regulated by the central market in Great Britain (London Metal Exchange), which originally, the Company was responsible for purchasing and procuring raw materials for customers. But in present, the Company's customers, who are the state enterprises have changed their policy to procure and supply raw materials by themselves and they hired the Company to produce for power cable products. As a result, the Company can reduce the burden of procurement and storing of raw materials as well as reduce the negative effects of fluctuations in raw materials price from the global market.

## Nature of Business

### 2. Insulator (Semi-Insulator):

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

#### 2.1 Thermoplastic insulators :

2.1.1 Polyvinyl chloride or PVC is supplied by domestic 3 suppliers.

2.1.2 Polyethylene or PE is supplied by domestic 1 supplier and imported from oversea 5 suppliers in USA, Japan, Sweden, Belgium, United Arab Emirates, Korea and Vietnam etc.

2.1.3 Low Smoke Halogen Free or LSHF is supplied by domestic 1 supplier and imported from oversea 2 suppliers.

2.2 Thermosetting Plastic insulators are imported from international suppliers.

2.3 Semi-conductive insulators are imported from international suppliers.

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

### 4. 99.9% Copper Cathode and 99.9 % Copper Rod :

Major raw materials that SPEWC needs to import from abroad through broker. As copper is considered as one of commodities whose main market is in Britain, namely, London Metal Exchange (LME). Its price can fluctuate all the time depending on demand and supply of global market. Due to the price fluctuations and the production volumes from copper mines, SPEWC has required to enter into the yearly sale and purchase contract with the quota of minimum order per month. This is also an agreement with the suppliers that they are obliged to supply and deliver copper as specified in the sales contracts.

## 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

Loxpac (Thailand) Co., Ltd. (Loxpac TH) held a telecom concession license to be the solo telecom service provider for FETZ (Free Economic and Trade Zone) in DPRK (Democratic People's Republic of Korea). In September 1996, the Company launched a local operator NEAT&T (North East Asia Telephone & Telecommunications Co. Ltd.) in FETZ which is a Joint Venture with KPTC (Korea Postal & Telecommunications Co. Ltd.). Loxpac TH ceased operation completely from March 31, 2018, now is in the proceeding of dissolution.

Loxpac Hong Kong Co., Ltd. (Loxpac-HK) held an Internet Service Provider ("ISP") concession license to starts a Joint Venture company "Star J.V." with KPTC to be the ISP in DPRK. Star J.V. lunched its internet service on 10 October 2010.

## Risk Factors

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

The Company's key raw materials used in manufacture about 90 percent is imported from abroad 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 raw material price fluctuation and currency risk, and its significance would pending on the size of the contract.

#### Steps taken to mitigate the risk:

In an effort to mitigate any fluctuation of raw material price and foreign exchange 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 Enterprises. In some cases, in order to manage the currency exchange risk, 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 foreign exchange risk. In addition, the Company monitors price trend regularly and compares the key 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. Moreover, the Company tries to search for new sources of key raw materials in order to obtain appropriate price and quality raw materials. The Company and its a subsidiary (SPEWC) have risk from fluctuation of raw material price, then they have made annual contract for purchase of raw material and monthly delivery in order to prevent the lack of raw materials.

### 2. Risk derived from change in manufacturing technology

Thailand is entering the fourth industrial revolution know as "Thailand 4.0" which promoted by the government for entrepreneurs in all sectors to implement and adopt new technology using of Artificial Intelligence (A.I) replacing humans, for reducing production costs and competing in the global market. As our Company's products involve power and telecommunication technology that needs continual research and development in order to create innovation and to improve product quality standard and performance to meet the global changes. In addition, manufacturing technology has changed rapidly, and the Company has to face competition in a more intensely competing market of electrical wire, especially competition in terms of pricing, the Company is hence exposed to certain risks and needs to improve its manufacturing process and product design by adopting more advanced and automated system with more productivity. The key target is to save production cost while product quality and performance is still preserved.

#### 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 all aspects of technology that involved with the Company's products such as production techniques, key raw material, machinery and testing tools in order to make more efficient, develop and improve the production that can meet the customer's and current market's needs. Over the past year, the Company has procured the new technology machinery with automated control system, low energy but more productivity to replace the existing machinery that having low production efficiency, not worth producing or high cost of production.

### 3. Risk derived from foreign currency

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 foreign currency exchange rate. 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 2019, the Company and its subsidiaries have outstanding balance of liabilities denominated in foreign currencies of USD 7 million. Therefore, to reduce the effect from exchange rate risk, the Company has managed the risk from exchange rate by entering into forward exchange contracts. Generally, the forward contracts mature within one year.

## Risk Factors

### Steps taken to mitigate the risk:

The Company group has entered into forward exchange contracts when it considered appropriate in order to reduce foreign currency risk. The Company and its subsidiaries still have foreign exchange contracts of USD 1 million as at 31 December 2019. 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.

### 4. Risk factors associated with control by major shareholders

There are four major shareholders of CTW that ultimately relate to Pacific Electric Wire & Cable Co., Ltd. group, (PEWC) with a total shareholding about 51 percent 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

The Government of Thailand has announced the Eastern Economic Corridor (EEC) Policy in order to promote investment for supporting both domestic and foreign investment, which will obtain the tax and land privileges. The EEC project will, initially, be focused in 3 eastern provinces namely Chachoengsao, Chonburi and Rayong, which will focus on transportation infrastructure development such as land, sea and ocean, and air transportations. In order to be ready to connect with neighboring countries. Expansion according to the said policy, resulting in, the Company may have skill labor shortage and labor mobility. This urges us to find more personnel holding knowledge, skill and expertise for such machinery and technology to replace the shortage labor.

### Steps taken to mitigate the risk:

The Company focuses on the importance of all levels of employees in order to preserve the employees who have skills, knowledge and experience in work. The Company has provided a clear path for career advancement in order for staffs to develop knowledge and ability in their line more and more and also provided the healthy working environment and improved adequate advance position and appropriate welfare facilities for employees and their family such as financial aids for marriage, having a baby, hospital admission, annual salary increase, shuttle buses service, attendance bonus etc. In addition, the Company has focused on the selection process of the new employee, to provided training, skill development and specialized knowledge in performance duties for know-how and advance position in career. Although the Company has the development plan for new employees to compensate the retired employees and to support the shortage of skilled labor in the future which they may move to the government system and government employee.

### 6. Risk from more intense domestic market competition

As a result of the government's more support for megaprojects e.g. transport network, power distribution network and telecommunication network etc., many more medium enterprises conducting businesses in the same field as the Company are interested in competing in electrical wire and cable market. At present, there are additional several more medium companies to become a key player in that market.

### Steps taken to mitigate the risk:

The Company's design and R&D team explores the real practical need of electrical cable by the customer in terms of extra quality of the cable or extra requirement of the customer through the joint development and experiment conducted with the customer in order to get value added products meeting the customer's need and to improve product quality and performance and set the standard for the new comer in the market.

## General Information

### Corporate Information

Charoong Thai Wire and 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, Debaratana Road, North Bangna Sub-district, Bangna District, Bangkok 10260. Its telephone numbers are (662) 745-6118 to 30 and facsimile numbers are (662) 745-6131 to 32. The Company’s home page on the internet is [www.ctw.co.th](http://www.ctw.co.th) and its registration number is 0107537000599. CTW has been a manufacturer and distributor of Aluminium Cables, Copper Cables, High-Voltage Cables, Telephone Cables, Fiber Optic Cables, Enameled Wires and Non-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 2 January 2020, it had paid-up capital in the amount of Baht 1,989,531,420.

### Reference Persons

#### Share Registrar

Thailand Securities Depository Co., Ltd. (TSD)

93 14<sup>th</sup> Floor, Rachadapisek Road,

Dindaeng, Dindaeng, Bangkok, 10400

Tel : (662) 009-9000

Fax : (662) 009-9992

Website : [www.set.or.th/tsd](http://www.set.or.th/tsd)

#### Auditor

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

Ms. Krongkaew Limkittikul, Certified Public Accountant License No. 5874 or

Mr. Natthawut Santipet, Certified Public Accountant License No. 5730

EY Office Limited (EY)

33<sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136 - 137 Rajadapisek Road, Klongtoey, Bangkok 10110

Tel. : (662) 264-9090

Fax : (662) 264-0789-90

Website : <http://www.ey.com>

## General Information

### Shareholding in Other Companies

Company Name and Location	Kind of Activity	Type	Issued Shares Number (Shares)	Shareholding Portion Number (Shares)	%
1. CTW-Beta Co., Ltd.	Investment & Holding Company	Ordinary Shares	10,000	9,993	99.93
2. Double D Cable Co., Ltd.	Manufacturer and distributor of aluminium and copper cables, and copper rod manufacturing service	Ordinary Shares	200,000	199,995	100.00
3. Slam Fiber Optics Co., Ltd. Head office : 589/71 Central City Tower 12A Fl., Debaratana Road, North 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	21,599,994	90.00
4. Slam Pacific Electric Wire & Cable Co., Ltd. Head Office : 30 Fl., Cham 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, enameled wires and non-enameled wires	Ordinary Shares	6,700,000	6,700,000	100.00
5. Shanghai Asia Pacific 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	10,548,737	6,548,737	62.08
6. Loxpac (Thailand) Co., Ltd.* Head Office : 139 Sethiwan Tower, 1 <sup>st</sup> Floor, Pan Road, Silom, Bangrak, Bangkok 10500 Tel : 084 0167912	Telecommunications	Ordinary Shares Preferred Shares	45,000,000 25,000,000	12,690,000 5,594,500	**24.56
7. Loxpac Hong Kong Ltd. Head Office : 18/F., Cigna Tower, 482 Jaffe Road, Causeway Bay, Hong Kong	Telecommunications	Ordinary Shares	50,000	9,825	19.65
8. Prospex Ltd.* Head Office : 2 Heather Street, Parnell, Auckland, New Zealand Tel : (649) 917-8338	Public Shell Company	Ordinary Shares	1,343,236	437,597	31.96
9. Thai Metal Processing Co., Ltd. Head Office : 25 Fl., Two Pacific Place Bldg. 142 Sukhumvit Rd., Klongtoey, Bangkok 10110 Tel : (02) 653-2550 (30 lines) Fax : (02) 653-2617	Fabrication of copper rod	Ordinary Shares	1,500,000	225,000	15.00

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



## Shareholding

### Major Shareholders

Major Shareholders as at 28<sup>th</sup> March 2019 (The latest Record Date in the year 2019) as follows:

Shareholders Group	No. of Shares	% of holding	Notes
<b>1. Pacific Electric Wire &amp; Cable Co., Ltd. (PEWC) Group</b>			
1.1 Singvale Pte Ltd.	86,999,500	21.87	International Juristic Person
1.2 Trigent Investment Holdings Ltd.	49,568,514	12.46	International Juristic Person
1.3 PEWC (Thailand) Co., Ltd.	36,206,398	9.10	Domestic Juristic Person
1.4 APWC (Thailand) Co., Ltd.	20,186,272	5.07	Domestic Juristic Person
	<b>192,960,684</b>	<b>48.50</b>	
<b>2. Italian-Thai Development Plc. Group</b>			
2.1 Italian-Thai Development Plc.	51,327,115	12.90	Domestic Juristic Person
2.2 Siam Concrete and Brick Products Co., Ltd.	3,188,686	0.80	Domestic Juristic Person
	<b>54,515,801</b>	<b>13.70</b>	
<b>3. Bangkok Insurance Plc. Group</b>			
3.1 Bangkok Insurance Plc.	27,900,524	7.01	Domestic Juristic Person
3.2 Mr. Chai Sophonpanich	2,731,210	0.69	Domestic Natural Person
	<b>30,631,734</b>	<b>7.70</b>	
<b>4. Management Group</b>			
4.1 Mr. Sun Tao-Heng	6,400,060	1.61	International Natural Person
<b>5. Other Group</b>			
5.1 China Tonghai Securities Limited A/C Client	10,000,000	2.51	International Juristic Person
5.2 Mr. Si Lok Mark Lee	3,500,000	0.88	International Natural Person
5.3 Mr. Tung Yu-Jeh	2,720,928	0.68	International Natural Person
5.4 Mr. Sittichai Boonsermmit	2,700,000	0.68	Domestic Natural Person
5.5 Mr. Suphot Rueangdechworachai	2,490,200	0.63	Domestic Natural Person
5.6 Mr. Nanthapan Mahattanatan	2,204,000	0.55	Domestic Natural Person
5.7 Minority Shareholders	89,782,877	22.56	
<b>Total</b>	<b>397,906,284</b>	<b>100.00</b>	

## Dividend Policy

The Company has dividend policy that in normal circumstances it is to provide the dividend payout ratio of not less than 25 percent of net profit based on the separate financial statements as at the end of year after deducting legal reserve and the Board shall propose to the shareholders meeting for approval.

The dividend policy of its subsidiary companies are as follows:

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

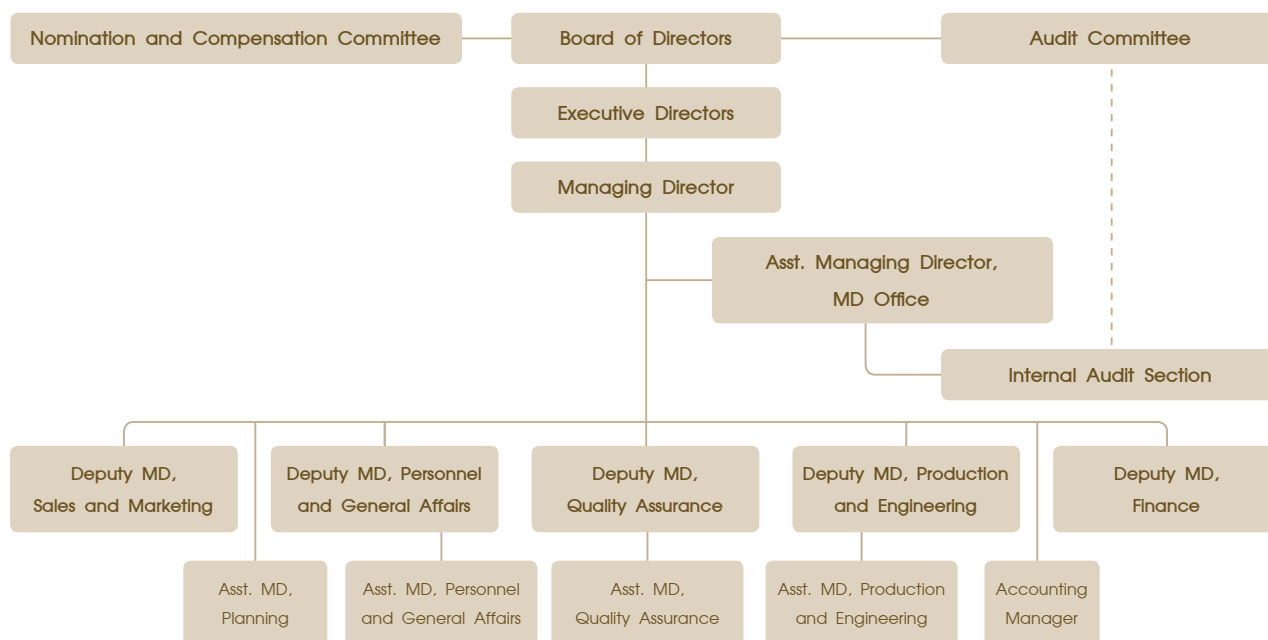
Siam Pacific Electric Wire & Cable Co., Ltd., determines the dividend payout ratio of not less than 25 percent of net profit after tax and to comply with the Civil and Commercial Code.

Siam Fiber Optics Co., Ltd., Shanghai Asia Pacific 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.

## Shareholding and Management Structure

### Management Structure

Organization Chart of Charoong Thai Wire and Cable Public Company Limited as at 31 December 2019



### 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 has 12 Directors as at 31 December 2019:

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. Kasem Kularbkeo*	Chairman and Member of the Nomination and Compensation Committee
6. Mrs. Sununtha Phaengsook*	Director and Deputy Managing Director, Finance
7. Mrs. Nijaporn Charanachitta	Director and Member of the Nomination and Compensation Committee
8. Mr. Sai Wah Simon Suen	Chairman of the Nomination and Compensation Committee, Audit Committee Member and Independent Director
9. Mr. Steven Suey Ku	Audit Committee Member and Independent Director
10. Mr. Lee Michael Chao-Chun	Director
11. Mr. Cheng Chow-Chun	Director
12. Mr. Surachai Sirivallop	Independent Director

**Remark:** \* Authorised directors

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

## Shareholding and Management Structure

### The Meeting Attendance of Directors for 2019

Name	Board Meeting (Total 4 times)	2019 AGM (29 <sup>th</sup> April 2019)
1. Mr. Chai Sophonpanich*	4/4	1
2. Mr. Premchai Karnasuta	3/4	-
3. Mr. Sun Tao-Heng	4/4	1
4. Mr. Pornwut Sarasin	4/4	1
5. Mr. Kasem Kularbkeo	4/4	1
6. Mrs. Sununtha Phaengsook	4/4	1
7. Mrs. Nijaporn Charanachitta	3/4	1
8. Mr. Sai Wah Simon Suen	4/4	1
9. Mr. Steven Suey Ku	4/4	-
10. Mr. Surachai Sirivallop	4/4	1
11. Mr. Lee Michael Chao-Chun	3/4	1
12. Mr. Cheng Chow-Chun*	3/3	-

**Remarks:** \* To be appointed as the Company's director on 14 March 2019.

### Authorities and Duties of directors :

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

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

Besides, the Board of Directors delegates management authority to manage or make decisions relating to the normal business practices of the Company, but it is not allowed to approve transactions that may cause a conflict of interest among members of the executive management. In addition to the above, the Board of Directors has granted the Managing Director the authority to approve purchases or sales of assets in the maximum value of Baht 50 million, with any amount higher than that to requiring the approval from the Board of Directors.

### 2. Audit Committee

The Company's Audit Committee consists of 3 members as at 31 December 2019 :

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

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

## Shareholding and Management Structure

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

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

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

### 3. Nomination and Compensation Committee

The Company's Nomination and Compensation Committee consists of 3 members as at 31 December 2019 :

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

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

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

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

## Shareholding and Management Structure

### 4. Executive Directors and Management Team

The Company's Executive Directors and Management Team as at 31 December 2019 :

Name	Position
1. Mr. Sun Tao-Heng	Managing Director
2. Mr. Kasem Kularbkeo	Executive Director
3. Mrs. Sununtha Phaengsook	Executive Director and Deputy Managing Director, Finance
4. Mr. Tanasit Aungkasit	Deputy Managing Director, Sales and Marketing
5. Mr. Suvit Veerapong	Deputy Managing Director, Production and Engineering
6. Mr. Sathit Tabpech	Deputy Managing Director, Quality Assurance
7. Mr. Ponrawat Charoengsukpaisarn	Deputy Managing Director, Personnel and General Affairs
8. Mrs. Apanut Wongjarit	Accounting Manager

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

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

#### Secretary of the Company

Miss Kanjana Anekwasinchai

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

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

## Shareholding and Management Structure

- 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 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 2019 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 Board of Director :

- Chairman	Baht 50,000 per meeting
- Director	Baht 40,000 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

There was no the monthly remuneration, special remuneration or other benefit for directors.

## Shareholding and Management Structure

### The Compensation of Directors for 2019

#### Monetary Compensation

No.	Name	Position	Meeting Fees (Baht)	Director Remuneration (Baht)**
1.	Mr. Chai Sophonpanich	Chairman	200,000	1,151,268
2.	Mr. Premchai Karnasuta	Vice-Chairman	120,000	2,648,400
3.	Mr. Sun Tao-Heng	Managing Director	160,000	1,765,600
4.	Mr. Pornwut Sarasin	Chairman of Audit Committee and Independent Director	160,000	1,765,600
5.	Mr. Kasem Kularbkeo	Director and Member of the Nomination and Compensation Committee	160,000	2,955,566
6.	Mrs. Sununtha Phaengsook	Director and Deputy Managing Director, Finance	160,000	1,765,600
7.	Mrs. Nijaporn Charanachitta	Director and Member of the Nomination and Compensation Committee	120,000	1,765,600
8.	Mr. Sai Wah Simon Suen	Audit Committee Member, Independent Director and Chairman of the Nomination and Compensation Committee	160,000	1,765,600
9.	Mr. Steven Suey Ku	Audit Committee Member and Independent Director	160,000	1,765,600
10.	Mr. Surachai Sirivallop	Director	160,000	1,765,600
11.	Mr. Lee Michael Chao-Chun	Director	120,000	1,765,600
12.	Mr. Cheng Chow-Chun *	Director	120,000	-
Total			1,800,000	20,880,034

As at 31 December 2019, CTW has 12 directors.

Remarks : \* To be appointed as the Company's director on 14 March 2019.

\*\* Director remuneration was calculated from the 2018's operating results but it was paid in 2019.

### The Compensation of Audit Committee for 2019:

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

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

### The Compensation of the Nomination and Compensation Committee for 2019:

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 2019:

	(Number of person)	Salary (Million Baht)	Consultant Fee and Bonus (Million Baht)	Total (Million Baht)
Executive Directors and Management Team	8	22.97	12.83	35.80

## 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	EDUCATIONS/ CERTIFICATIONS	5 YEARS' WORK EXPERIENCES		
		PERIOD	POSITION	COMPANY
<b>MR. PONG SARASIN</b> Honorary Chairman Age : 92 years % Holding : 0.03 <u>Family relation between management</u> Father of Mr. Pomwut Sarasin, who is CTW's Independent Director and Chairman of Audit Committee.	Honorary Ph.D, Business Administration, Chulalongkorn University	1994 - Present	Honorary Chairman	Charoong Thai Wire and Cable Plc.
		2000 - Present	Chairman	Honda Automobile (Thailand) Co., Ltd.
		2013 - Present	Honorary Chairman	Thai Pure Drinks Co., Ltd.
<b>MR. CHAI SOPHONPANICH</b> Chairman Age : 76 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		2018 - Present	Chairman	Charoong Thai Wire and Cable Plc.
		2018 - Present	Chairman	Bangkok Insurance Plc.
		2010 - 2015	CEO	Bangkok Insurance Plc.
		2018 - Present	Chairman	Bumrungrat Hospital Plc.
		2018 - Present	Chairman	Thai Reinsurance Plc.
		2018 - Present	Chairman	Furukawa Metal (Thailand) Plc.
		1989 - Present	Vice-Chairman	Thai Metal Processing Co., Ltd.
<b>MR. PREMCHAI KARNASUTA</b> Vice-Chairman Age : 66 years % Holding : 0.00 <u>Family relation between management</u> Younger brother of Mrs. Nijaporn Charanachitta, who is CTW's Director.	MBA, University of Southern California, USA	2009 - Present	Vice - Chairman	Charoong Thai Wire and Cable Plc.
		1985 - Present	Chairman	Italian Thai Development Plc.
		1979 - Present	Chairman	Bangkok Steel Wire Co., Ltd.
		1997 - Present	Director	Siam Fiber Optics Co., Ltd.
		Present	Director	Siam Steel Syndicate Plc.
		Present	Director	ITD Cementation India Co., Ltd.
		Present	Director	Siam Machinery & Equipment Co., Ltd.
		Present	Director	Thai Pride Cement Co., Ltd.
		Present	Director	Myanmar ITD Co., Ltd.
<b>MR. SUN TAO - HENG</b> Managing Director (Authorized director) Age : 66 years % Holding : 1.74 - MBA, University of Southern California, USA - Training courses from Thai Institute of Directors (DAP 73/2008)		1994 - Present	Managing Director	Charoong Thai Wire and Cable Plc.
		1996 - Present	Managing Director	CTW-Beta 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.
<b>MR. PORNWUT SARASIN</b> Independent Director and Chairman of Audit Committee Age : 60 years % Holding : 0.01 - MBA, Pepperdine University, USA - Training courses from Thai Institute of Directors (DAP 45/2005)		1986 - Present	Independent Director	Charoong Thai Wire and Cable Plc.
		2001 - Present	Chairman of Audit Committee	Charoong Thai Wire and Cable Plc.
		2013 - Present	Chairman	Thai Pure Drinks Co.,Ltd.
		2017 - Present	Chairman	BG Container Glass Plc.
		Present	Director	Crown Seal Plc.
		Present	Director	Home Product Center Plc.
		Present	Director	AP (Thailand) Plc.
<u>Family relation between management</u> Son of Mr. Pong Sarasin, who is CTW's Honorary Chairman.				



## Shareholding and Management Structure

NAME-SURNAME/POSITION	EDUCATIONS/ CERTIFICATIONS	5 YEARS' WORK EXPERIENCES		
		PERIOD	POSITION	COMPANY
<b>MR. KASEM KULARBKEO</b> Director and Member of the Nomination and Compensation Committee (Authorized director) Age : 88 years % Holding : 0.006	- B.A. (Engineering), Chulalongkorn University - Training courses from Thai Institute of Directors (DAP 35/2005, RCC 2/2007 and DCP 126/2009) - Diploma, National Defence College (Class 29)	1995 - Present	Director	Charoong Thai Wire and Cable Plc.
		1992 - Present	Advisor	Charoong Thai Wire and Cable Plc.
		2006 - Present	Member of the Nomination and Compensation Committee	Charoong Thai Wire and Cable Plc.
		1992 - Present	Senior Advisor	TASA Industrial Co., Ltd.
<b>MR. STEVEN SUEY KU</b> Independent Director and Member of Audit Committee Age : 63 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 and Cable Plc.
		2002 - Present	President	Lay Grand International Co., Ltd.
		2002 - Present	President	Suzhou King Packing Materials Co., Ltd.
		2011 - Present	President	Smartco International Co., Ltd.
<b>MR. Lee Michael Chao Chun</b> Director Age : 68 years % Holding : 0.07	B.A. (Business Administration) Boston University, USA	Present	Director	Charoong Thai Wire and Cable Plc.
		2007 - Present	Director	Siam Pacific Electric Wire & Cable Co., Ltd.
		Present	Chairman and President	DING-HAO Acme Co., Ltd.
		Present	Director	Asia Pacific Wire & Cable Corp., Ltd.
<b>MR. SAI WAH SIMON SUEN</b> Independent Director, Member of Audit Committee and Chairman of the Nomination and Compensation Committee Age : 60 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 and Cable Plc.
		2018 - Present	Independent Director and Audit Committee Member	Italian Thai Development Plc.
<b>MRS. NIJAPORN CHARANACHITTA</b> Director and Member of the Nomination and Compensation Committee Age : 69 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 and Cable Plc.
		2006 - Present	Member of the Nomination and Compensation Committee	Charoong Thai Wire and Cable Plc.
		1994 - Present	Senior Vice-Executive Chairman	Italian Thai Development Plc.
		Present	Chairman	OHTL Plc.
		Present	Chairman	Siam Steel Syndicate Plc.
		Present	Chairman	TTCL Plc.
		Present	Director	Bangkok Steel Wire Co., Ltd.
Present	Director	Siam Concrete and Brick Product Co., Ltd.		
Present	Director	Italthai Industrial Co., Ltd.		
<b>Family relation between management</b> Elder sister of Mr. Premchal Karnasuta, who is CTW's Vice-Chairman.				
<b>MR. SURACHAI SIRIVALLOP</b> Independent Director Age : 78 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 and Cable Plc.
		2018 - Present	Vice-Chairman	Thai Reinsurance Plc.
		2017 - Present	Member of the Nomination and Compensation Committee	Thai Reinsurance Plc.
		2016 - Present	Member of Investment Committee	Thai Reinsurance Plc.
		2016 - 2017	Vice-Chairman, CEO and Investment Committee Member	Thai Reinsurance Plc.
		2012 - 2016	Director, Executive Chairman and Chairman of Risk Management Committee	Thaire Life Assurance Plc.
		2007 - Present	Director and Audit Committee Member	OHTL Plc.
		2011 - Present	Chairman	Thai Re Actuarial Consulting Co., Ltd.
		2006 - Present	Chairman	ThaiRe Services Co., Ltd.
		2001 - Present	Chairman	EMCS Thai Co., Ltd.

## Shareholding and Management Structure

NAME-SURNAME/POSITION	EDUCATIONS/ CERTIFICATIONS	5 YEARS' WORK EXPERIENCES		
		PERIOD	POSITION	COMPANY
<b>MRS. SUNUNTHA PHAENGSOOK</b> Director and Asst. Managing (Authorized director) Age : 78 years % Holding : 0.01	- Mini MBA, Thammasat University - Training courses from Directors (DCP 4/2000) - Seminar "The New TFRS need to know" Course Approved by Federation of Accounting Professions	2000 - Present	Director	Charoong Thai Wire and Cable Plc.
		2018 - Present	Deputy. Managing Director, Finance	Charoong Thai Wire and Cable Plc.
		1994 - 2017	Asst. Managing Director, Finance	Charoong Thai Wire and 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.		
<b>MR. Cheng Chow-Chun</b> Director Age : 61 years % Holding : 0.05	B.S. (Finance) University of Southern California, USA	Present	Director	Charoong Thai Wire and Cable Plc.
		2010 - Present	Chairman	Asia Pacific Wire & Cable Corp., Ltd.
		2015 - Present	Vice-Chairman	Pacific Electric Wire & Cable Co., Ltd.
		2007 - Present	Director	Siam Pacific Electric Wire & Cable Co., Ltd.
<b>MR. TANASIT AUNGKASIT</b> Deputy. Managing Director, Sales and Marketing Age : 64 years % Holding : 0.007	M.S. (Plant), California State University, USA	2018 - Present	Deputy. Managing Director, Sales and Marketing	Charoong Thai Wire and Cable Plc.
		1994 - 2017	Asst. Managing Director, Sales and Marketing	Charoong Thai Wire and 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.
<b>MR. SATHIT TABPECH</b> Deputy Managing Director, Quality Assurance Age : 64 years % Holding : 0.002	- MBA, The University of the Thai Chamber of Commerce - Training courses from Thai Institute of Directors (DCP 149/2011)	2018 - Present	Deputy Managing Director, Quality Assurance	Charoong Thai Wire and Cable Plc.
		1994 - 2017	Asst. Managing Director, Quality Assurance	Charoong Thai Wire and Cable Plc.
		1996 - Present	Director	CTW-Beta Co., Ltd.
		1997 - Present	Director and General Manager	Siam Fiber Optics Co., Ltd.
		2013 - Present	Director	Double D Cable Co., Ltd.
<b>MR. SUVIT VEERAPONG</b> Deputy Managing Director, Production and Engineering Age : 68 years % Holding : 0.05	M.S. (Engineering), King Mongkut's Institute of Technology (North Bangkok)	2018 - Present	Deputy Managing Director, Production and Engineering	Charoong Thai Wire and Cable Plc.
		1994 - 2017	Asst. Managing Director, Production and Engineering	Charoong Thai Wire and Cable Plc.
		1996 - Present	Director	CTW-Beta Co., Ltd.
		2012 - Present	Director	Double D Cable Co., Ltd.
<b>MR. PONRAWAT CHAROENSUKPAISARN</b> Deputy Managing Director, Personnel and General Affair Age : 82 years % Holding : 0.02	High School, Chung-Yu College, Taiwan R.O.C.	2018 - Present	Deputy Managing Director, Personnel and General Affairs	Charoong Thai Wire and Cable Plc.
		1994 - 2017	Asst. Managing Director, Personnel and General Affairs	Charoong Thai Wire and Cable Plc.
		1996 - Present	Director	CTW-Beta Co., Ltd.
<b>MRS. APANUT WONGJARIT</b> Accounting Manager Age : 63 years % Holding : None	- B.A. (Accounting), Krirk University - Seminar "Focus the 2019 Transfer Pricing Law: The Accountants must study and not miss" 6 hours and "The New TFRS need to Know" 7 hours. Courses Approved by Federation of Accounting Professions	2005 - Present	Accounting Manager	Charoong Thai Wire and Cable Plc.
<b>Miss KANJANA ANEKWASINCHAI</b> Company Secretary Age : 51 years % Holding : None	- MBA, Srinakharinwirot University - Training courses from Thai Listed Companies Association (Fundamental Practice for Corporate Secretary-FPCS19)	2008 - Present	Company Secretary	Charoong Thai Wire and Cable Plc.
		2018 - Present	Manager, Corporate Services	Charoong Thai Wire and Cable Plc.
		2005 - Present	Head of Internal Audit Section	Charoong Thai Wire and Cable Plc.

## Shareholding and Management Structure

### Changes in the CTW Shares held by Directors and Executives in 2019

Name	POSITION	Shares held As at 31 Dec. 2018	Shares held As at 31 Dec. 2019	Increase/ (Decrease) Shares held In 2019	Percentage of shares held (%)
MR. CHAI SOPHONPANICH	Chairman	2,731,210	2,731,210	-	0.69
MR. PREMCHAI KARNASUTA	Vice-Chairman	106	106	-	0.00
MR. SUN TAO - HENG	Managing Director	5,337,260	5,337,260	-	1.34
Spouse		1,600,000	1,600,000	-	0.40
MR. PORNWUT SARASIN	Chairman of Audit Committee and Independent Director	38,150	38,150	-	0.01
MR. KASEM KULARBKEO	Director and Member of the Nomination and Compensation Committee	6,000	6,000	-	0.00
Spouse		16,800	16,800	-	0.00
MR. STEVEN SUEY KU	Member of Audit Committee and Independent Director	-	-	-	-
MR. LEE MICHAEL CHAO-CHUN	Director	264,958	264,958	-	0.07
MR. SAI WAH SIMON SUEN	Chairman of the Nomination and Compensation Committee, Member of Audit Committee and Independent Director	-	-	-	-
MRS. NIJAPORN CHARANACHITTA	Director and Member of the Nomination and Compensation Committee	106	106	-	0.00
MR. SURACHAI SIRIVALLOP	Independent Director	-	-	-	-
MRS. SUNUNTHA PHAENGSOOK	Director and Deputy Managing Director, Finance	40,400	40,400	-	0.01
Spouse		2,000	2,000	-	0.00
MR. TANASIT AUNGKASIT	Deputy Managing Director, Sales and Marketing	23,400	23,400	-	0.01
Spouse		4,000	4,000	-	0.00
MR. SATHIT TABPECH	Deputy Managing Director, Quality Assurance	7,200	7,200	-	0.00
MR. SUVIT VEERAPONG	Deputy Managing Director, Production and Engineering	40,000	40,000	-	0.01
Spouse		105,033	160,033	55,000	0.04
MR. PONRAWAT CHAROENSUKPAISARN	Deputy Managing Director, Personnel and General Affairs	41,848	41,848	-	0.01
Spouse		23,360	33,360	10,000	0.01
MRS. APANUT WONGJARIT	Accounting Manager	-	-	-	-

## 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 and Cable Plc.	Subsidiary, Associated and Related Companies											
		CTW Beta	SFO	SPEWC	DDC	SAP	PEWC	APWC	ITD	TMP	Loxpac	Loxpac HK	
Mr. Pong Sarasin	Honorary Chairman												
Mr. Chai Sophonpanich	Chairman									/			
Mr. Premchai Karnasuta	Vice-Chairman		//							X			
Mr. Sun Tao-Heng	Managing Director	//	//	X	//	/	//	//		/			
Mr. Pomwut Sarasin	Chairman of Audit Committee and Independent Director												
Mr. Kasem Kularbkeo	Chairman and Member of the Nomination Compensation Committee												
Mr. Sai Wah Simon Suen	Chairman of the Nomination and Compensation Committee, Audit Committee Member and Independent Director												
Mr. Lee Michael Chao-Chun	Director			/		/		/					
Mr. Cheng Chow-Chun	Director			/		/	/	X					
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 Deputy Managing Director, Finance	//			//								
Mr. Ponrawat Charoensukpaisarn	Deputy Managing Director, Personnel and General Affairs	/											
Mr. Tanasit Aungkasit	Deputy Managing Director, Sales and Marketing	/	//		/								
Mr. Suvit Veerapong	Deputy Managing Director, Production and Engineering	/			//								
Mr. Sathit Tabpech	Deputy Managing Director, Quality Assurance	/	//		/								
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.

SAP : Shanghai Asia Pacific Electric Co., Ltd.

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

TMP : Thai Metal Processing Co., Ltd.

Loxpac-HK : Loxpac Hong Kong Co., Ltd.

SFO : Siam Fiber Optics Co., Ltd.

DDC : Double D Cable Co., Ltd.

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

ITD : Italian Thai Development Plc.

LoxPac : Loxpac (Thailand) Co., Ltd.

## Shareholding and Management Structure

### List of Directors of its Subsidiary Companies.

Name of Directors	Name of Subsidiary Companies				
	CTW-Beta	SFO	SPEWC	SAP	DDC
Mr. Premchai Karnasuta		//			
Mr. Sun Tao-Tsun			/		
Mr. Sun Tao-Heng	//	//	X	/	//
Mr. Lee Michael Chao-Chun			//	/	
Mr. Yuan Chun-Tang			/	/	
Mr. Cheng Chow-Chun			/	/	
Mrs. Sununtha Phaengsook	//				//
Mr. Tanasit Aungskasit	/	//			/
Mr. Ponrawat Charoensukpaisarn	/				
Mr. Sathit Tabpech	/	//			/
Mr. Suvit Veerapong	/				//
Mr. Chang Hsiao-Chun	//		//		/
Mr. Kuei Chih-Chung	//	//			
Mr. Chen Cheng Nan			//		
Mr. Bandhit Tanchavalit			//		
Mr. Chartchai Chutima			/		
Mr. Chu, Ying - Shyang			/		
Mr. Gong Wei			//	/	
Mr. Lu, Wei Ming				/	

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

## Shareholding and Management Structure

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

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

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

#### Selection of Directors

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

1. The Nomination and Compensation Committee is responsible for selecting an appropriate person, taking into account experience, vision, ability and character, and submit to the shareholders meeting for further approval.
2. The Company's directors shall number not less than five 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 case of a tie vote, the Chairman of the meeting shall have a casting vote.

#### Expiration of Directors

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

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

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.

## Corporate Governance

The Company has complied with the Good Corporate Governance principles according to the following 5 categories:

### 1. Rights of shareholders

The Company always recognizes the importance of shareholders and concerns the shareholder's rights. The practices of the shareholder's right are as follows:

- 1.1 The Company shall not perform any actions which are diminishing rights of shareholders.
- 1.2 The Company shall set up shareholders' meeting at the Company's headquarter which shareholders are able to travel conveniently.
- 1.3 Regarding 2019 shareholders' meeting, the Company has not increase any agendas which are not stated in the invitation which have been sent to all shareholders.
- 1.4 Regarding invitational letter and supporting documents of each agenda, there are explanations and information for shareholders to completely studied.
- 1.5 The Company informs the procedures of voting and score counting prior to the shareholders' meeting and use the voting card.
- 1.6 The Company fully facilitate and enhance shareholder to be able to join the meeting and vote.
- 1.7 In the shareholders' meeting, the Company provides the opportunity for the shareholders to question and give opinion independently any matters concerning the Company's operation.
- 1.8 The Company proposes the shareholders' meeting to consider and approve the directors' remuneration every year, and approve the dividend payment when the Company has a profit.
- 1.9 The Company poses the minutes of shareholders' meeting via SET channel and the Company's website within 14 days from the shareholders' meeting date and discloses the voting results of each agenda.
- 1.10 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.
- 1.11 As at 28 March 2019, the latest Record Date, the Company has 27.32% of free float shares.

### 2. Equitable Treatment of Shareholders

The Company always recognizes the importance of shareholders and fair shareholder's practice. In 2019, the shareholders' meeting was held an ordinary on April 29, 2019, at the Company's Head Office, 9 directors of 11 directors or equal to 81.82 percent in total had joined the meeting. The Company practices for fair shareholders' practice are as follows:

- 2.1 In order to ensure that each shareholder has background information for reviewing the issues and making informed decision, the Company had prepared the invitation, meeting agenda, opinion of the Board and other support documents to all shareholders.
- 2.2 The Company sent out the invitation to shareholders at least 10 days in prior to the date of the shareholders' meeting.
- 2.3 The Company set up the invitation to shareholders' meeting in both Thai and English and is also placed in daily newspapers and posted on the Company's website prior to the meeting date.
- 2.4 Provide the opportunity for shareholders who cannot attend shareholders' meeting by themselves, exercise voting rights by authorizing representative to attend the vote instead. The power of attorney type B which shareholders could vote independently for each agenda is attached with the invitation letter.
- 2.5 Each shareholder shall have a number of votes equal to the number of shares held with one vote per share.
- 2.6 Shareholders have the right to elect each board member individually.
- 2.7 At the Annual General Meeting of Shareholders for 2019, the Company also provided an option to shareholders whereby they may appoint of three independent directors as their proxy. There were 7 shareholders who authorized the independent director to attend the meeting and vote on their behalf.
- 2.8 The Company has issued the Policy on Securities Trading and Inside Information. The directors, executives and employees must comply with such policy as follows:
  - 1) Whenever buying, selling, transferring or accepting transfer of the Company's securities, such director or executive shall submit securities exchange report as per the Form 59-2 to the Office of Securities and Exchange Commission and the Company Secretary within 3 working days from the date of such purchase, sale, transfer or acceptance of transfer of the Company's securities.

## Corporate Governance

- 2) Directors, executives and employees who can access to inside information are prohibited from using such inside information for personal benefit or disclosing it to the third party, directly or indirectly, and by whatsoever mean; knowing or should know that receiver of such information may exploit it in securities trading for his personal or the third party's benefit and with or without compensation.
- 3) Directors, executives and employees who can access to inside information are prohibited from trading the Company's securities during the period before disclosure of inside information.
- 4) The Company restricts the access to the financial statements and relevant information of the Company prior to submit to the SET. The directors, executives and employees are instructed to keep all information confidential.

The Company will inflict in case of violation of the Policy on securities Trading and Inside Information as follows:

- 1) Directors, Executives : The Securities and Exchange Act, Section 296 provides that any person who exploits inside information for securities trading (Section 242) "shall be liable to imprisonment for a term not exceeding two years or a fine of five hundred thousand up to two million baht, or both."
  - 2) Employees who can access to inside information : Employee who contravenes this Policy may be subject to disciplinary action to the extent that he may be expelled from the job and also to civil and criminal liability under the Securities and Exchange Act.
- 2.9 The Company's related parties transactions have to comply with all the regulations of the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.

### 3. Role of Stakeholders

The Company always realizes the importance of all concerned parties as follows:

- 3.1 The Company has the Corporate Social Responsibility policy and Anti-Corruption policy which approved by the Board of Directors.
- 3.2 In case the Company has a profit, the payment of remuneration or special reward for directors and employees will be proposed the shareholders meeting to approve each year.
- 3.3 The Company has provided the Code of Conduct for Directors and Employees which is to be guideline to 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. The Company has set up Occupational Safety and Health Committee which the evaluation will be performed on monthly basis. It also set employment procedures and equal employment to ensure that it employs the person who has quality and necessary knowledge for the business operations.

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

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

In addition, the Company has established the provident fund for employees since the year 1993 to ensure financial security after retirement or leave a job. Employee can request for early retirement when reached the age of 55 and has been working for 25 years which the employee shall receive compensation according to the Company's regulations and laws.

**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:** There shall be responsibility to the community and social regarding to use of resources and environmental protection. The Company has realized about the importance to maintain the environment and has perform management by using technologies and production processes which are up to the environmental standards regarding ISO 14001 : 2015 by establishing waste treatment systems such as waste water treatment system before releasing to the nature, treatment system of smokes for burning process, dust filtering



## Corporate Governance

system, and also establishing waste and industrial waste segregation plant in order to perform treatments which are accordance to the principles and performed by the certified units from Department of Industrial Works. 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. Moreover, the process shall be free of black smokes, Sulfur Dioxide (SO<sub>2</sub>), and Carbon Monoxide (CO). It will directly cut the cost for treatment of emission from combustion. The Company has regularly implemented a preventive maintenance (P.M.) by the experts, including particulate measure in the work place and flue in order to prevent particulate and gas pollution. It has also installed smoke and dust treatment equipment.

Regarding electricity usage which considered as the main energy of production, the Company give the importance and also provide support to "Energy conservation in establishment's project" according to The Energy Conservation Promotion Act of Ministries of Energy by set up energy conservation committee, consistently specifying of policies and work plans, and set up energy conservation seminar to employees. The actions also include improve and adjust equipment and machines such as change the piston air compressor to screw compressor, change the damaged existing air conditioners to the energy-saving air conditioners, change 36W fluorescent bulbs to 10W LED bulbs in the office and factory, install capacitor bank to adjust power factor value of the factory in order to reduce system loss and reduce the fines to electrical authority, maintain machines per plan in order to reduce the loss and increase production efficiency. The Company has also participated in the low-power machinery replacement project with the Department of Energy Conservation and Renewable (DEDE) and received partial fund from DEDE to purchase new machines.

**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

The Company gives important on the disclosure of information regarding their correct and complete as follows:

- 4.1 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.  
In the year 2019, the auditor issued the unqualified opinion on the Company's 2019 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.
- 4.2 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.
- 4.3 The Company disclosed the scope, functions and responsibilities of the directors, and committee as follows :
  - 4.3.1 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 17 - 19)
  - 4.3.2 Disclosed the duties of the Board for the year 2019 e.g. number of meeting number of attendance of each director.
  - 4.3.3 Disclosed the compensation of director (Refer to the Compensation of Director on page 21)
- 4.4 The Company completely disclosed the details on the related party transactions. (Refer to the Related Transaction on page 37 - 40)
- 4.5 The Company has posed the financial statements, annual information form, annual report and minutes of the annual general meeting of shareholders on the Company's web site at [www.ctw.co.th](http://www.ctw.co.th).

## Corporate Governance

- 4.6 The Company disclosed audit fee paid to its auditor. (Refer to the Fee to the Auditor on page 84)
- 4.7 Shareholders and 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 regarding the corporate governance for the Company's maximum benefit, details as follows:

#### 5.1 Board Structure

- 5.1.1 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.
- 5.1.2 As at 31 December 2019, the Company's 12 directors consists of:
- |                         |   |
|-------------------------|---|
| Executive Directors     | 3 Persons                                   |
| Non-Executive Directors | 9 Persons (Independent Directors 4 persons) |
- 5.1.3 At every annual general meeting of shareholders, one-third of the directors must be retired. Then the director has 3 years - period each.
- 5.1.4 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.
- 5.1.5 The Company has the Company Secretary to advise about laws and regulations that the directors shall know.

#### 5.2 Committees

- 5.2.1 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.
- 5.2.2 The attendance of each member of audit committee and nomination and compensation committee. (Refer to the Directors Structure and Scope of duties of the committees of the company on page 17 - 18)
- 5.2.3 The Chairman of the Board is not the chairman of any committee to ensure independence of the committees.
- 5.2.4 The Chairman of all committee of the Company is also the independent director.

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

- 5.3.1 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 2019, the Company has no violation of the laws or related regulations of the SEC or the Stock Exchange of Thailand (SET).
- 5.3.2 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.
- 5.3.3 The attendance of each Board of Directors (Refer to the Board of Directors on page 17)

#### 5.4 Board Meetings

- 5.4.1 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.
- 5.4.2 The Company Secretary 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.
- 5.4.3 The quorum of each meeting requires at least 50% of the total number of Board members.
- 5.4.4 In 2019, 4 Board 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 4 minutes.
- 5.4.5 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.

## Corporate Social Responsibility

### Corporate Social Responsibility (CSR) Policy

Charoong Thai Wire and Cable Public Company Limited and subsidiaries engages in manufacturing and distributing electric wire and cable, telephone cable, fiber optic cable, enameled wire and non-enameled wire. It is determined to conduct its business with accountability against any possible impacts resulting from the Company's operation. The Company shall also manufacture products of quality and safety that international standard guided by good corporate governance and accountability for community and environment, taking into account all stakeholders. The Company hence sets out its CSR Policy as follows:

#### CSR Practice

##### 1. Business Ethics

The Company promotes free trade competition. The Company's directors, management and staffs shall, in their decision making and business conduct, strictly adhere to applicable laws, rules and regulations. They are also asked to conduct oneself under good moral principle and avoid doing anything leading to conflict of interest.

##### Ways of conduct

- 1) Not supporting any infringement of the intellectual property and copyrights.
- 2) Strictly comply with the agreed conditions and contracts with the customers, business partners, or creditors.
- 3) Manufacture up to standard quality and safety products with a suitable selling price.
- 4) Avoid doing any matters which can lead to beneficial conflicts. In case of having to do so, all information shall be fully disclosed.

##### 2. Respect to human right

The Company gives priority to and respects human rights by treating all relevant parties under equality without discrimination based on gender, race, religion or domicile. It also promotes compliance with universal human right principles.

##### Ways of conduct

- 1) Encourage in work equity with no discrimination in racial, religion, gender and domicile.
- 2) Discourage using child labor and support any opposing of using child labor campaign.
- 3) Create a good working environment and strictly conform to the laws, rules and regulations.
- 4) Encourage employees to treat others in respect to people human rights.

##### 3. Fair treatment of labour

The Company strives to provide safe and healthy working environment for its staffs. Work conditions are set out under fair terms with reasonable compensation and welfare. It is intended to allow all staffs to work with happiness and good quality of life.

##### Ways of conduct

- 1) Strictly follow the labor laws, rules and regulations.
- 2) Provide clean, safe and hygiene working place for employees.
- 3) Provide doctor and nurse to be stationed at the factory clinic
- 4) Encourage and support the employees to strictly follow the rules and regulations of work safety.
- 5) Set up a Welfare Committee in order to observe and improve employee welfare and working environment.
- 6) Set up an Occupational Health and Safety Committee in order to observe, follow up and provide a report on any safety, risks, accidents and injuries which may happen during work operation to create awareness to all employees.

## Corporate Social Responsibility

- 7) Provide equal job and promotion opportunity to all employees.
- 8) Encourage and support skill training both in-house and outside for the employees.
- 9) Avoid doing a double standard manners which is against the laws.
- 10) Allow for a complaint in case of unfairness.
- 11) Encourage exercise activities to enhance a good health for employees by providing a place, tools and equipments for exercise.

### 4. Consumer responsibility

The Company is determined to manufacture product of quality and safety that meet international standards. Its products have to be the perfect solution for demand and expectation by customer. They are sold at fair price with reasonable warranty and quality claim. The Company also engages in communicating on how to get the most out of them properly and safely.

#### Ways of conduct

- 1) Set up suitable selling price. Manufacture up to International standard quality and safety products.
- 2) Provide a warranty and receive any complaints regarding the quality of the products.
- 3) Create products awareness by setting a product manual in order to give the right information, safety, its applications and able to provide right and clear information for the product.
- 4) Strictly follow the laws and Standard of Consumer Protection.

### 5. Environmental conservation

The Company conducts its business by strictly observing environmental laws and regulations, promoting resource efficiency, putting in place energy saving measures, pollution control and environmental conservation.

#### Ways of conduct

- 1) Encourage to recycle of packaging materials and other recycle materials such as wooden wheels, iron wheels, etc.
- 2) Use of natural gas instead of fuel oil in order to save energy and reduce pollution.
- 3) Provide efficient industrial waste water treatment system which the treated water shall also be utilized such as plant watering, etc.
- 4) Make use of remaining food from the cafeteria in order to produce enzyme ionic plasma to water home-grown vegetables which are planted within the factory.
- 5) Establish waste and industrial waste segregation plant regarding to recycle waste, contaminated waste, hazardous waste, compostable waste, and manage the disposal by using different treatment methods by using the companies which have license from Department of industrial works.
- 6) To participate the Demand Response Program with Energy Regulatory Commission.
- 7) To be certified as Green Industry from the Ministry of Industry.
- 8) To attend the Waste Management in production activity according to 3Rs from the Ministry of Industry and obtained the certification of Waste manage process, Reduce, Reuse and Recycle.

## Corporate Social Responsibility

### 6. Contribution to community and social development

The Company is committed to conducting its business with responsibility to environment, community and society and supporting participation in any activities aimed for public good. The Company's staffs are encouraged to have good spirit and public service mind.

#### Ways of conduct

- 1) Encourage and support employees to be involved in public contribution activities.
- 2) Encourage all employees to conduct their duties in a responsible way to the environment, community and society.
- 3) Encourage employees to have a good conscious and a good conduct to the society.
- 4) Encourage and support employment from employees who live near the factory.
- 5) Send employees to be guest speakers in the schools in order to provide knowledge about electrical system design and installing electrical system.
- 6) Set up donation activities to disabled home or foster home and invite employees to get involved.

### Anti-corruption Policy

Charoong Thai Wire and Cable Public Company Limited is committed to conducting our business with transparency guided by the good corporate governance principles and providing full support to its management and staffs to render their works with integrity, to strictly observe applicable laws and rules and regulations. The Company has therefore laid down anti-corruption policy as a guideline for its management and staffs as follows:

1. The management and staffs shall not give or ask for or take bribes or any other unlawful interest in order to persuade to do or omit doing something illegally or which may prejudice the company's legitimate benefit.
2. The management and staffs shall not seek for personal interest in conflict with the company's benefit, directly or indirectly and shall also carry out their duties and make decision on business by always taking into account the company's optimum benefit.
3. The management and staffs are assigned with duty to monitor and prevent corruption. If any corruption or any event suspicious of corruption, it is required to notify the independent director or manager without delay and provide all possible cooperation to investigate the fact.
4. Donation to any charitable activity or providing financial support for any activities or projects shall be transparently and legally done.

#### Ways of conduct

- 1) Create an appropriate internal control system for doing business as to avoid employees to behave in an inappropriate way especially in marketing and purchasing areas.
- 2) Create a way to be able to receive the complaints or report of any bad conducts.
- 3) Management and employees shall avoid conflicts between self and company interests, induce bad conducts or may make the company lose advantages.

## Internal Control and Risk Management

The Company's Board of Directors recognizes the importance of the internal control system and creates the internal control system covering financial, management and operation for effectiveness in accordance with related laws, rules and regulations, the appropriated risk management, as well as creating the effective investigation mechanism and balance to protect the Company's assets.

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

At the Company's Board of Directors Meeting No. 1/2020 on 20 March 2020 with the attendance of the Audit Committee members, the Board of Directors had assessed the adequacy and appropriateness of Internal Control System by referencing the "Internal Control System Assessment Form" of the Office of the Securities and Exchange Commission. And the Board of Directors unanimously resolved to certify the adequacy of the Internal Control System, which consists of five components as follows:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

### Head of Internal Audit Section

The Audit Committee Meeting passed the resolution to appoint Miss Kanjana Anekwasinchai who has appropriate qualification, competency and knowledge, as the Company's Head of Internal Audit Section. Details of education and training are as follows:

#### Education

MBA	Srinakharinwirot University
B.A. (Accounting)	The University of the Thai Chamber of Commerce
B.A. (Financial and Banking)	Ramkhamhaeng University
Training courses of Internal Audit Practice from P & D Training Center	
Training courses of Finance for Management from Faculty of Commerce and Accountancy, Chulalongkorn University	

## 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 disclosed 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, 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 providing working capital as required. Such transactions are expected to be in the ordinary course of business only.

## Related Transactions

### Related Transactions for the year 2018 and 2019

#### 1. Related Transactions between the Company and its subsidiaries

Name	Amount (Million Baht)		Related Transactions	Relationship	Price policy/Conditions
	2018	2019			
Siam Fiber Optics Co., Ltd. (SFO)	0.69	0.55	Packing income and Cable testing fee from SFO to CTW.	CTW holds a 90.00% stake in SFO, while Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta are directors of CTW and major shareholders of ITD. They and family hold 19.20% stake in ITD, and ITD holds 10% stake in SFO.	Cost plus margin.
	0.08	0.25	SFO owes payment to CTW for raw materials.		Cost plus margin.
	0.85	0.20	CTW purchases products and raw materials from SFO		
	4.13	15.96	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.
	38.92	37.53	Management fee income for services provided by CTW to SFO.		
	3.87	3.87	Service fee income from SFO to CTW.		Contract price/CTW receives services revenue monthly from SFO for the maintenance, repair, and cleaning of facilities at SFO's factory.
	1.72	1.72	Factory rental income from SFO to CTW.		Contract price/CTW receives factory rental revenue in accordance with factory rental Agreement. The Agreement is renewed every year.
	0.30	0.30	Rental of factory deposit from SFO to CTW.		At cost price (actual cost).
	2.22	1.70	Electric income from SFO to CTW.		
	<b>52.78</b>	<b>62.08</b>			

#### 2. Related Transactions between the Company and its related companies

Name	Amount (Million Baht)		Related Transactions	Relationship	Price policy/ Conditions
	2018	2019			
Thai Metal Processing Co., Ltd. (TMP)	20.89	19.65	CTW hired TMP to melt raw materials (copper rod).	CTW holds a 15% stake in TMP. Mr. Chai Sophonpanich, director of CTW, holds 0.69% stake in CTW and holds 3.22% stake in Bangkok Insurance Plc.. And Bangkok Insurance Plc. holds 5% stake in TMP.	Contract price.
	1.61	0.39	CTW owed payment to TMP for fabrication cost (copper melting).		
	3.38	3.38	CTW receives dividend income from TMP.		Announced Rate/CTW received a dividend income of Baht 15 per share from 225,000 shares in TMP.
	<b>25.88</b>	<b>23.42</b>			
Italian-Thai Development Plc. (ITD)	209.49	126.28	Sales of products by CTW to ITD.	Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta are directors of CTW and major shareholders of ITD. They and family hold 19.20% stake in ITD.	Market Price/Terms and conditions are the same as those of other parties.
	184.05	177.61	ITD owes payment to CTW for products.		
	-	6.62	Construction of factory buildings expenses by CTW to ITD.		Contract price.



## Related Transactions

### 2. Related Transactions between the Company and its related companies (continued)

Name	Amount (Million Baht)		Related Transactions	Relationship	Price policy/Conditions
	2018	2019			
Ital-Thai Engineering Co., Ltd. (Ital Thai)	0.27	-	Sales of products by CTW to Ital Thai.	Ital Thai is affiliated company of ITD.	Market Price/Terms and conditions are the same as those of other parties.
ITD Hongsa Co., Ltd. (ITD Hongsa)	0.72	1.61	Sales of products by CTW to ITD Hongsa.	ITD Hongsa is affiliated company of ITD.	Market Price/Terms and conditions are the same as those of other parties.
	<b>394.53</b>	<b>312.12</b>			
Pacific Electric Wire and Cable Co., Ltd. (PEWC)	1.90	1.80	Management fee expenses from CTW to PEWC.	PEWC indirectly holds approximately 51% stake in CTW.	Contract price/Management fee for service provided by PEWC to CTW. (These transactions are described in the Agreement that are approved by the Board meeting).
	0.46	0.44	CTW owes the payment to PEWC for management fee expenses.		
Sigma Cable Pte. Ltd. (Sigma)	-	0.17	Sales of products by CTW to Sigma.	Sigma is affiliated company under PEWC Group.	Cost plus margin
	<b>2.36</b>	<b>2.41</b>			

### 3. Related Transactions between its subsidiaries

Name	Amount (Million Baht)		Related Transactions	Relationship	Price policy/Conditions
	2018	2019			
Siam Pacific Electric Wire & Cable Co., Ltd. (SPEWC) and Shanghai Asia Pacific Electric Co., Ltd. (SAP)	2.43	1.67	SPEWC receives management fee income from SAP.	SPEWC is a 100% subsidiary of CTW and SAP is a subsidiary which CTW holds directly and indirectly 63.68% stake in SAP.	Contract price/Management fee for service provided by SPEWC to SAP.
	0.58	-	SAP owes payment to SPEWC for Management fee expenses.		
	1.16	0.32	SPEWC receives the deferred income from SAP.		
	2.46	-	SPEWC receives interest income from SAP.		
	<b>6.63</b>	<b>1.99</b>			SPEWC has provided a guarantee in securing the loan from Bangkok Bank, Shanghai Branch, China, to SAP for SAP's working capital. SPEWC has provided the short-term loan to SAP for SAP's working capital and bank loan repayment. And SPEWC charges the interest at 3% per year from SAP.

### 4. Related Transactions between its subsidiaries and related companies

Name	Amount (Million Baht)		Related Transactions	Relationship	Price policy/Conditions
	2018	2019			
Siam Fiber Optics Co., Ltd. (SFO) and Pacific Electric Wire and Cable Co., Ltd. (PEWC)	0.46	-	Sales of products by SFO to PEWC.	SFO is a 90% subsidiary company of CTW. PEWC is a parent company of CTW group.	Cost plus margin.
	<b>0.46</b>	<b>0.00</b>			

## Related Transactions

### 4. Related Transactions between its subsidiaries and related companies (continued)

Name	Amount (Million Baht)		Related Transactions	Relationship	Price policy/Conditions
	2018	2019			
Siam Fiber Optics Co., Ltd. (SFO) and Fujikura Ltd.	24.12	7.68	SFO purchases raw materials from Fujikura.	SFO is a 90% subsidiary company of CTW. Fujikura holds 25% stake in SFO.	Cost plus margin.
	4.39	-	SFO owes payment to Fujikura for raw materials.		
	<b>28.51</b>	<b>7.68</b>			
Siam Fiber Optics Co., Ltd. (SFO) and Italian Thai Development Plc. (ITD)	8.77	3.51	SFO receives income from the sale of products to ITD.	SFO is a 90% subsidiary company of CTW. ITD hold 10% stake in SFO.	Cost plus margin.
	6.42	3.75	ITD owes payment to SFO for products.		
	<b>15.19</b>	<b>6.76</b>			
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Pacific Electric Wire and Cable Co., Ltd. (PEWC)	0.04	-	Sales of products by SPEWC to PEWC.	SPEWC is a 100% subsidiary of CTW and PEWC is a parent company of CTW group	Cost plus margin.
	13.22	4.32	PEWC hires SPEWC to manufacture products.		
	2.00	1.89	Management fee expenses from SPEWC to PEWC.		Contract price/Management fee for service provided by PEWC to SPEWC. (This transaction is described in the Agreement that is approved by the Board meeting).
	0.41	0.39	SPEWC owes the payment to PEWC for management fee expenses.		
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Crown Century Holdings Co., Ltd. (CCH)	1.33	-	SPEWC receives dividend income from CCH.	SPEWC is a 100% subsidiary of CTW and CCH is affiliated company under PEWC Group.	Announced rate (CCH's announcement of dividend payment).
Shanghai Asia Pacific Electric Co., Ltd. (SAP) and Pacific Electric Wire and Cable (Shenzhen) Co., Ltd. (PEWC-Shenzhen)	5.23	7.70	Sales of raw materials by SAP to PEWC-Shenzhen.	SAP is a subsidiary of CTW which CTW holds directly and indirectly 63.68% stake in SAP and PEWC-Shenzhen is affiliated company under PEWC Group.	Market price/Same terms and conditions as other clients.
	-	0.66	PEWC-Shenzhen owes payment to SAP for raw materials.		
	126.41	184.15	SAP purchases products and raw materials from PEWC-Shenzhen.		
	104.75	155.93	SAP owes payment to PEWC-Shenzhen for products and raw materials.		
	-	2.53	Sales of Machinery by SAP to PEWC-Shenzhen.		Market Price
Shanghai Asia Pacific Electric Co., Ltd. (SAP) and Pacific Electric Wire and Cables (Hong Kong) Co., Ltd. (PEWC-HK)	84.55	-	SAP purchases raw materials from PEWC-HK.	SAP is a subsidiary of CTW which CTW holds directly and indirectly 63.68% stake in SAP and PEWC-HK is affiliated company under PEWC Group.	Market price/Same terms and conditions as other clients.
	12.21	-	SAP owes payment to PEWC-HK for raw materials.		
Shanghai Asia Pacific Electric Co., Ltd. (SAP) and Ningbo Electric Wire and Cable Co., Ltd. (Ningbo)	-	0.07	Rental income from Ningbo to SAP.	SAP is a subsidiary of CTW which CTW holds directly and indirectly 63.68% stake in SAP and Ningbo is affiliated company under PEWC Group.	Market price
	<b>350.15</b>	<b>357.64</b>			

## Financial Highlights

### Financial Information of the Company and its subsidiaries for 2017 - 2019

For the year ended December 31

(Unit : Million Baht)

	2019	2018	2017
<b>OPERATING RESULTS</b>			
Total Revenues	6,031.75	8,019.04	7,994.84
Revenue from Sales	5,960.72	7,960.09	7,902.40
Selling and distribution Expenses	102.37	112.20	109.07
Administrative Expenses	237.35	250.31	255.68
Total Expenses	5,925.33	7,646.38	7,635.95
Profit Attributable to Equity Holders of the Company	77.24	287.49	280.99
Earning per Share (Baht) Attributable to Equity Holders of the Company	0.19	0.72	0.71
Par Value (Baht/Share)	5.00	5.00	5.00
<b>FINANCIAL POSITION</b>			
Current Assets	3,955.21	4,705.14	5,065.84
Total Investments	128.93	120.26	108.50
Investment Properties	16.78	17.22	17.72
Property, Plant and Equipment-Net	920.44	946.53	947.23
Total Assets	5,273.44	6,087.17	6,412.21
Current Liabilities	656.91	1,336.17	1,786.80
Total Liabilities	1,005.54	1,626.71	2,055.81
Equity attributable to CTW's Shareholders	4,237.48	4,370.19	4,238.58
Total Shareholders' Equity	4,267.90	4,460.45	4,356.41
Book Value (Baht/Share)	10.73	11.21	10.95
<b>FINANCIAL RATIO</b>			
Current Ratio (times)	6.02	3.52	2.84
Quick Ratio (times)	3.59	2.25	1.75
Gross Profit Margin (%)	6.52	8.50	8.45
Net Profit Margin (%)	1.28	3.59	3.51
Return on Equity (%)	1.77	6.52	6.55
Debt to Equity Ratio (times)	0.24	0.36	0.47
Return on Assets (%)	1.36	4.60	4.62
Total Assets Turnover Ratio (times)	1.06	1.28	1.32

## Management Discussion and Analysis (MD & A)

### 1. Overview of operation

In 2019, Thailand's economy had continuously slowed down and effect from the transition of the new method of procurement of the State Enterprises. As a result, the procurement of the Electricity Authorities and the delivery schedules are delayed including delays in orders from private sectors. Therefore, the Company and subsidiaries had net profit of Baht 77.24 million in 2019, decreasing by Baht 210.25 million or 73.13% compared with net profit of Baht 287.49 million in 2018. Gross profit margin was 6.52% in 2019, while it was 8.50% in 2018. The Company group's revenue was mainly derived from sales of enameled wire and non-enameled wire of 64%, followed by copper electrical wire of 17%, High voltage power cable of 12% and Aluminium electrical wire of 5% which sold to domestic customers both the government and private sectors.

### 2. Operating results and profitability

#### Revenue Analysis

In 2019, the Company and subsidiaries had total revenue of Baht 6,031.75 million, decreasing by Baht 1,987.29 million or 24.78% from Baht 8,019.04 million in the previous year. Most revenue was generated by sales of products in the amount of Baht 5,960.72 million, representing 98.82% of total revenue, divided by domestic sales of Baht 3,584.60 million or 60.14% of total sales and export sales of Baht 2,376.12 million or 39.86% of total sales.

In 2019, the Company group had other income of Baht 71.03 million, increasing by Baht 12.08 million or 20.49% from Baht 58.95 million in 2018, since a subsidiary company received compensation from the Chinese Government on rebuilding the factory fence due to road expansion project in the amount of Baht 12.07 million in 2019.

#### Cost and Expense Analysis

##### Cost

In 2019, the Company and subsidiaries had total cost of sales of Baht 5,571.79 million, representing 93.48% of sales, decreasing by Baht 1,712.08 million or 23.51% from Baht 7,283.87 million or representing 91.50% of sales. In 2019, there was reversal of allowance for diminution in value of inventories of Baht 25.64 million due to decrease in the main raw material (copper) price at the end of period which was included in cost of sales.

##### Selling and Distribution expenses

In 2019, the Company and subsidiaries had selling and distribution expenses of Baht 102.37 million, decreasing by Baht 9.83 million or 8.76% from Baht 112.20 million in 2018 due to decrease in the commission fees and transportation expenses.

##### Share of profit (loss) from investment in associate

Share of profit from investment in associate company in 2019 was Baht 0.28 million, increasing by Baht 1.72 million or 119.14% from Share of loss from investment in associate of Baht 1.44 million in 2018 since the subsidiary has recognized its share of profit and loss from investment in Loxpac Hong Kong Co., Ltd., its associate company.

##### Administrative expense

In 2019, the Company and subsidiaries had administrative expenses of Baht 237.35 million, decreasing by Baht 12.96 million or 5.18% from Baht 250.31 million in 2018 since there was reversal of allowance for doubtful accounts of Baht 6.93 million due to repayment from trade receivables.

##### Finance cost

In 2019, the Company and subsidiaries had finance cost of Baht 23.68 million, decreasing by Baht 14.29 million or 37.65% from Baht 37.97 million in 2018 which were mainly the interest expenses of the trust receipts.

## Management Discussion and Analysis (MD & A)

### Net profit

The Company and subsidiaries had net profit of Baht 77.24 million in 2019, decreasing by Baht 210.25 million or 73.13% from net profit of Baht 287.49 million in 2018. The net profit margin was 1.30%, decreasing from the net profit margin of 3.61% in 2018.

### 3. Ability to manage property

#### Asset

As at 31 December 2019, the Company and subsidiaries had total assets of Baht 5,273.44 million, decreasing by Baht 813.73 million or 13.37% from Baht 6,087.17 million in 2018, mainly caused by the decrease in trade and other receivables of Baht 401.53 million. Meanwhile, the inventory decreased by Baht 71.20 million and during the year, expenses of the trust receipts and trade payables then cash and cash equivalents and fix deposits decreased by Baht 249.18 million. Investments in associates increased by Baht 0.28 million and other long-term investments increased by Baht 8.40 million.

As at the end of 2019, trade and other receivables of Baht 1,473.82 million decreased by Baht 401.53 million or 21.41% from Baht 1,875.36 million at the end of 2018, since the Company and subsidiaries received more repayment from trade receivables on due date.

As at the end of 2019, inventories of Baht 1,562.34 million decreased by Baht 71.20 million or 4.36% from Baht 1,633.54 million at the end of 2018 which the products were delivered to customers in early 2019.

Property, plant and equipment of Baht 920.44 million as at 31 December 2019, decreased by Baht 26.09 million or 2.76% from Baht 946.53 million at the end of 2018. There was depreciation for the year 2019 of Baht 93.42 million.

#### Liability

As at 31 December 2019, the Company and subsidiaries had total liabilities of Baht 1,005.54 million, decreasing by Baht 621.17 million or 38.19% from Baht 1,626.71 million at the end of 2018 which were divided into current liabilities of Baht 656.91 million and non-current liabilities of Baht 348.63 million. All non-current liabilities were the provision for long-term employee benefits, which represents compensation payable to employees after they retire.

Trust receipts (T/R) of Baht 161.02 million, decreased by Baht 441.13 million or 73.26% from Baht 602.15 million at the end of 2018 due to payment of trust receipts before due date.

#### Cash flow analysis

In 2019, the Company and subsidiaries had net cash flows from operating activities of Baht 476.77 million, cash flows from investing activities of Baht 66.48 million and net cash flows used in financing activities of Baht 687.67 million. In addition, there was a decrease in translation adjustments of Baht 5.74 million, resulted in decrease in net cash and cash equivalents of Baht 150.16 million, and cash and cash equivalents were Baht 885.45 million as at 31 December 2019.

Net cash flows from operating activities of Baht 476.77 million, resulted from profit from operating activities of Baht 189.96 million, decrease in cash flows from operating liabilities of Baht 163.05 million. Meanwhile, cash flows used in operating assets decreased by Baht 531.63 million. There were cash paid for long-term employee benefits of Baht 15.90 million and cash paid for interest expenses and corporate income tax of Baht 65.87 million.

Net cash flows from investing activities were Baht 66.48 million from current investments decreased by Baht 100.12 million, restricted bank deposits decreased by Baht 94.30 million, dividend income from other long-term investment of Baht 3.38 million and interest income of Baht 10.95 million. Meanwhile, there were cash flows used in acquisition of machinery and assets under construction of Baht 87.58 million, cash received from sale of property, plant and equipment of Baht 6.01 million and increase in long-term investments of Baht 8.40 million.

## Management Discussion and Analysis (MD & A)

Net cash flows used in financing activities of Baht 687.67 million which consists of cash paid for acquisition of non-controlling interests of a subsidiary of Baht 9 million, decrease in trust receipts of Baht 441.08 million, decrease in short-term loans from financial institutions of Baht 60.34 million and dividend paid of Baht 177.25 million.

### 4. Liquidity and Sufficiency of Fund

#### Liquidity

As at 31 December 2019, the Company and subsidiaries had the current ratio of 6.02 times and quick ratio of 3.59 times which significantly increased from the current ratio of 3.52 times and quick ratio of 2.25 times at the end of 2018. Although the Company and subsidiaries had a decrease in cash and cash equivalents from operation of Baht 150.16 million, decrease in current investments-fixed deposits of Baht 100.12 million, decrease in restricted bank deposits of Baht 94.30 million and decrease in trade and other receivables of Baht 406.94 million since they received a lot of payments from trade receivables. At the same time, the Company group also had a decrease in current liabilities of Baht 679.25 million, especially decrease in trust receipts of Baht 441.13 million due to repayment of trust receipts before due date.

#### Capital structure

As at 31 December 2019, the Company and subsidiaries had the shareholders' equity of Baht 4,237.48 million, decreasing by Baht 132.71 million or 3.04% from Baht 4,370.19 million at the end of 2018 since there was total comprehensive income for the year 2019 of Baht 34.35 million while there was dividend payment for the year 2018's operating results of Baht 179.06 million.

The capital structure of the Company and subsidiaries as at 31 December 2019 consists of total liabilities of Baht 1,005.54 million and shareholders' equity of Baht 4,267.90 million. As a result, the debt to equity ratio is only 0.24 times which decreased a bit from 0.36 times at the end of 2018. Therefore, the Company group has no the risk from insufficiency of fund since they have much more funds than debts. Most of the liabilities are current liabilities of 65.33%, arising from the operating activities, such as trust receipts, trade payables and short-term loans from financial institutions etc.

### 5. Other factors that may affect the operation in the future

The Bank of Thailand forecasts Thailand's economy in 2020 may slow down and lower than expected due to many risk factors, such as, the COVID-19 outbreak, droughts in country side, the government budget delay, investments in mega-projects may be affected by political instability etc. Meanwhile, the Office of the National Economic and Social Development Council expects the Thailand's economy in 2020, which may fall to 1.5 - 2.5 percent which is lower than 2019.

However, the Company maintains its confidence that the Thai government would continuously put up the economic stimulus projects to remedy the economic damage. The Government spending should therefore be a factor to support the Thai economy in 2020. The Company expects a better performance result based on foreseeing investment and infrastructure development project driven by the Government since the Company's products are related to basic utilities and its major customers are the state enterprises and government agencies. Therefore, the Company Group hopes for growing its performance in 2020 showing better than the previous year.

These factors that may affect the profitability of the Company group such as, the Government's economic policies and measures, key raw material price fluctuation, exchange rate which affects the cost of key raw materials, the price competition of products etc.

## Report from the Audit Committee

Charoong Thai Wire and Cable Public Company Limited

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 2019, 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	4/4

The followings are summary of the Audit Committee's duties during the year 2019:

- 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 year-end financial statements for 2019 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 2019, the certified public accountant from EY Office Limited performed properly and efficiently. Therefore, the Audit Committee considers and proposes EY Office Limited and its audit fee proposal for the year 2020 for the Company and subsidiaries totaling Baht 5.18 million, then send their recommendation to the Board for consideration and such proposal will be proposed to the 2020 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 20, 2020

## 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 2019 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 Public Company Limited 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 20, 2020

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



(Mr. Chai Sophonpanich)

Chairman



## Independent Auditor's Report

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

### Opinion

I have audited the accompanying consolidated financial statements of Charoong Thai Wire and Cable Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Charoong Thai Wire and Cable Public Company Limited for the same period.

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 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond are described below.

Recognition of revenue from sales under bill and hold arrangements

During the year 2019, the Company recognised revenue from sales under bill and hold arrangements totaling Baht 267 million, or equivalent to 4 percent of revenue from sales of the Company. The Company has entered into sales contracts or trading agreements with state-owned enterprises, whereby the counterparties agree in advance that the delivery of goods is to be made on their requests. If consideration of the specific conditions of such agreements is not in compliance with the related accounting standards, revenue would be recognised prior to the appropriate period.

I assessed and tested the Company's internal controls with respect to the sale transactions under bill and hold arrangements by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also read the sales contracts, enquired of the

Company's management to gain an understanding of the specific sales conditions and examined supporting documents. In addition, I observed the Company's physical count of such inventories and directly sent confirmation requests to customers for the outstanding balances of sales under bill and hold arrangements, which covered the sales amounts, quantities of inventories and conditions of sales.

### Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

*EY Office Limited*

*Bangkok: 24 February 2020*

## Statement of financial position

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		885,450,974	1,034,508,335	599,056,385	750,782,377
Current investments - fixed deposits		-	100,121,038	-	100,121,038
Trade and other receivables	7	1,473,823,275	1,875,357,518	794,552,835	887,213,652
Inventories	8	1,562,336,518	1,633,538,082	1,145,039,096	998,599,691
Other current assets		33,599,970	61,613,601	1,732,062	2,315,223
<b>Total current assets</b>		<b>3,955,210,737</b>	<b>4,705,138,574</b>	<b>2,540,380,378</b>	<b>2,739,031,981</b>
<b>Non-current assets</b>					
Restricted bank deposits		75,500,000	169,800,000	-	-
Long-term loans to subsidiary	6	-	-	-	-
Investments in associates	9	5,164,536	4,888,926	-	-
Investments in subsidiaries	10	-	-	1,154,095,751	1,167,295,751
Other long-term investments	11	123,770,000	115,370,000	22,500,000	22,500,000
Investment properties	12	16,784,770	17,217,059	11,022,059	11,022,059
Property, plant and equipment	13	920,435,826	946,527,997	633,785,146	637,024,009
Deferred tax assets	19	93,389,553	94,909,688	74,547,877	72,326,222
Other non-current assets		83,186,852	33,313,204	56,685,081	15,699,017
<b>Total non-current assets</b>		<b>1,318,231,537</b>	<b>1,382,026,874</b>	<b>1,952,635,914</b>	<b>1,925,867,058</b>
<b>Total assets</b>		<b>5,273,442,274</b>	<b>6,087,165,448</b>	<b>4,493,016,292</b>	<b>4,664,899,039</b>

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 2019

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	14	53,502,280	113,841,170	-	-
Trust receipts	14	161,018,006	602,149,516	87,749,061	72,216,201
Trade and other payables	15	384,092,561	524,196,984	126,907,317	245,449,748
Income tax payable		10,508,268	25,172,515	10,040,232	25,172,515
Other current liabilities		47,790,052	70,805,385	41,069,513	43,470,968
<b>Total current liabilities</b>		<b>656,911,167</b>	<b>1,336,165,570</b>	<b>265,766,123</b>	<b>386,309,432</b>
<b>Non-current liabilities</b>					
Provision for long-term employee benefits	16	348,628,714	290,548,843	292,847,064	253,624,235
Other non-current liabilities		-	-	500,000	500,000
<b>Total non-current liabilities</b>		<b>348,628,714</b>	<b>290,548,843</b>	<b>293,347,064</b>	<b>254,124,235</b>
<b>Total liabilities</b>		<b>1,005,539,881</b>	<b>1,626,714,413</b>	<b>559,113,187</b>	<b>640,433,667</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Registered					
397,906,284 ordinary shares of Baht 5 each		1,989,531,420	1,989,531,420	1,989,531,420	1,989,531,420
Issued and fully paid-up					
397,906,284 ordinary shares of Baht 5 each		1,989,531,420	1,989,531,420	1,989,531,420	1,989,531,420
Share premium		1,105,933,696	1,105,933,696	1,105,933,696	1,105,933,696
Capital surplus from changes in					
shareholding percentage in a subsidiary		13,145,139	13,145,139	-	-
Non-controlling interests of subsidiary acquired by					
the Company at price lower than book value	10	12,005,761	-	-	-
Retained earnings					
Appropriated - statutory reserve	17	198,953,142	198,953,142	198,953,142	198,953,142
Unappropriated		928,847,400	1,067,105,871	639,484,847	730,047,114
Other components of shareholders' equity		(10,931,746)	(4,478,958)	-	-
Equity attributable to owners of the Company		4,237,484,812	4,370,190,310	3,933,903,105	4,024,465,372
Non-controlling interests of the subsidiaries		30,417,581	90,260,725	-	-
<b>Total shareholders' equity</b>		<b>4,267,902,393</b>	<b>4,460,451,035</b>	<b>3,933,903,105</b>	<b>4,024,465,372</b>
<b>Total liabilities and shareholders' equity</b>		<b>5,273,442,274</b>	<b>6,087,165,448</b>	<b>4,493,016,292</b>	<b>4,664,899,039</b>

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Revenues</b>					
Sales		5,960,722,242	7,960,091,235	2,087,629,372	3,105,551,677
Other income					
Interest income		10,540,493	8,406,366	7,428,783	5,043,802
Gain on exchange		37,193,934	36,195,018	12,004,649	21,064,314
Management fee income		-	-	41,759,348	42,815,462
Dividend income	10, 11	3,375,000	4,703,306	13,357,991	23,340,982
Others		19,916,789	9,643,150	20,867,876	21,764,917
<b>Total revenues</b>		<b>6,031,748,458</b>	<b>8,019,039,075</b>	<b>2,183,048,019</b>	<b>3,219,581,154</b>
<b>Expenses</b>					
Cost of sales		5,597,422,416	7,223,865,268	1,823,566,594	2,550,313,200
Allowance for diminution in value of inventory (reversal)		(25,635,796)	60,004,737	(24,901,804)	42,496,045
Total cost of sales		5,571,786,620	7,283,870,005	1,798,664,790	2,592,809,245
Selling and distribution expenses		102,366,902	112,200,313	56,455,804	61,004,713
Administrative expenses		237,353,427	250,308,821	157,775,859	183,319,640
Other expenses					
Allowance for loss on impairment of investments in subsidiaries		-	-	22,200,000	20,600,000
Allowance for loss on impairment of property, plant and equipment		13,821,846	-	-	-
<b>Total expenses</b>		<b>5,925,328,795</b>	<b>7,646,379,139</b>	<b>2,035,096,453</b>	<b>2,857,733,598</b>
<b>Profit before share of profit (loss) from investment in associate, finance cost and income tax</b>					
		106,419,663	372,659,936	147,951,566	361,847,556
Share of profit (loss) from investment in associate	9	275,609	(1,439,609)	-	-
<b>Profit before finance cost and income tax</b>		<b>106,695,272</b>	<b>371,220,327</b>	<b>147,951,566</b>	<b>361,847,556</b>
Finance cost		(23,676,408)	(37,971,168)	(4,121,582)	(6,089,861)
<b>Profit before income tax</b>		<b>83,018,864</b>	<b>333,249,159</b>	<b>143,829,984</b>	<b>355,757,695</b>
Income tax	19	(40,934,703)	(69,720,778)	(31,897,252)	(72,221,751)
<b>Profit for the year</b>		<b>42,084,161</b>	<b>263,528,381</b>	<b>111,932,732</b>	<b>283,535,944</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		77,240,619	287,494,236	111,932,732	283,535,944
Non-controlling interests of the subsidiaries		(35,156,458)	(23,965,855)	-	-
		42,084,161	263,528,381		
<b>Earnings per share</b>					
20					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.19	0.72	0.28	0.71

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 2019

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
<b>Profit for the year</b>		<b>42,084,161</b>	<b>263,528,381</b>	<b>111,932,732</b>	<b>283,535,944</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(10,133,714)	(9,910,170)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(10,133,714)	(9,910,170)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial losses	16	(45,552,419)	(12,883,938)	(29,297,306)	(11,431,518)
Income tax effect	19	9,110,484	2,576,788	5,859,461	2,286,304
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(36,441,935)	(10,307,150)	(23,437,845)	(9,145,214)
<b>Other comprehensive income for the year</b>		<b>(46,575,649)</b>	<b>(20,217,320)</b>	<b>(23,437,845)</b>	<b>(9,145,214)</b>
<b>Total comprehensive income for the year</b>		<b>(4,491,488)</b>	<b>243,311,061</b>	<b>88,494,887</b>	<b>274,390,730</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		34,345,896	270,876,644	88,494,887	274,390,730
Non-controlling interests of the subsidiaries		(38,837,384)	(27,565,583)	-	-
		<b>(4,491,488)</b>	<b>243,311,061</b>	<b>88,494,887</b>	<b>274,390,730</b>

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 2019

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
	Issued and fully paid-up share capital	Share premium	Capital surplus from changes in shareholding percentage in a subsidiary	Non-controlling interests of subsidiary acquired by the Company at price lower than book value	Retained earnings		Other components of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
					Appropriated	Unappropriated				
<b>Balance as at 1 January 2018</b>	1,989,531,420	1,105,933,696	13,145,139	-	198,953,142	929,185,461	1,831,484	4,238,580,342	117,826,308	4,356,406,650
Profit (loss) for the year	-	-	-	-	-	287,494,236	-	287,494,236	(23,965,855)	263,528,381
Other comprehensive income for the year	-	-	-	-	-	(10,307,150)	(6,310,442)	(16,617,592)	(3,599,728)	(20,217,320)
Total comprehensive income for the year	-	-	-	-	-	277,187,086	(6,310,442)	270,876,644	(27,565,583)	243,311,061
Dividend paid (Note 23)	-	-	-	-	-	(139,266,676)	-	(139,266,676)	-	(139,266,676)
<b>Balance as at 31 December 2018</b>	1,989,531,420	1,105,933,696	13,145,139	-	198,953,142	1,067,105,871	(4,478,958)	4,370,190,310	90,260,725	4,460,451,035
<b>Balance as at 1 January 2019</b>	1,989,531,420	1,105,933,696	13,145,139	-	198,953,142	1,067,105,871	(4,478,958)	4,370,190,310	90,260,725	4,460,451,035
Profit (loss) for the year	-	-	-	-	-	77,240,619	-	77,240,619	(35,156,458)	42,084,161
Other comprehensive income for the year	-	-	-	-	-	(36,441,935)	(6,452,788)	(42,894,723)	(3,680,926)	(46,575,649)
Total comprehensive income for the year	-	-	-	-	-	40,798,684	(6,452,788)	34,345,896	(38,837,384)	(4,491,488)
Acquisition of non-controlling interests of subsidiary (Note 10)	-	-	-	12,005,761	-	-	-	12,005,761	(21,005,761)	(9,000,000)
Dividend paid (Note 23)	-	-	-	-	-	(179,057,154)	-	(179,057,154)	-	(179,057,154)
<b>Balance as at 31 December 2019</b>	1,989,531,420	1,105,933,696	13,145,139	12,005,761	198,953,142	928,847,401	(10,931,746)	4,237,484,813	30,417,580	4,267,902,393

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



## Statement of changes in shareholders' equity (continued)

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements				Total
	Issued and fully paid-up share capital	Share premium	Retained earnings	Unappropriated	
<b>Balance as at 1 January 2018</b>	1,989,531,420	1,105,933,696	198,953,142	594,923,060	3,889,341,318
Profit for the year	-	-	-	283,535,944	283,535,944
Other comprehensive income for the year	-	-	-	(9,145,214)	(9,145,214)
Total comprehensive income for the year	-	-	-	274,390,730	274,390,730
Dividend paid (Note 23)	-	-	-	(139,266,676)	(139,266,676)
<b>Balance as at 31 December 2018</b>	1,989,531,420	1,105,933,696	198,953,142	730,047,114	4,024,465,372
<b>Balance as at 1 January 2019</b>	1,989,531,420	1,105,933,696	198,953,142	730,047,114	4,024,465,372
Profit for the year	-	-	-	111,932,732	111,932,732
Other comprehensive income for the year	-	-	-	(23,437,845)	(23,437,845)
Total comprehensive income for the year	-	-	-	88,494,887	88,494,887
Dividend paid (Note 23)	-	-	-	(179,057,154)	(179,057,154)
<b>Balance as at 31 December 2019</b>	1,989,531,420	1,105,933,696	198,953,142	639,484,847	3,933,903,105

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 2019

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit before tax	83,018,864	333,249,159	143,829,984	355,757,695
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Dividend income	(3,375,000)	(4,703,306)	(13,357,991)	(23,340,982)
Depreciation and amortisation	94,989,327	99,614,375	59,587,121	63,909,949
Written-off bad debts - trade receivables	-	68,654,899	-	1,700,996
Reversal of doubtful accounts - trade receivables	(6,928,440)	(77,266,711)	(3,553,310)	(11,717,335)
Allowance for diminution in value of inventory (reversal)	(25,635,796)	60,004,737	(24,901,804)	42,496,045
Allowance for loss on impairment of investments in subsidiaries	-	-	22,200,000	20,600,000
Gain on sales of property, plant and equipment	(2,912,032)	(2,206,328)	(715,814)	(1,611,142)
Allowance for loss on impairment of property, plant and equipment	13,821,846	-	-	-
Share of (profit) loss from investment in associate	(275,609)	1,439,609	-	-
Provision for long-term employee benefits	28,422,735	19,994,019	21,231,616	16,816,431
Unrealised gain on exchange	(309,926)	(7,416,873)	(19,747)	(1,111,203)
Unrealised (gain) loss on forward exchange contracts	78,306	480,095	-	(4,109,456)
Interest income	(10,540,493)	(8,406,366)	(7,428,783)	(5,043,802)
Interest expenses	19,604,770	32,708,142	3,125,038	5,198,553
Profit from operating activities before changes in operating assets and liabilities	189,958,552	516,145,451	199,996,310	459,545,749
Operating assets (increase) decrease				
Trade and other receivables	406,944,638	764,883,553	95,888,262	657,081,735
Inventories	96,837,360	186,620,529	(121,537,603)	364,567,143
Other current assets	27,851,034	(1,658,055)	583,161	3,592,969
Operating liabilities increase (decrease)				
Trade and other payables	(138,187,581)	26,350,927	(118,498,900)	(27,072,261)
Other current liabilities	(24,861,542)	26,444,199	(4,213,028)	12,721,934
Cash flows from operating activities	558,542,461	1,518,786,604	52,218,202	1,470,437,269
Cash paid for long-term employee benefits	(15,895,283)	(11,341,174)	(11,306,093)	(10,727,878)
Cash paid for interest expenses	(21,075,072)	(32,269,983)	(3,148,821)	(5,464,114)
Cash paid for corporate income tax	(44,800,437)	(89,385,144)	(43,391,729)	(88,944,847)
<b>Net cash flows from (used in) operating activities</b>	<b>476,771,669</b>	<b>1,385,790,303</b>	<b>(5,628,441)</b>	<b>1,365,300,430</b>

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 2019

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Interest income	10,947,814	7,840,489	7,754,648	4,602,001
(Increase) decrease in current investments	100,121,038	(100,121,038)	100,121,038	(100,121,038)
Decrease in restricted bank deposits	94,300,000	-	-	-
Decrease in long-term loan to subsidiary	-	-	-	13,000,000
Cash paid for investments in subsidiary	-	-	(9,000,000)	-
Dividend income from investment in subsidiary	-	-	9,982,991	19,965,982
Dividend income from other long-term investments	3,375,000	4,703,306	3,375,000	3,375,000
Increase in long-term investments	(8,400,000)	(13,200,000)	-	-
Acquisition of property, plant and equipment	(87,579,044)	(100,015,548)	(57,451,221)	(63,013,853)
Proceeds from sales of property, plant and equipment	6,005,659	2,349,380	2,290,366	1,639,673
Increase in other non-current assets	(52,294,854)	(15,152,382)	(41,457,653)	(12,033,658)
<b>Net cash flows from (used in) investing activities</b>	<b>66,475,613</b>	<b>(213,595,793)</b>	<b>15,615,169</b>	<b>(132,585,893)</b>
<b>Cash flows from financing activities</b>				
Cash paid for acquisition of non-controlling interests of a subsidiary	(9,000,000)	-	-	-
Dividend paid	(177,245,580)	(138,058,496)	(177,245,580)	(138,058,496)
Decrease in short-term loans from financial institutions	(60,338,890)	(36,592,330)	-	-
Increase (decrease) in trust receipts	(441,085,137)	(448,936,502)	15,532,860	(574,229,030)
<b>Net cash flows used in financing activities</b>	<b>(687,669,607)</b>	<b>(623,587,328)</b>	<b>(161,712,720)</b>	<b>(712,287,526)</b>
<b>Decrease in translation adjustments</b>	<b>(5,735,230)</b>	<b>(8,392,620)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(150,157,555)</b>	<b>540,214,562</b>	<b>(151,725,992)</b>	<b>520,427,011</b>
Unrealised gain on exchange for cash and cash equivalents	1,100,194	1,566,268	-	-
Cash and cash equivalents at beginning of year	1,034,508,335	492,727,505	750,782,377	230,355,366
<b>Cash and cash equivalents at end of year</b>	<b>885,450,974</b>	<b>1,034,508,335</b>	<b>599,056,385</b>	<b>750,782,377</b>

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 2019

### 1. General information

Charoong Thai Wire and Cable Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The ultimate parent company is Pacific Electric Wire and Cable Co., Ltd., which is 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, Debaratana Road, North Bangna, Bangna, Bangkok.

### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting 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 11 October 2016, 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	
			2019	2018
CTW-Beta Co., Ltd.	Investment and holding company	Thailand	100	100
Siam Fiber Optics Co., Ltd.	Manufacturer and distributor of fiber optic cables	Thailand	90	60
Siam Pacific Electric Wire and Cable Co., Ltd.	Manufacturer and distributor of wire and cable products, and enameled and non-enameled wires	Thailand	100	100
Shanghai Asia Pacific Electric Co., Ltd. (Held by a subsidiary 54%)	Manufacturer and distributor of enameled copper wires	China	64	64
Double D Cable Co., Ltd.	Manufacturer and distributor of cables and provider of fabrication service	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 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 are 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 Group 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.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

### 3. New financial reporting standards

#### (a) Financial reporting standards that became effective in the current year

During the year, the Group adopted the revised (revised 2018) and new financial reporting standards and interpretations which were effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards did not have any significant impact on the financial statements of the Group.

However, the new standard involves changes to key principles, which were summarised below:

##### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard did not have any significant impact on the financial statements of the Group.

#### (b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which were summarised below.

##### **Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group is to measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Group elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

#### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group believes that adoption of this standard will not have any significant impact on the financial statements.

## **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.

#### **Bill and hold arrangements**

The Company recognises revenue from sales of goods under bill and hold arrangements when they have yet to be delivered, since delivery is delayed at the buyer's request and the buyer takes title and accepts the billing and that the usual terms of payment apply. Moreover, the inventory is on hand, clearly identified and ready for delivery to the buyer at the time the revenue is recognised and it is highly probable that delivery will be made.

Sales of goods under bill and hold arrangements are the invoiced value, excluding value added tax 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 and 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 non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- b) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

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

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in 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 condominium and office building for rent is calculated by reference to their costs on the straight-line basis over estimated useful life of 20 years. Depreciation is included in profit or loss.

No depreciation is provided on land not being used for operation.

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 - 25 years
Buildings improvement	5 - 20 years
Machinery and equipment	5 - 20 years
Furniture, fixtures and office equipment	3 - 20 years
Motor vehicles	5 - 10 years

Depreciation is included in profit or loss.

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 when the asset is derecognised.

#### 4.8 Related party transactions

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

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

#### 4.9 Long-term leases

Leases of buildings and 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 are depreciated over the useful life of the assets.

Leases of buildings and 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

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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 profit or loss.

#### 4.11 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the investment properties, 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 Group 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.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

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

##### **Defined benefit plans**

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plan. The Group treats 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 defined benefit plans are recognised immediately in other comprehensive income.

#### 4.13 Provisions

Provisions are recognised when the Group has 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 expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.15 Derivatives

##### Forward exchange contracts

Receivables and payables arising from forward exchange contracts are presented in the financial statements at fair value which are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealised gains or losses from the forward contracts are recorded in profit or loss.

#### 4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates were as follows:

##### Allowance for doubtful accounts

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

##### Impairment of investments

The Group treats 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 judgement 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 judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## 6. Related party transactions

During the years, the Group had significant business transactions in the ordinary course of business with related parties, which have been concluded on commercial terms and bases agreed upon between the Company and those related parties. Below was a summary of those transactions.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with ultimate parent company</u>					
Sales of goods	4	13	-	-	Cost plus margin
Management fee expenses	4	4	2	2	Contract price
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of raw materials	-	-	12	10	Cost plus margin
Fabrication income	-	-	20	22	Cost plus margin
Packing income	-	-	1	1	Cost plus margin
Purchases of goods	-	-	-	2	Cost plus margin
Fabrication cost	-	-	24	20	Cost plus margin
Insulation cost	-	-	9	9	Cost plus margin
Management fee income	-	-	42	43	Contract price
Service income	-	-	5	5	Contract price
Rental income	-	-	3	3	Contract price
Electric income	-	-	12	12	At cost
Dividend income	-	-	10	20	Announced rate
<u>Transactions with related companies</u>					
Sales of goods	132	225	128	210	Market price, Cost plus margin
Sales of raw materials	8	-	-	-	Market price
Sales of assets	3	-	-	-	Market price
Purchases of goods	175	-	-	-	Market price
Purchases of raw materials	16	235	-	-	Market price, Cost plus margin
Fabrication cost	20	21	20	21	Contract price
Dividend income	3	5	3	3	Announced rate
Construction of factory buildings expenses	7	-	7	-	Contract price

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related companies were as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Trade and other receivables - related parties (Note 7)</b>				
Subsidiaries	-	-	21,370	15,028
Related companies (related as the shareholders of the Company or common shareholders)	182,910	190,469	178,495	184,051
<b>Total trade and other receivables - related parties</b>	<b>182,910</b>	<b>190,469</b>	<b>199,865</b>	<b>199,079</b>
<b>Trade and other payables - related parties (Note 15)</b>				
Ultimate parent company	832	876	441	463
Subsidiaries	-	-	2,280	2,509
Related companies (related as common shareholders or shareholder of a subsidiary or held by the Company)	156,362	123,076	386	1,607
<b>Total trade and other payables - related parties</b>	<b>157,194</b>	<b>123,952</b>	<b>3,107</b>	<b>4,579</b>

#### Long-term loans to subsidiary

As at 31 December 2019 and 2018, the balance of long-term loans to subsidiary and the movements were as follows:

(Unit: Thousand Baht)

Loans to	Separate financial statements			
	Balance as at 31 December 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2019
<b>CTW-Beta Company Limited</b>				
Loan principal	540,939	-	-	540,939
Add: Accrued interest	96,174	-	-	96,174
<b>Total</b>	<b>637,113</b>	<b>-</b>	<b>-</b>	<b>637,113</b>
Less: Allowance for doubtful accounts	(637,113)	-	-	(637,113)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Long-term loans to CTW-Beta Company Limited was a loan in the form of at call 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 recording the allowance to be at the anticipated repayment amount. (A total of Baht 234 million of interest receivable under the agreement was not recorded in its accounts. Interest income for the year ended 31 December 2019 and 2018 amounted to Baht 7 million and Baht 7 million, respectively).

### Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	85,720	89,627	62,515	66,012
Post-employment benefits	7,911	3,435	4,630	1,517
Total	93,631	93,062	67,145	67,529

### 7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade receivables - related parties</u> (Note 6)				
Aged on the basis of due dates				
Not yet due	13,382	66,575	15,499	72,873
Past due				
Up to 3 months	19,580	60,217	21,051	60,111
3 - 6 months	34,544	56,424	31,326	53,355
6 - 12 months	114,741	7,253	114,741	7,253
Total trade receivables - related parties	182,247	190,469	182,617	193,592
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,051,911	1,352,373	439,084	443,451
Past due				
Up to 3 months	233,449	254,000	155,969	172,769
3 - 6 months	189	21,579	190	20,816
6 - 12 months	500	43,855	-	43,202
Over 12 months	16,479	28,521	5,232	16,889
Total	1,302,528	1,700,328	600,475	697,127
Less: Allowance for doubtful accounts	(13,879)	(21,104)	(6,061)	(9,614)
Total trade receivables - unrelated parties, net	1,288,649	1,679,224	594,414	687,513
Total trade receivables - net	1,470,896	1,869,693	777,031	881,105
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	663	-	17,248	5,487
Other receivables - unrelated parties	2,264	5,665	274	622
Total other receivables	2,927	5,665	17,522	6,109
Trade and other receivables - net	1,473,823	1,875,358	794,553	887,214

## 8. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	711,267	659,913	(57,352)	(45,761)	653,915	614,152
Work in process	436,030	374,186	(14,922)	(37,452)	421,108	336,734
Raw materials and factory supplies	469,297	585,993	(33,360)	(48,303)	435,937	537,690
Goods in transit	51,377	144,962	-	-	51,377	144,962
Total	1,667,971	1,765,054	(105,634)	(131,516)	1,562,337	1,633,538

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	536,966	410,601	(48,620)	(34,957)	488,346	375,644
Work in process	406,236	330,406	(7,043)	(32,815)	399,193	297,591
Raw materials and factory supplies	261,344	273,527	(14,985)	(27,778)	246,359	245,749
Goods in transit	11,141	79,616	-	-	11,141	79,616
Total	1,215,687	1,094,150	(70,648)	(95,550)	1,145,039	998,600

During the current year, the Group reduced cost of inventories by Baht 65 million (2018: Baht 100 million) (The Company only: Baht 46 million and 2018: Baht 78 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 91 million (2018: Baht 40 million) (The Company only: Baht 71 million and 2018: Baht 36 million), and reduced the cost of sales during the year.

## 9. Investments in associates

### 9.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2019	2018	2019	2018	2019	2018
Loxpac (Thailand) Company Limited	Providing telecommunication service	Thailand	25	25	379,246	379,246	105,151	105,151
Loxpac Hong Kong Co., Limited	Investment and holding company	Hong Kong	20	20	302	302	5,165	4,889
Total					379,548	379,548	110,316	110,040
Less: Allowance for impairment loss of investment							(105,151)	(105,151)
Total investments in associates - net							5,165	4,889

## 9.2 Share of profit/loss and dividend received

A subsidiary has not recognised its share of loss from investment in Loxpac (Thailand) Company Limited because the subsidiary already recognised the allowance for impairment loss of investment in full amount. In addition, there was no dividend income received from this associate.

On 30 March 2018, The Annual General Meeting of shareholders of Loxpac (Thailand) Company Limited No. 1/2018 passed a resolution approving its dissolution. Presently, this company is in its liquidation process.

During the current year, the subsidiary has recognised its share of profit from investment in Loxpac Hong Kong Co., Limited totally Baht 0.3 million (2018: share of loss totally Baht 1.4 million). No dividend received from this associate.

## 9.3 Financial information of the associates were summarised below.

Company's name	Unit (Million)	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the years ended		Profit (loss) for the years ended	
		31 December		31 December		31 December		31 December		31 December	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Loxpac (Thailand) Company Limited	Baht	700	700	185	223	1	9	2	16	(30)	(50)
Loxpac Hong Kong Co., Limited	Euro	6	6	14	14	7	7	0.4	0.3	0.1	(0.2)

The financial statements included investment in Loxpac (Thailand) Company Limited which based on the financial statements prepared by the associate's management. The management of the Group believes that the financial statements would not differ significantly if they had been audited by an 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. The Group recorded the allowance for impairment amounting to Baht 105 million in the allowance for impairment of investment in associate account in the consolidated financial statements and recorded the allowance for doubtful accounts for the long-term loans to subsidiary in the separate financial statements.

## 10. Investments in subsidiaries

### 10.1 Details of investments in subsidiaries as presented in separate financial statements were as follows:

Company's name	Paid-up capital		Cost		Dividend received during the year	
	2019	2018	2019	2018	2019	2018
Siam Fiber Optics Company Limited	240,000	240,000	153,000	144,000	-	-
Siam Pacific Electric Wire and Cable Company Limited	670,000	670,000	1,067,703	1,067,703	9,983	19,966
Double D Cable Company Limited	20,000	20,000	20,000	20,000	-	-
Shanghai Asia Pacific Electric Company Limited	10,549	10,549	41,110	41,110	-	-
	Thousand	Thousand				
	USD	USD				
CTW-Beta Company Limited	100	100	100	100	-	-
Total			1,281,913	1,272,913	9,983	19,966
Less: Allowance for impairment loss of investments			(127,817)	(105,617)		
Total investments in subsidiaries - net			1,154,096	1,167,296		

(Unit: Thousand Baht)

Further to the resolution passed by the Board of Directors' meeting held on 4 September 2019, the Company entered into Share Purchase Agreement with Fujikura Limited on 30 October 2019 to acquire 6 million ordinary shares of Siam Fiber Optics Company Limited at a price of Baht 1.25 per share, or for a total of Baht 7.5 million (equivalent to 25 percent of the issued and paid-up ordinary shares) and to acquire 1.2 million shares of Toyota Tsusho Corporation at a price of Baht 1.25 per share, or for a total of Baht 1.5 million (equivalent to 5 percent of issued and paid-up ordinary shares).

The Company paid for and received the transfer of such shares on 4 November 2019. As a result of these transactions, the shareholding of the Company in Siam Fiber Optics Company Limited increased from 60 percent to 90 percent of issued and paid-up ordinary shares. The Company recorded the effect of the change in its interest under the caption of "Non-controlling interests of subsidiary acquired by the Company at price lower than book value" in the consolidated shareholders' equity. The details were as follows:

	(Unit: Thousand Baht)
	<b>Consolidated financial statement</b>
Purchase price	9,000
Less: Non-controlling interests of subsidiary adjusted	(21,006)
Non-controlling interests of subsidiary acquired by the Company at price lower than book value	(12,006)

In 2019, the Company assessed the value of investments in subsidiaries and concluded that the recoverable amounts of investments in Siam Fiber Optics Company Limited and Shanghai Asia Pacific Electric Company Limited were lower than the carrying amounts, amounting to Baht 10 million and Baht 12 million, respectively (2018: Siam Fiber Optics Company Limited amounting to Baht 21 million). The Company therefore recognised an allowance for impairment loss on these investments in the income statement of the separate financial statements.

## 11. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Fixed deposit</b>				
Fixed deposit over 1 year	37,000	28,600	-	-
Total fixed deposit	37,000	28,600	-	-
<b>Non-marketable equity securities</b>				
Thai Metal Processing Company Limited	22,500	22,500	22,500	22,500
Crown Century Holdings Limited	64,270	64,270	-	-
Total non-marketable equity securities	86,770	86,770	22,500	22,500
Total other long-term investments	123,770	115,370	22,500	22,500

In 2019, the Company received dividend from Thai Metal Processing Company Limited amounting to Baht 3 million (2018: Baht 3 million).

In 2018, a subsidiary received dividend from Crown Century Holdings Limited amounting to Bath 1 million.



## 12. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land - not being used for operation	Condominium and office building for rent	Total	Land - not being used for operation	Condominium and office building for rent	Total
31 December 2019:						
Cost	13,845	10,017	23,862	11,022	-	11,022
<u>Less</u> Accumulated depreciation	-	(7,077)	(7,077)	-	-	-
Net book value	13,845	2,940	16,785	11,022	-	11,022
31 December 2018:						
Cost	13,845	10,017	23,862	11,022	-	11,022
<u>Less</u> Accumulated depreciation	-	(6,645)	(6,645)	-	-	-
Net book value	13,845	3,372	17,217	11,022	-	11,022

A reconciliation of the net book value of investment properties for the years was presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	17,217	17,718	11,022	11,022
Depreciation charged for the year	(432)	(501)	-	-
Net book value at end of year	16,785	17,217	11,022	11,022

The fair values of the investment properties as at 31 December 2019 and 2018 were stated below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Land - not being used for operation	343,412	343,412	340,550	340,550
Condominium and office building for rent	15,998	15,238	-	-

The fair values of the above investment properties have been determined based on market price valuations performed by the accredited independent valuers.

### 13. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land	Buildings and buildings improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>							
1 January 2018	240,121	1,270,954	2,953,386	109,750	102,669	29,057	4,705,937
Additions	-	713	4,969	4,033	17,072	73,228	100,015
Disposals	-	(242)	(22,304)	(2,408)	(13,665)	-	(38,619)
Transfers	-	110	44,159	27	16,250	(60,546)	-
Translation adjustment	-	(3,913)	(8,064)	(156)	(228)	(620)	(12,981)
31 December 2018	240,121	1,267,622	2,972,146	111,246	122,098	41,119	4,754,352
Additions	-	1,529	7,001	5,583	7,992	65,474	87,579
Disposals	-	(131)	(71,043)	(5,404)	(12,006)	(247)	(88,831)
Transfers	-	17,437	52,179	869	3,573	(74,058)	-
Translation adjustment	-	(5,479)	(11,035)	(224)	(321)	(1,560)	(18,619)
31 December 2019	240,121	1,280,978	2,949,248	112,070	121,336	30,728	4,734,481
<b>Accumulated depreciation:</b>							
1 January 2018	-	(997,333)	(2,553,568)	(99,691)	(71,534)	-	(3,722,126)
Depreciation for the year	-	(30,095)	(54,138)	(4,236)	(9,480)	-	(97,949)
Depreciation on disposals	-	189	22,264	2,376	13,656	-	38,485
Translation adjustment	-	2,619	7,446	133	150	-	10,348
31 December 2018	-	(1,024,620)	(2,577,996)	(101,418)	(67,208)	-	(3,771,242)
Depreciation for the year	-	(26,497)	(52,391)	(4,232)	(10,299)	-	(93,419)
Depreciation on disposals	-	131	69,463	5,354	10,789	-	85,737
Translation adjustment	-	3,943	10,322	171	319	-	14,755
31 December 2019	-	(1,047,043)	(2,550,602)	(100,125)	(66,399)	-	(3,764,169)
<b>Allowance for impairment loss:</b>							
1 January 2018	-	-	(36,582)	-	-	-	(36,582)
Increase during the year	-	-	-	-	-	-	-
31 December 2018	-	-	(36,582)	-	-	-	(36,582)
Increase during the year	-	-	(13,822)	-	-	-	(13,822)
Translation adjustment	-	-	528	-	-	-	528
31 December 2019	-	-	(49,876)	-	-	-	(49,876)
<b>Net book value:</b>							
31 December 2018	240,121	243,002	357,568	9,828	54,890	41,119	946,528
31 December 2019	240,121	233,935	348,770	11,945	54,937	30,728	920,436
<b>Depreciation for the year</b>							
2018 (Baht 89 million included in manufacturing cost, and the balance in selling and administrative expenses)							97,949
2019 (Baht 85 million included in manufacturing cost, and the balance in selling and administrative expenses)							93,420

(Unit: Thousand Baht)

	Separate financial statements						Total
	Land	Buildings and buildings improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
<b>Cost:</b>							
1 January 2018	186,770	660,052	1,655,257	70,091	63,727	7,999	2,643,896
Additions	-	253	4,435	2,050	12,650	43,626	63,014
Disposals	-	-	(1,740)	(927)	(11,182)	-	(13,849)
Transfers	-	111	23,647	27	16,250	(40,035)	-
31 December 2018	186,770	660,416	1,681,599	71,241	81,445	11,590	2,693,061
Additions	-	399	5,441	1,890	5,557	44,164	57,451
Disposals	-	-	(1,830)	(2,619)	(8,389)	-	(12,838)
Transfers	-	12,974	34,401	870	3,573	(51,818)	-
31 December 2019	186,770	673,789	1,719,611	71,382	82,186	3,936	2,737,674
<b>Accumulated depreciation:</b>							
1 January 2018	-	(506,211)	(1,388,285)	(63,667)	(48,272)	-	(2,006,435)
Depreciation for the year	-	(17,308)	(36,894)	(2,679)	(6,542)	-	(63,423)
Depreciation on disposals	-	-	1,741	908	11,172	-	13,821
31 December 2018	-	(523,519)	(1,423,438)	(65,438)	(43,642)	-	(2,056,037)
Depreciation for the year	-	(14,083)	(35,291)	(2,457)	(7,284)	-	(59,115)
Depreciation on disposals	-	-	1,512	2,578	7,173	-	11,263
31 December 2019	-	(537,602)	(1,457,217)	(65,317)	(43,753)	-	(2,103,889)
<b>Net book value:</b>							
31 December 2018	186,770	136,897	258,161	5,803	37,803	11,590	637,024
31 December 2019	186,770	136,187	262,394	6,065	38,433	3,936	633,785
<b>Depreciation for the year</b>							
2018 (Baht 59 million included in manufacturing cost, and the balance in selling and administrative expenses)							63,423
2019 (Baht 55 million included in manufacturing cost, and the balance in selling and administrative expenses)							59,116

As at 31 December 2019 and 2018, certain plant and equipment items had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 3,344 million and Baht 3,272 million, respectively (The Company only: Baht 1,894 million, 2018: Baht 1,761 million).

As at 31 December 2019, two subsidiary companies have pledged their land, buildings and machinery amounting to approximately Baht 1 million and RMB 3 million (2018: Baht 1 million and RMB 3 million) as collateral against credit facilities received from financial institutions. In addition, a subsidiary has released its mortgaged of land and buildings amounting to Baht 51 million (31 December 2018: Baht 54 million) from a bank. However, the subsidiary is still restricted from selling, transferring or creating lien over the land and buildings without written consent from the bank.

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

Short-term loans from financial institutions carry interest at rates of 4.6 - 4.8% per annum (2018: 4.6 - 5.4% per annum) while trust receipts carry interest at rates of 1.9 - 2.7% per annum (2018: 1.9 - 3.5% per annum). These are secured by pledges of fixed deposits of a subsidiary, by the mortgage of land, buildings and land leasehold right and the pledge of machinery by two subsidiaries.

## 15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade payables - related parties (Note 6)	156,362	123,076	2,666	4,116
Trade payables	67,892	227,236	27,758	117,640
Other payables - related parties (Note 6)	832	876	441	463
Other payables	56,390	45,283	39,999	30,489
Accrued expenses	102,617	127,726	56,043	92,742
<b>Total trade and other payables</b>	<b>384,093</b>	<b>524,197</b>	<b>126,907</b>	<b>245,450</b>

## 16. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Provisions for long-term employee benefits at beginning of year</b>	<b>290,549</b>	<b>269,012</b>	<b>253,624</b>	<b>236,104</b>
Included in profit or loss:				
Current service cost	20,593	13,499	14,369	11,194
Interest cost	7,830	6,495	6,863	5,622
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	34,763	328	29,755	-
Experience adjustments	10,789	12,556	(458)	11,432
Benefits paid during the year	(15,895)	(11,341)	(11,306)	(10,728)
<b>Provisions for long-term employee benefits at end of year</b>	<b>348,629</b>	<b>290,549</b>	<b>292,847</b>	<b>253,624</b>

The Group expects to pay Baht 40 million of long-term employee benefits during the next year (The Company only: Baht 37 million) (2018: Baht 12 million, The Company only: Baht 8 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 9 years (The Company only: 9 years) (31 December 2018: 10 - 11 years, The Company only: 11 years).

Significant actuarial assumptions were summarized below:

(Unit: percent per annum)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Discount rate	1.5	2.6 - 2.7	1.5	2.7
Salary increase rate (depending on age)	5.0 - 6.0	5.0 - 6.0	6.0	6.0
Turnover rate	0.0 - 18.0	0.0 - 18.0	0.0 - 8.0	0.0 - 8.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 were summarised below:

(Unit: Million Baht)

	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(30)	35	(25)	30
Salary increase rate	33	(29)	28	(24)

(Unit: Million Baht)

	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(18)	21	(14)	17
Salary increase rate	20	(17)	16	(14)

## 17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit 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.

At present, the statutory reserve has fully been set aside.

## 18. Expenses by nature

Significant expenses classified by nature were as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Raw materials and consumables used and purchase of finished goods	4,897	6,336	1,470	1,975
Changes in finished goods and work in progress	(113)	(18)	(202)	(8)
Salaries and wages and other employee benefits	518	542	318	350
Packing expenses	133	154	99	133
Fabrication expenses	20	21	44	41
Electric expenses	150	178	65	72
Repair and maintenance expenses	63	68	51	47
Depreciation and amortisation	95	100	60	64

## 19. Income tax

Income tax for the years were made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Current income tax charge	30,304	79,912	28,259	78,738
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	10,631	(10,191)	3,638	(6,516)
<b>Income tax reported in the statement of income</b>	<b>40,935</b>	<b>69,721</b>	<b>31,897</b>	<b>72,222</b>

The amounts of income tax relating to each component of other comprehensive income for the years were as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax relating to actuarial losses	9,110	2,577	5,859	2,286

The reconciliation between accounting profit and income tax was shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit before tax	83,019	333,249	143,830	355,758
Applicable tax rate	20% and 25%	20% and 25%	20%	20%
Accounting profit before tax multiplied by income tax rate	13,058	65,267	28,766	71,152
Utilisation of previously unrecognised deferred tax assets	-	(4,123)	-	-
Adjustments in respect of deferred tax assets	3,122	(6,431)	-	-
Deferred tax assets which were not recorded during the year	25,341	14,654	4,440	4,120
Effects of:				
Additional taxable income	-	-	1,320	1,352
Tax-exempt income	(675)	(675)	(2,672)	(4,668)
Non-deductible expenses	972	1,234	559	797
Additional expense deductions allowed	(771)	(797)	(516)	(531)
Others	(112)	592	-	-
Total	(586)	354	(1,309)	(3,050)
Income tax reported in the income statement	40,935	69,721	31,897	72,222

The components of deferred tax assets and deferred tax liabilities were as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
<b>Deferred tax assets</b>				
Trade accounts receivable and inventories (differences in revenue recognition)	(89)	(68)	(41)	(54)
Allowance for doubtful accounts	2,101	3,504	1,212	1,923
Allowance for diminution in value of inventories	14,803	22,084	14,130	19,110
Provision for loss on exchange forward contracts	16	918	-	-
Provision for accrued vacation leave	833	762	677	622
Provision for long-term employee benefits	69,725	58,110	58,569	50,725
Unused tax loss	6,000	9,600	-	-
<b>Deferred tax assets - net</b>	<b>93,389</b>	<b>94,910</b>	<b>74,547</b>	<b>72,326</b>

As at 31 December 2019, the Group had deductible temporary differences and unused tax losses totaling Baht 290 million (2018: Baht 522 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 336 million will expire by the year 2024.

## 20. 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.

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Profit for the year (Thousand Baht)	77,241	287,494	111,933	283,536
Weighted average number of ordinary shares (Thousand shares)	397,906	397,906	397,906	397,906
Basic earnings per share (Baht/share)	0.19	0.72	0.28	0.71

## 21. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the president of the group.

For management purposes, the Group is organised into business units based on its products and have four reportable segments as follows:

- The power cable segment, which consists of aluminum conductor power cable, copper conductor power cable and high-voltage power cable
- The communication cable segment
- The enameled and non-enameled wire segment, which consists of enameled copper wire, enameled aluminum wire and non-enameled copper wire
- The fiber optic cable segment

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table presents revenue and profit or loss information regarding the operating segments of the Group for the years.

(Unit: Million Baht)

	For the year ended 31 December											
	Power cable segment <sup>1)</sup>		Communication cable segment		Enameled and non-enameled wire segment <sup>2)</sup>		Fiber optic cable segment		Other segments		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenue</b>												
Sales	2,047	3,044	29	55	3,816	4,767	63	78	6	16	5,961	7,960
<b>Segment profit (loss)</b>	<b>308</b>	<b>519</b>	<b>4</b>	<b>9</b>	<b>75</b>	<b>150</b>	<b>(1)</b>	<b>(3)</b>	<b>3</b>	<b>1</b>	<b>389</b>	<b>676</b>
Unallocated income and expenses												
Other income											60	51
Interest income											11	8
Interest expenses											(20)	(33)
Selling and contribution expenses											(102)	(112)
Administrative expenses											(237)	(250)
Allowance for loss on impairment of property, plant and equipment											(14)	-
Finance expenses											(4)	(5)
Share of profit (loss) from investment in associate											-	(1)
<b>Profit before income tax</b>											<b>83</b>	<b>334</b>
Income tax											(41)	(70)
<b>Profit for the year</b>											<b>42</b>	<b>264</b>
Non-controlling interests of the subsidiaries											35	24
<b>Profit attributable to equity holders of the Company</b>											<b>77</b>	<b>288</b>

1) Power cable segment consists of aluminum conductor power cable, copper conductor power cable and high-voltage power cable.

2) Enameled and non-enameled wire segment consists of enameled copper wire, enameled aluminum wire and non-enameled copper wire.

## Geographic information

Revenue from external customers was based on locations of the customers.

(Unit: Million Baht)

	2019	2018
Revenue from external customers		
Thailand	3,585	4,806
India	1,252	1,459
China	612	1,005
Others	512	690
<b>Total</b>	<b>5,961</b>	<b>7,960</b>
Non-current assets (other than deferred tax assets)		
Thailand	1,181	1,224
China	44	63
<b>Total</b>	<b>1,225</b>	<b>1,287</b>



### Major customers

For the year 2019, the Group has revenue from one major customer amounting to Baht 714 million arising from sales by the enameled and non-enameled wire segment (2018: Baht 856 million derived from one major customer, arising from sales by the power cable segment).

## 22. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees and the Group contribute to the fund monthly at the rate of 5 percent of basic salary. The fund of the Company, which is managed by Krungsri Asset Management Company Limited and the fund of a subsidiary, which is managed by Bualuang Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 9 million (2018: Baht 8 million) were recognised as expenses (the Company only: Baht 6 million, 2018: Baht 6 million).

## 23. Dividends

		Approved by	Total dividends	Dividend per share
			(Thousand Baht)	(Baht)
Final dividends for 2018	Annual General meeting of the shareholders on 24 April 2018		139,267	0.35
Final dividends for 2019	Annual General meeting of the shareholders on 29 April 2019		179,057	0.45

## 24. Commitments and contingent liabilities

### 24.1 Capital commitments

As at 31 December 2019, the Group had capital commitments of approximately Baht 17 million and USD 2 million and Euro 3 million (2018: Baht 2 million and USD 1 million) relating to the acquisition of machinery and equipment and the construction of factory building improvement.

### 24.2 Operating lease and service commitments

As at 31 December 2019 and 2018, the Group had commitments in respect of the lease of equipment, factory and office building and the respect of service as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payable within 1 year	8	8	5	5

(Unit: Million TWD)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payable within 1 year	2	2	1	1

### 24.3 Commitments to purchase raw materials

As at 31 December 2019 and 2018, the Group had commitments to purchase raw materials as follows:

As at 31 December 2019			
The Group	The Company only	Pricing/Metric ton	Foreign currency
(Metric ton)	(Metric ton)		
10,100 - 14,700	3,300	reference to the market price	
800	300	6,126 - 6,134	US dollar

As at 31 December 2018			
The Group	The Company only	Pricing/Metric ton	Foreign currency
(Metric ton)	(Metric ton)		
18,800 - 24,400	3,700	reference to the market price	
450	-	54,211 - 54,393	Renminbi
1,400	300	5,932 - 6,185	US dollar

#### 24.4 Guarantees

As at 31 December 2019 and 2018, 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 Group.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Letter of guarantee for bidding	84	15	84	15
Letter of guarantee for performance in accordance with the contracts	1,039	1,152	1,034	1,146
Letter of guarantee for utilities usage	21	23	6	8
	1,144	1,190	1,124	1,169

#### 25. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	359	-	359

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	5	-	5
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	359	-	359

(Unit: Million Baht)

	Separate financial statements as at 31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	341	-	341

(Unit: Million Baht)

	Separate financial statements as at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	341	-	341

## 26. Financial instruments

### 26.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise the following:

#### Financial assets

- Cash and cash equivalents
- Current investments
- Trade and other receivables
- Restricted bank deposits
- Long-term loans to subsidiary
- Other long-term investments

#### Financial liabilities

- Short-term loans from financial institutions
- Trust receipts
- Trade and other payables

The financial risks associated with these financial instruments and how they were managed was described below.

#### Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables and loans. The Group manage the risk by adopting appropriate credit control policies and procedures. In addition, the Group sells 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 Group does 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 Group is exposure to interest rate risk relates primarily to its cash at banks, short-term loans and trust receipts. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rate were summarised in the tables 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 2019						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	Over 5 years				
<b>Financial assets</b>						(% p.a.)
Cash and cash equivalents	253	-	610	22	885	0.1 - 1.3
Trade and other receivables	-	-	-	1,474	1,474	-
Restricted bank deposits	76	-	-	-	76	0.6
Other long-term investments	-	37	-	87	124	1.5
	329	37	610	1,583	2,559	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	-	-	54	-	54	4.6 - 4.8
Trust receipts	161	-	-	-	161	1.9 - 2.7
Trade and other payables	-	-	-	384	384	-
	161	-	54	384	599	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2018						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	Over 5 years				
						(% p.a.)
<b>Financial assets</b>						
Cash and cash equivalents	321	-	695	19	1,035	0.1 - 2.7
Current investments	100	-	-	-	100	0.4
Trade and other receivables	-	-	-	1,875	1,875	-
Restricted bank deposits	170	-	-	-	170	0.9 - 1.0
Other long-term investments	-	28	-	87	115	1.5
	591	28	695	1,981	3,295	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	-	-	114	-	114	4.6 - 5.4
Trust receipts	602	-	-	-	602	1.9 - 3.5
Trade and other payables	-	-	-	524	524	-
	602	-	114	524	1,240	

(Unit: Million Baht)

Separate financial statements as at 31 December 2019					
	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate
	within 1 year				
					(% p.a.)
<b>Financial assets</b>					
Cash and cash equivalents	253	326	20	599	0.2 - 1.3
Trade and other receivables	-	-	795	795	-
Other long-term investments	-	-	23	23	-
	253	326	838	1,417	
<b>Financial liabilities</b>					
Trust receipts	88	-	-	88	1.9 - 2.2
Trade and other payables	-	-	127	127	-
	88	-	127	215	

(Unit: Million Baht)

Separate financial statements as at 31 December 2018					
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate
					(% p.a.)
<b>Financial assets</b>					
Cash and cash equivalents	301	437	13	751	0.4 - 1.3
Current investments	100	-	-	100	0.4
Trade and other receivables	-	-	877	877	-
Other long-term investments	-	-	23	23	-
	401	437	923	1,761	
<b>Financial liabilities</b>					
Trust receipts	72	-	-	72	1.9 - 2.0
Trade and other payables	-	-	245	245	-
	72	-	245	317	

**Foreign currency risk**

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

As at 31 December 2019 and 2018, the balances of financial assets and liabilities denominated in foreign currencies were summarised below.

Foreign currency	Consolidated financial statements				Average exchange rate	
	Financial assets		Financial liabilities		2019	2018
	2019	2018	2019	2018		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	7	12	7	24	30.1540	32.4498
Japanese Yen	-	-	-	15	-	0.2931

Foreign currency	Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities		2019	2018
	2019	2018	2019	2018		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	3	5	30.1540	32.4498

As at 31 December 2019 and 2018, forward exchange contracts outstanding were summarised below.

2019					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	1	-	30.12 - 30.14	-	June 2020

2018					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	9	-	32.59 - 33.11	-	April 2019 - June 2019

In addition, the Group is exposed to foreign exchange risk on their investments in overseas subsidiaries. These investments are currently not hedged by derivative financial instruments.

## 26.2 Fair values of financial instruments

Since the majority of the Group's financial assets and liabilities 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. For derivatives, fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

During the current year, there were no transfers within the fair value hierarchy.

## 27. Capital management

The primary objective of the Group's 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 2019, the Group's debt-to-equity ratio was 0.24:1 (2018: 0.36:1) and the Company's was 0.14:1 (2018: 0.16:1).

## 28. Approval of financial statements

These financial statements were authorised for issue by the authorised director of the Company on 24 February 2020.

## Audit Fee

### 1. Audit fee

The Company and its subsidiaries paid audit fee to :

- The Company's auditor for the year 2019 totaling Baht 4,980,000.
- Other than the Company's auditor but, related individual or related company of the Company's auditor for the year 2019 totaling Baht 0.

### 2. Non-audit fee

The Company and its subsidiaries paid non-audit fee for the year 2019 totaling Baht 0.

**Charoong Thai Wire and Cable Public Company limited**

**Head Office** : 589/71 floor 12A, Central City Tower, Debaratana Road,  
North Bangna Sub-district, Bangna District, Bangkok 10260, Thailand

**Telephone** : 02 745 6118-30

**Fax** : 02 745 6131-32

**Factory** : 35/1 Moo 22 Suwinthawong Road, Saladang,  
Bang Nam Prieu District, Chachoengsao 24000

**Telephone** : 038 593 401-10

**Fax** : 038 593 400

**website** : [www.ctw.co.th](http://www.ctw.co.th)

**e-mail** : [sales@ctw.co.th](mailto:sales@ctw.co.th)



## Charoong Thai Wire and Cable Public Company Limited

"The investors can study more information about Charoong Thai Wire and Cable Plc.  
from Annual Information Disclosure Form (56-1 Form)  
on [www.sec.or.th](http://www.sec.or.th) or the Company's website [www.ctw.co.th](http://www.ctw.co.th)"