



Charoong Thai Wire and Cable Public Company Limited



Annual Report
2017

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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 25th, 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 2015 - 2017, the Company and its subsidiaries have sales revenue of Baht 6,422 million, Baht 6,428 million and Baht 7,902 million respectively.

In 2017, the revenue from sales of the Company and subsidiaries increased by Baht 1,474.46 million or 22.94% when compared with that of the previous year. Profit of Baht 280.99 million in 2017 slightly decreased by Baht 0.81 million or 0.29% from profit attributable to equity holders of the Company of Baht 281.80 million in the previous year. The Company had gain on sales of investment property amounting to Baht 156.75 million from the sales of land not being used for operation in 2016. In addition, the Company and subsidiaries had gain on exchange of Baht 19.30 million in 2016, while they had gain on exchange of Baht 44.25 million in 2017.

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.

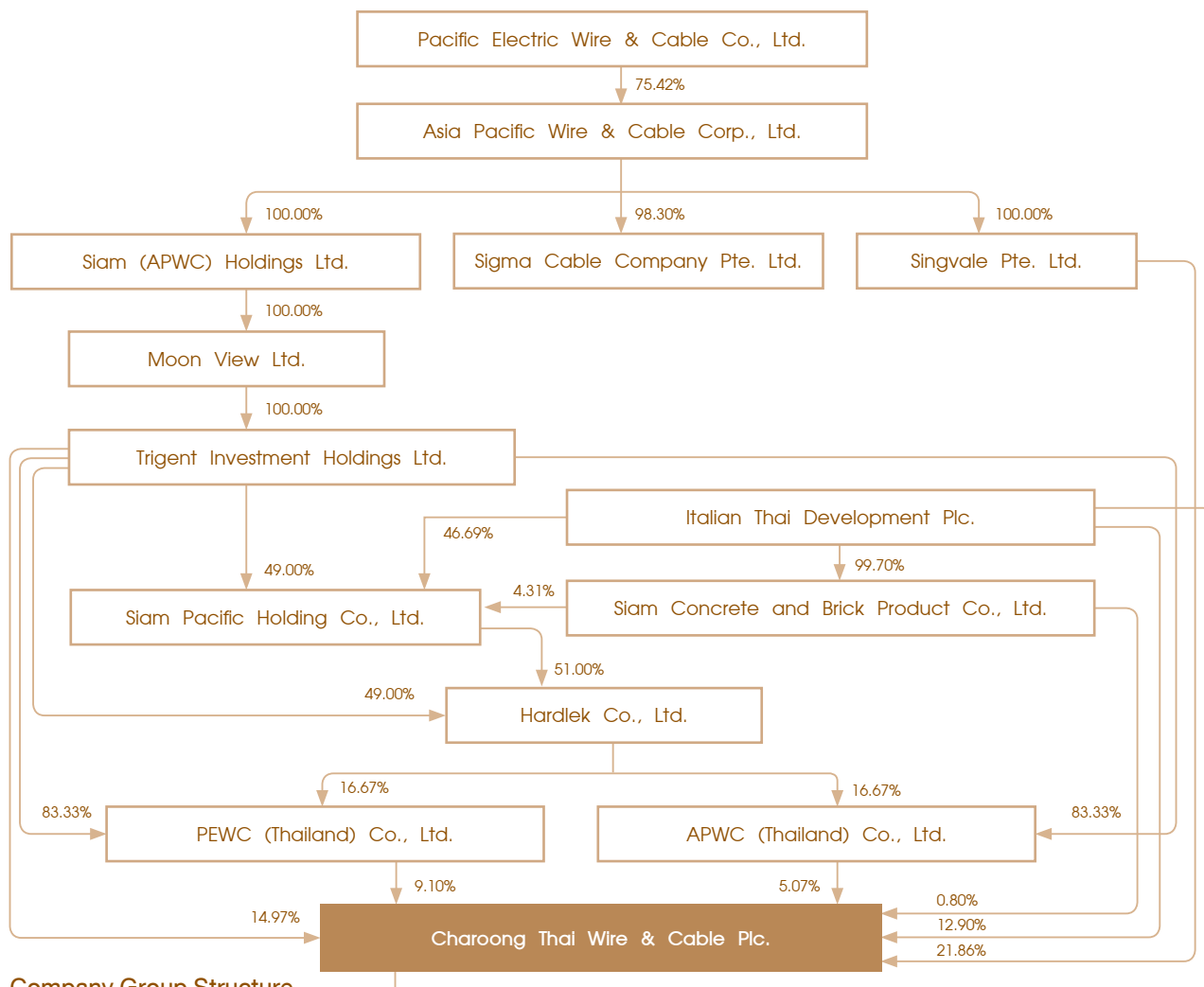
Mission

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.

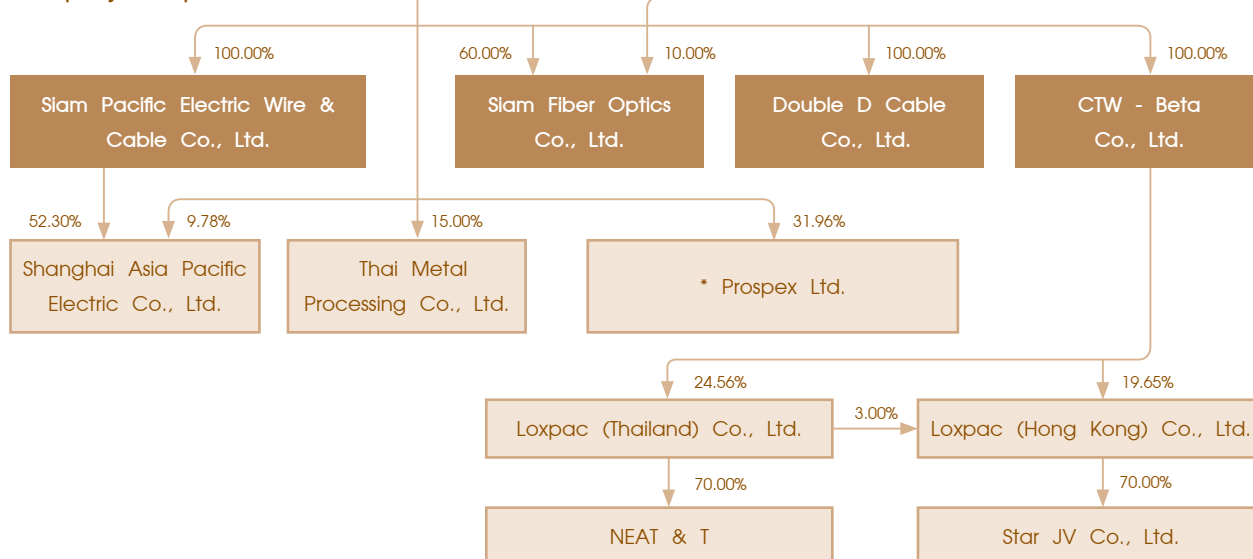
Policy and Overall Business Operations

Shareholding Structure of the Company Group

Parent Group Structure (as at 31 December 2017)



Company Group Structure



Remarks : * The liquidation is currently in progress

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

(As at 10th April 2017)

Shareholders	Number of shares	Holding (%)
1. National Financial Stabilization Fund	23,841,129	3.56
2. Yuan Yuan Corporation	17,235,846	2.58
3. Ding-Hao ACME Co., Ltd.	7,276,358	1.09
4. Tai Ho Investment Co., Ltd.	5,317,960	0.80
5. PEWC Employee Welfare Committee	4,808,585	0.72
6. Qiu Xiao Xian	3,936,035	0.59
7. Liao Guang Rong	3,900,000	0.58
8. Century Pacific Corporation	3,820,428	0.57
9. Qiu Xiao Qi	3,696,110	0.55
10. Bao Hua Investment Co., Ltd.	3,146,447	0.47
11. Minority Shareholders	592,021,102	88.49
Total shares issued	669,000,000	100.00

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	2017		2016		2015	
			Revenue	%	Revenue	%	Revenue	%
Manufacturing/ Revenue	Charoong Thai Wire and Cable Plc.		3,371.17	42.18	2,409.52	36.28	2,708.31	41.98
	Siam Pacific Electric Wire & Cable Co., Ltd.	100.00	3,324.51	41.58	2,968.13	44.70	2,508.34	38.88
	Shanghai Asia Pacific Electric Co., Ltd.	63.68	1,147.59	14.35	1,049.24	15.80	1,036.67	16.07
	Siam Fiber Optics Co., Ltd.	60.00	151.39	1.89	213.92	3.22	197.85	3.07
	Double D Cable Co., Ltd.	100.00	0.18	0.00	0.21	0.00	0.08	0.00
Investment/Revenue	CTW-Beta Co., Ltd.	100.00	-	0.00	-	0.00	-	0.00
Total			7,994.84	100.00	6,641.02	100.00	6,451.25	100.00

Product Line/ Business Category	By	% of Investment	Expresses in	2017	2016	2015
Telecommunication*/ Revenue	Loxpac (Thailand) Co., Ltd.	24.56	Million Baht	151.18	109.94	35.88
	Loxpac Hongkong Co., Ltd.	20.39	EURO	798,019	381,267	463,365

Remarks : * Figures were represented total revenues of its an associated company, 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 Six 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)

B) Sales by product

Product	Sales (%) 2017	Description
Aluminium electrical wire	16.12	- ACSR1272 - AAC - PVC Insulated Aluminium Cable
Copper electrical wire	13.42	- Building Wire (THW, NYY, VSF) - Bare Copper
High voltage power cable	12.00	- Space Aerial - XLPE Copper Cable 12/20 KV, 24 KV, 115 KV
Telephone cable	1.29	- Self-Supporting Drop Wire - Figure 8 Alpeth - PE Alpeth - Foam/Skin Alpeth
Fiber optic cable	1.90	- Single/Multi Fiber Optics
Enameled and Non-Enameled Wire	55.12	- Enameled Copper Wire - Enameled Aluminum Wire - Non-Enameled Copper Wire
Others	0.15	
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 creditable 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), TIS 2341-2555 (2012) 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 expected to start production and distribution at the beginning of the year 2018 onwards which is the semi-finished product that the overseas industrial customers using as the initial raw material. SFO has developed conduit wiring cable to have lesser diameter for the purpose of increasing number of cable in the same conduit and responding to the government project aiming to change current wiring system to underground cable system. In addition, the government is aware of installing underground cables, the private sector is interested conduit cable as well, and plans to use the cable that having more layers of glass. In the past year, there were a lot of progress in the development and design according to the plan. SFO have to takes time to further test and improve.

2. Price

Last year, overall economy of Thailand has improved. The Thai government has also continued to expedite economic and accelerated investments in infrastructure projects. In 2017, the Company had tried to increase the sales amount. The Company has to set the appropriate selling price and in line with the key raw material price in order to maintain the sales amount and profit margin due to the severe price competition and the increase of price of the key raw materials in the global market. The Company has also focusing to control unnecessary expense and to be suitable for the competition in the market. The Company has used the modern machinery that can produce faster and in greater more volume and has 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, SPEWC 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 and Pink Line), Projects of the State Railway of Thailand (SRT) (Double Track Railway project), Small Power Producer (SPP), Independence Power Producer (IPP), Construction of Suvarnabhumi Airport Phase 2 Project and Construction of New Parliament Projects etc.. These are long term projects (2 - 3 years) which need to use a large number of the electric wires and cables. With regard to its subsidiary, SPEWC, has tried to find more distribution channel for new products to the neighboring and overseas countries. In 2017, 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 media that relate to electrical industry such as Thai Electrical & Mechanical Contractors, Thailand Engineering Journal etc.,. In 2017, the Company has added advertising 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 and testing and calibrating process in order to ensure the high quality and standard of the Company's products. In addition, the Company has provided 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.

As a result of political turmoil in Thailand during mid 2014 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 will be effective from September 2018 onwards. But SFO has prepared and adopted the new Environmental Management System since the mid-year of 2017.

In 2017, 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 the past year, Thailand's overall economic had expanded. Many state enterprises such as The Electricity Generating Authority of Thailand, Provincial Electricity Authority, Metropolitan Rapid Transit Authority etc. had accelerated implementation of policies and push the Mega projects. These were important factors in supporting economic expansion, resulted in both the government and private sectors demanding aluminum conductor cables increased. In 2017, the Company has a market share of approximately 27 percent.

Copper electrical wire

Thailand's overall economic has expanded since the government's Mega Projects were accelerated the implementation such as Mass Rapid Transit projects (Color Lines), Double Track Railway project, Wire Ground project in the tourism provinces such as Phuket, Chiang Mai and Bangkok etc.. And the trend is good for economic growth. The tendency in market situation of copper electrical wire to change and an increase in new manufacturers, the Company has tried to find the new market for the agent in the up-country by stimulating marketing activities and training seminars for target customers in nationwide in order to create customers' confidence for both in products quality and services. As a result, the Company has obtained the orders from government and private sectors. With regard to SPEWC, its a subsidiary, SPEWC had a slight revenue from sales of copper electrical wire from inventory. In 2017, the Company has a market share of approximately 15 percent.

High voltage power cable

Most of the High voltage power cable market, the Company will be OEM for state enterprises, including selling to the private sector customers who are the sub-contractor of government sector's projects, such as Utility Relocation project, Mass Rapid Transit (Green Line-North, Blue Line-South), High-Voltage Electric Power Station, 12 Power Plants Projects of Gulf MP Co., Ltd. etc.. In 2017, the Company has a market share of approximately 21 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. According to a decrease in demand, while number of competitors is still the same, the Company has implemented certain strategies to maintain its sales volume through buyer channel, 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 2017, 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.

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. In 2017, SFO has a market share of approximately 12 percent.

Enameled Copper 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 2017, 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 onwards. In 2017, SPEWC has a market share 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 six building as follows :

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

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 (%)		
		2017	2016	2015
<u>CTW</u>				
Aluminium electrical wires	14,400	*118	67	67
Copper electrical wires	12,000	50	49	47
Telephone cables (pairs-km)	1,440,000	2	1	1
High voltage power cables	4,800	58	44	39
<u>SPEWC</u>				
Enameled wires and Non-Enameled wire	15,600	85	85	
	12,000			87
Communication cables (pairs-km)	180,000	12	20	
	1,152,000			5
<u>SFO</u>				
Fiber optic cables (km-fiber)	500,000	36	40	39
<u>SAP</u>				
Enameled copper wires	7,955	59		
	6,255		72	69

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 2017, around eighty percent (90%) of the raw material used in the production process is imported from various countries through various agencies in Thailand and twenty percent (10%) from domestic market. There were total 54 suppliers of raw materials, 28 suppliers from domestic and 26 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 and Japan 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.

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 2 suppliers.

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

2.2 Thermosetting Plastic insulators are imported from international suppliers in Belgium, USA, Japan, Sweden, United Arab Emirates and South Korea etc.

2.3 Semi-conductive insulators are imported from international suppliers in Belgium, USA, Japan, Sweden, United Arab Emirates and South Korea etc.

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

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. The copper and aluminum price had continued to rise during the last quarter of 2017 which had a negative effect on the production cost and profitability.

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 2017, the Company and its subsidiaries have outstanding balance of liabilities denominated in foreign currencies of USD 40 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 has foreign exchange contracts of USD 14 million as at 31 December 2017. 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 per cent plus few individual shareholders that may comprised by PEWC's management and representatives, so PEWC can thus make decisions that directly affect the policy of the Company. Minority shareholders are therefore at risk for its inability to vote against major shareholders.

Steps taken to mitigate the risk:

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

5. Risk derived from the shortage of skilled labor

Thailand is moving ahead toward the full infrastructure development in order to be the center of the group ASEAN countries that availability of communication technology, various transportations such as land, sea and ocean, and air transportations. Moreover, the Special Economic Zone was established by the government in order to promote investment in several provinces for supporting both domestic and foreign investment. Also the government and state enterprise sectors have recruited more manpower and increased compensation higher than private sector baseline with better welfare which significantly attract some workforce in industrial sector to become an officer or civil servant resulting in skill labor shortage in industrial sector. 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.

Corporate Information

Charoong Thai Wire and Cable Public Company Limited (“CTW” or the “Company”), or in Thai บริษัท จรุงไทยไวร์ แอนด์เคเบิล จำกัด (มหาชน), is located at 589/71 Central City Tower 12A Floor, Bangna-Trad Road, 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 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 3 January 2017, it had paid-up capital in the amount of Baht 1,989,531,420.

Reference Person

Share Registrar

Thailand Securities Depository Co., Ltd. (TSD)
93 Floor 14, Rachadapisek Road,
Dindaeng, Dindaeng, Bangkok, 10400
Tel : (662) 009-9000
Fax : (662) 009-9992
Website : www.set.or.th/tsd

Auditor

Mr. Narong Puntawong, Certified Public Accountant License No. 3315 or
Mr. Supachai Phanyawattano, Certified Public Accountant License No. 3930 or
Ms. Krongkaew Limkittikul, Certified Public Accountant License No. 5874
EY Office Limited (EY)
33rd 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	Shareholding	%
			Number (Shares)	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 Fl. 12 A, Bangna-Trad Rd, Bangna, Bangkok 10260 Tel : (02) 745-6118-30 Fax : (02) 745-6575	Manufacturer and distributor of fibre optic cables	Ordinary Shares	24,000,000	14,399,994	60.00
4. Slam Pacific Electric Wire & Cable Co., Ltd. Head Office : 30 Fl., Charn Issara Tower 2, 2922/312 New Petchburi Rd., Bangkok 10320 Tel : (02) 308-2091 (Auto, 15 Lines) Fax : (02) 308-2081-2	Manufacturer and distributor of wire and cable products, 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. (Formerly known as "Loxley Pacific Co., Ltd.") Head Office : 139 Sethiwan Tower 20 th Floor, Pan Road, Silom, Bangkok Bangkok 10500 Tel : (02) 266-5389-99 Fax : (02) 266-5390	Telecommunications	Ordinary Shares Preferred Shares	45,000,000 25,000,000	12,690,000 5,594,500	**24.56
7. Loxpac Hong Kong Ltd. (Formerly known as "Loxley Pacific Hong Kong Ltd.") Head Office : Unit D, 9/F., Kai Centre, 36 Hung To Road, Kwun Tong, Kowloon, Hong Kong	Telecommunications	Ordinary Shares	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.

Major Shareholders as at 28th March 2017

(The latest closing date of share register book in the year 2017) as follows:

Shareholders Group	No. of Shares	% of holding	Notes
<u>Pacific Electric Wire & Cable Co., Ltd. (PEWC) Group</u>			
1. Singvale Pte Ltd.	86,999,500	21.87	International Juristic Person
2. Trigent Investment Holdings Ltd.	49,568,514	12.46	International Juristic Person
3. PEWC (Thailand) Co., Ltd.	36,206,398	9.10	Domestic Juristic Person
4. APWC (Thailand) Co., Ltd.	20,186,272	5.07	Domestic Juristic Person
	192,960,684	48.50	
<u>Italian-Thai Development Plc. Group</u>			
5. Italian-Thai Development Plc.	51,327,115	12.90	Domestic Juristic Person
6. Siam Concrete and Brick Products Co., Ltd.	3,188,686	0.80	Domestic Juristic Person
	54,515,801	13.70	
<u>Bangkok Insurance Plc. Group</u>			
7. Bangkok Insurance Plc.	27,117,624	6.82	Domestic Juristic Person
8. Mr. Chai Sophonpanich	2,731,210	0.69	Domestic Natural Person
	29,848,834	7.51	
<u>Management Group</u>			
9. Mr. Sun Tao-Heng	6,273,460	1.57	International Natural Person
<u>Other Group</u>			
10. Quam Securities Company Limited A/C Client	10,000,000	2.51	International Juristic Person
11. Mr. Si Lok Mark Lee	3,500,000	0.88	International Natural Person
12. Mr. Tung Yu-Jeh	2,720,928	0.68	International Natural Person
13. Mr. Nanthapan Mahattanatan	2,679,000	0.67	Domestic Natural Person
14. Mr. Sittichai Boonsermmit	2,500,000	0.63	Domestic Natural Person
15. Mr. Sirirat Tangkasemsamran	2,056,800	0.52	Domestic Natural Person
16. Minority Shareholders	90,850,777	22.83	
Total	397,906,284	100.00	

Dividend Policy

The Company has dividend policy that in normal circumstances it is to provide the dividend payout ratio of not less than 25 per cent of net profit from 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 per cent and not exceeding 50 per cent of net profit after deducting legal reserve.

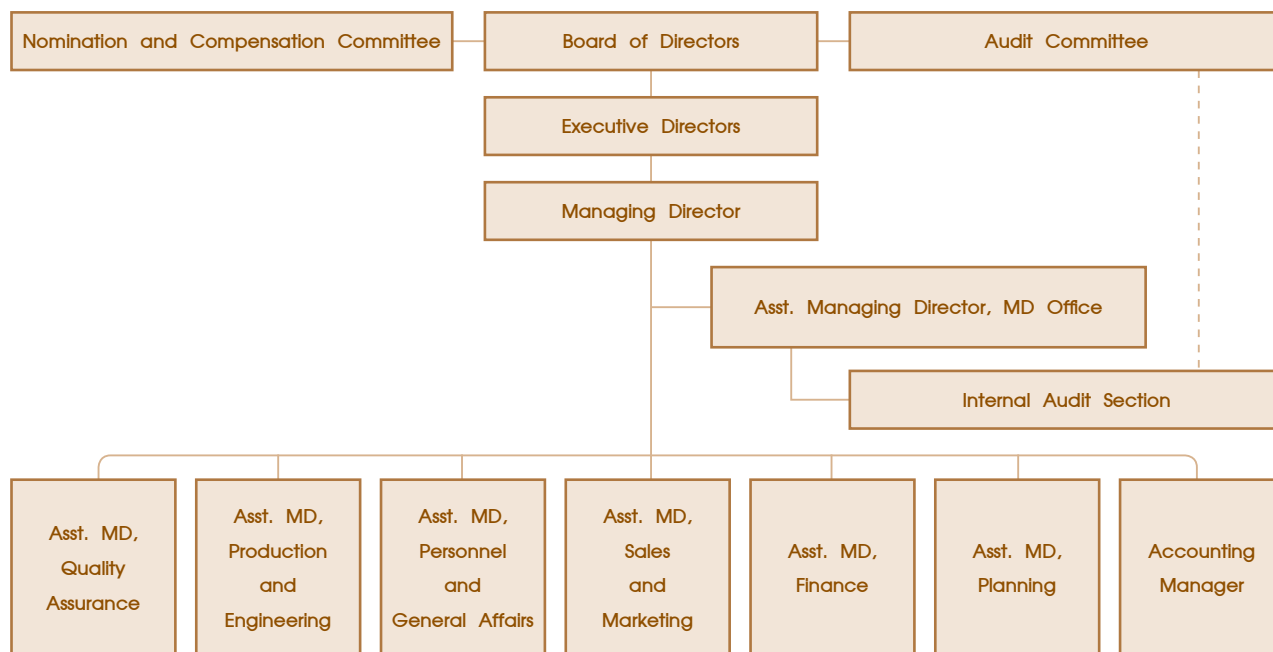
Siam Pacific Electric Wire & Cable Co., Ltd., determines the dividend payout ratio of not less than 25 percent of net profit after tax and to comply with the Civil and Commercial Code.

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



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 11 Directors as at 31 December 2017:

Name	Position
1. Mr. Kasem Kularbkeo*	Chairman and Member of the Nomination and Compensation Committee
2. Mr. Premchai Karnasuta	Vice-Chairman
3. Mr. Sun Tao-Heng*	Managing Director
4. Mr. Pornwut Sarasin	Chairman of Audit Committee and Independent Director
5. Mr. Cheng Chow-Chun	Director
6. Mrs. Sununtha Phaengsook*	Director and Asst. 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. Yuan Chun-Tang	Director
11. 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 2017

Name	Board Meeting (Total 4 times)	2017 AGM (25 th April 2017)
1. Mr. Chai Sophonpanich*	2/4	1
2. Mr. Kasem Kularbkeo	4/4	1
3.. Mr. Premchai Karnasuta	4/4	1
4. Mr. Sun Tao-Heng	4/4	1
5. Mr. Pornwut Sarasin	4/4	1
6. Mrs. Sununtha Phaengsook	4/4	1
7. Mrs. Nijaporn Charanachitta	4/4	1
8. Mr. Sai Wah Simon Suen	4/4	1
9. Mr. Steven Suey Ku	3/4	-
10. Mr. Surachai Sirivallop	3/4	1
11. Mr. Lee Michael Chao-Chun**	1/1	1
12. Mr. Yuan Chun-Tang***	3/3	-
13. Mr. Cheng Chow-Chun	3/4	1

Remarks: * To resigned from director and chairman on 16 June 2017.

** To resigned from the directorship by the end of term on 25 April 2017.

*** To be appointed as the Company's director on 25 April 2017.

Authorities and Duties of directors :

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

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

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

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

2. Audit Committee

The Company's Audit Committee consists of 3 members as at 31 December 2017 :

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

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

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 2017 :

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

Duties and responsibilities of member of Nomination and Compensation Committee :

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

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

4. Executive Directors and Management Team

The Company's Executive Directors and Management Team consists of 10 persons as at 31 December 2017 :

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

Duties and responsibilities of the Executive Directors and Management Team :

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

Secretary of the Company

Miss Kanjana Anekwasinchai

Criteria of selecting an independent director (s)

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

Shareholding and Management Structure

- 1.5 Is not or has never been the auditor of the company, its parent company, subsidiaries, associates, major shareholders, or controlling of company, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the company, its parent company, subsidiaries, associates, major shareholders, or controlling of company unless the foregoing status ended at least 2 years.
- 1.6 Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years.
- 1.7 Is not the director who is nominated to be the representative of directors of the company, major shareholders, or any other shareholder related to the major shareholders.
- 1.8 Do not operate the same and competitive business with the business of the company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the company, or its subsidiaries.
- 1.9 Is not any otherwise which is unable to have the independent opinion regarding the business operation of the company.
2. The 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 2017 Annual General Meeting of Shareholders resolved to determine the meeting fees for directors who only present at the meeting as follows:

- 2.1 Meeting fees for director : Baht 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 for directors.

Shareholding and Management Structure

The Compensation of Directors for 2017

Monetary Compensation

Name	Position	Meeting Fees (Baht)	Director Remuneration (Baht)****
1. Mr. Chai Sophonpanich*	Chairman	80,000	2,444,500
2. Mr. Kasem Kularbkeo	Chairman and Member of the Nomination and Compensation Committee	160,000	1,222,200
3. Mr. Premchai Karnasuta	Vice-Chairman	160,000	1,833,500
4. Mr. Sun Tao-Heng	Managing Director	160,000	1,222,200
5. Mr. Pornwut Sarasin	Chairman of Audit Committee and Independent Director	160,000	1,222,200
6. Mrs. Sununtha Phaengsook	Director and Asst. Managing Director, Finance	160,000	1,222,200
7. Mrs. Nijaporn Charanachitta	Director and Member of the Nomination and Compensation Committee	160,000	1,222,200
8. Mr. Sai Wah Simon Suen	Audit Committee Member, Independent Director and Chairman of the Nomination and Compensation Committee	160,000	1,222,200
9. Mr. Steven Suey Ku	Audit Committee Member and Independent Director	120,000	1,222,200
10. Mr. Surachai Srivallop	Director	120,000	1,222,200
11. Mr. Lee Michael Chao-Chun**	Director	40,000	1,222,200
12. Mr. Yuan Chun-Tang***	Director	120,000	-
13. Mr. Cheng Chow-Chun	Director	120,000	1,222,200
Total		1,720,000	16,500,000

As at 31 December 2017, CTW has 11 directors.

Remarks : * To resigned from director and chairman on 16 June 2017.

** To resigned from the directorship by the end of term on 25 April 2017.

*** To be appointed as the Company's director on 25 April 2017.

**** Director remuneration was calculated from the 2016's operating results but it was paid in 2017.

The Compensation of Audit Committee for 2017:

Name	Position	Meeting Fees (Baht)
1. Mr. Pornwut Sarasin	Chairman of Audit Committee	160,000
2. Mr. Sai Wah Simon Suen*	Audit Committee Member	120,000
3. Mr. Steven Suey Ku	Audit Committee Member	90,000
Total		370,000

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

The Compensation of the Nomination and Compensation Committee for 2017:

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 2017:

	(Number of person)	Salary (Million Baht)	Consultant Fee and Bonus (Million Baht)	Total (Million Baht)
Executive Directors and Management Team	8	23.84	12.86	36.70

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.

5 YEARS' WORK EXPERIENCE				
NAME-SURNAME/POSITION	EDUCATION	PERIOD	POSITION	COMPANY
MR. PONG SARASIN Honorary Chairman Age : 90 years % Holding : 0.03	Honorary Ph.D, Business Administration, Chulalongkorn University	1994 - Present 2000 - Present 2013 - Present 1999 - 2013	Honorary Chairman Chairman Honorary Chairman Chairman	Charoong Thai Wire and Cable Plc. Honda Automobile (Thailand) Co., Ltd. Thai Pure Drinks Co., Ltd. Thai Pure Drinks Co., Ltd.
<u>FAMILY RELATION BETWEEN MANAGEMENT</u> Father of Mr.Pornwut Sarasin, who is CTW's Independent Director and Chairman of Audit Committee.				
MR. KASEM KULARBKEO Chairman and Member of the Nomination and Compensation Committee (Authorized director) Age : 86 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)	2017 - Present 1995 - 2017 1992 - Present 2006 - Present 1992 - Present	Chairman Director Advisor Member of the Nomination and Compensation Committee Senior Advisor	Charoong Thai Wire and Cable Plc. Charoong Thai Wire and Cable Plc. Charoong Thai Wire and Cable Plc. Charoong Thai Wire and Cable Plc. TASA Industrial Co., Ltd.
MR. PREMCHAI KARNASUTA Vice-Chairman Age : 64 years % Holding : 0.00	MBA, University of Southern California, USA	2009 - Present 1993 - 2009 1985 - Present 1979 - Present 1997 - Present Present Present Present Present	Vice-Chairman Executive Vice-Chairman Chairman Chairman Director Director Director Director	Charoong Thai Wire and Cable Plc. Charoong Thai Wire and Cable Plc. Italian Thai Development Plc. Bangkok Steel Wire Co., Ltd. Siam Fiber Optics Co., Ltd. ITD Cementation India Co., Ltd. Siam Machinery & Equipment Co., Ltd. Thai Pride Cement Co., Ltd. Myanmar ITD Co., Ltd.
<u>FAMILY RELATION BETWEEN MANAGEMENT</u> Younger brother of Mrs. Nijaporn Charanachitta, who is CTW's Director.				
MR. SUN TAO-HENG Managing Director (Authorized director) Age : 64 years % Holding : 1.57	- MBA, University of Southern California, USA - Training courses from Thai Institute of Directors (DAP 73/2008)	1994 - Present 1996 - Present 1997 - Present 2003 - Present 2007 - Present 1995 - Present 1996 - Present 2012 - Present	Managing Director Managing Director Managing Director President Chairman Director Director Director	Charoong Thai Wire and Cable Plc. CTW - Beta Co., Ltd. Siam Fiber Optics Co., Ltd. Pacific Electric Wire & Cable Co., Ltd. Siam Pacific Electric Wire & Cable Co., Ltd. Thai Metal Processing Co., Ltd. Asia Pacific Wire & Cable Corp. Ltd. Double D Cable Co., Ltd.
MR. PORNWUT SARASIN Independent Director and Chairman of Audit Committee Age : 58 years % Holding : 0.01	- MBA, Pepperdine University, USA - Training courses from Thai Institute of Directors (DAP 45/2005)	1986 - Present 2001 - Present 2013 - Present 1999 - 2013 Present Present Present	Independent Director Chairman of Audit Committee Chairman Vice-Chairman Director Director Director	Charoong Thai Wire and Cable Plc. Charoong Thai Wire and Cable Plc. Thai Pure Drinks Co., Ltd. Thai Pure Drinks Co., Ltd. Crown Seal Plc. Home Product Center Plc. AP (Thailand) Plc.
<u>FAMILY RELATION BETWEEN MANAGEMENT</u> Son of Mr. Pong Sarasin, who is CTW's Honorary Chairman.				

Shareholding and Management Structure

5 YEARS' WORK EXPERIENCE

NAME-SURNAME/POSITION	EDUCATION	PERIOD	POSITION	COMPANY
MR. STEVEN SUEY KU Independent Director and Member of Audit Committee Age : 61 years % Holding : None	B.A. (Textile Engineering), St. John’s University Taiwan R.O.C.	2009 - Present 2002 - Present 2002 - Present 2011 - Present	Independent Director and Member of Audit Committee President President President	Charoong Thai Wire and Cable Plc. Lay Grand International Co., Ltd. Suzhou King Packing Materials Co., Ltd. Smartco International Co., Ltd.
MR. CHENG CHOW-CHUN Director Age : 59 years % Holding : 0.05	B.S. (Finance) University of Southern California, USA	Present 2015 - Present 2007 - Present 2010 - Present	Director Vice-Chairman Director Chairman	Charoong Thai Wire and Cable Plc. Pacific Electric Wire & Cable Co., Ltd. Siam Pacific Electric Wire & Cable Co., Ltd. Asia Pacific Wire & Cable Corp., Ltd.
MR. YUAN CHUN-TANG Director Age : 57 years % Holding : 0.21	M.S. (Applied Science), Waterloo University, Canada	Present 2004 - Present 2007 - Present 2005 - Present	Director Chairman Director CEO	Charoong Thai Wire & Cable Plc. Pacific Electric Wire & Cable Co., Ltd. Siam Pacific Electric Wire & Cable Co., Ltd. Asia Pacific Wire & Cable Corp., Ltd.
MR. SAI WAH SIMON SUEN Independent Director, Member of Audit Committee and Chairman of the Nomination and Compensation Committee Age : 58 years % Holding : None	MBA, Finance Major, University of Hawaii, USA	2009 - Present 1997 - 2017	Independent Director, Audit Committee Member and Chairman of the Nomination and Compensation Committee Managing Director	Charoong Thai Wire and Cable Plc. Delta Holiday Company Limited.
MRS. NIJAPORN CHARANACHITTA Director and Member of the Nomination and Compensation Committee Age : 67 years % Holding : 0.00	- MBA, University of Wisconsin (Medison), USA - Training courses from Thai Institute of Directors (DCP 56/2005)	2002 - Present 2006 - Present 1994 - Present Present Present Present Present Present Present	Director Member of the Nomination and Compensation Committee Senior Vice - Executive Chairman Chairman Chairman Director Director Director Director	Charoong Thai Wire and Cable Plc. Charoong Thai Wire and Cable Plc. Italian Thai Development Plc. OHTL Plc. TTCL Plc. Bangkok Steel Wire Co., Ltd. Siam Concrete and Brick Product Co., Ltd. Italthai Engineering Co., Ltd. Italthai Industrial Co., Ltd.
<u>FAMILY RELATION BETWEEN MANAGEMENT</u>				
Elder sister of Mr. Premchai Karnasuta, who is CTW’s Vice-Chairman.				
MR. SURACHAI SIRIVALLOP Independent Director Age : 76 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 2017 - Present 2016 - 2017 2008 - 2015 2012 - 2016 2007 - Present 2011 - Present 2006 - Present 2001 - Present	Independent Director Chairman, Investment Committee Member, and Member of the Nomination and Compensation Committee Vice-Chairman, CEO and Investment Committee Member Director, CEO and Chairman of Risk Management Committee Director, Executive Chairman and Chairman of Risk Management Committee Director and Audit Committee Member Chairman Chairman Chairman	Charoong Thai Wire and Cable Plc. Thai Reinsurance Plc. Thai Reinsurance Plc. Thai Reinsurance Plc. Thaire Life Assurance Plc. OHTL Plc. Thai Re Actuarial Consulting Co., Ltd. ThaiRe Services Co., Ltd. EMCS Thai Co., Ltd.

Shareholding and Management Structure

5 YEARS' WORK EXPERIENCE

NAME-SURNAME/POSITION	EDUCATION	PERIOD	POSITION	COMPANY
MRS. SUNUNTHA PHAENGSOOK Director and Asst.Managing Director, Finance (Authorized director) Age : 76 years % Holding : 0.01	- Mini MBA, Thammasat University - Training courses from Thai Institute of Directors (DCP 4/2000)	2000 - Present	Director	Charoong Thai Wire and Cable Plc.
		1994 - Present	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.
MR. PONRAWAT CHAROENSUKPAISARN Asst.Managing Director, Personnel and General Affair Age : 80 years % Holding : 0.01	High School, Chung-Yu College, Taiwan R.O.C.	1994 - Present	Asst. Managing Director, Personnel and General Affairs	Charoong Thai Wire and Cable Plc.
		1996 - Present	Director	CTW - Beta Co.,Ltd.
MR. SATHIT TABPECH Asst.Managing Director, Quality Assurance Age : 62 years % Holding : 0.002	- MBA, The University of the Thai Chamber of Commerce - Training courses from Thai Institute of Directors (DCP 149/2011)	1994 - Present	Asst. Managing Director, Quality Assurance	Charoong Thai Wire 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.
MR. KUEI CHIH - CHUNG Asst.Managing Director, Planning Age : 67 years % Holding : None	M.S. (Computer Science), Stevens Institute of Technology, USA	1996 - Present	Asst. Managing Director, Planning	Charoong Thai Wire and Cable Plc.
		1996 - Present	Director	CTW - Beta Co.,Ltd.
		2002 - Present	Director	Siam Fiber Optics Co., Ltd.
MR. TANASIT AUNGKASIT Asst.Managing Director, Sales and Marketing Age : 62 years % Holding : 0.007	M.S. (Plant), California State University, USA	1994 - Present	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.
MR. SUVIT VEERAPONG Asst.Managing Director, Production and Engineering Age : 66 years % Holding : 0.01	M.S. (Engineering), King Mongkut's Institute of Technology (North Bangkok)	1994 - Present	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.
MR. CHANG HSIAO-CHUN Asst.Managing Director, Office of Managing Director Age : 57 years % Holding : 0.03	B.A. (Accounting), Fujin University, Taiwan R.O.C.	2006 - Present	Asst. Managing Director, Office of Managing Director	Charoong Thai Wire and Cable Plc.
		2011 - Present	Director	Siam Pacific Electric Wire & Cable Co., Ltd.
		1996 - Present	Director	CTW - Beta Co., Ltd.
		2012 - Present	Director	Double D Cable Co., Ltd.
MRS. APANUT WONGJARIT Accounting Manager Age : 61 years % Holding : None	B.A. (Accounting), Krirk University	2005 - Present	Accounting Manager	Charoong Thai Wire and Cable Plc.
		1996 - 2005	Asst. Manager, Accounting	Charoong Thai Wire and Cable Plc.
Miss KANJANA ANEKWASINCHAI Company Secretary Age : 49 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.
		2008 - Present	Asst. 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 2017

Name	Position	Shares held As at 31 Dec. 2016	Shares held As at 31 Dec. 2017	Increase/ (Decrease) Shares held in 2017	Percentage of shares held (%)
MR. KASEM KULARBKEO	Chairman and Member of the Nomination and Compensation Committee	6,000	6,000	-	0.00
Spouse		16,800	16,800	-	0.00
MR. PREMCHAI KARNASUTA	Vice-Chairman	106	106	-	0.00
MR. SUN TAO-HENG	Managing Director	4,673,460	4,673,460	-	1.17
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. SAI WAH SIMON SUEN	Chairman of the Nomination and Compensation Committee, Member of Audit Committee and Independent Director	-	-	-	-
MR. YUAN CHUN-TANG	Director	819,844	819,844	-	0.21
MR. CHENG CHOW-CHUN	Director	207,224	207,224	-	0.05
MR. STEVEN SUEY KU	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 Asst.Managing Director, Finance	40,400	40,400	-	0.01
Spouse		2,000	2,000	-	0.00
MR. PONRAWAT CHAROENSUKPAISARN	Asst. Managing Director, Personnel and General Affairs	41,848	41,848	-	0.01
Spouse		13,360	3,360	(10,000)	0.00
MR. KUEI CHIH - CHUNG	Asst. Managing Director, Planning	-	-	-	-
MR. TANASIT AUNGKASIT	Asst.Managing Director, Sales and Marketing	23,400	23,400	-	0.01
Spouse		4,000	4,000	-	0.00
MR. SUVIT VEERAPONG	Asst. Managing Director, Production and Engineering	140,000	40,000	(100,000)	0.01
Spouse		5,033	105,033	100,000	0.03
MR. SATHIT TABPECH	Asst. Managing Director, Quality Assurance	7,200	7,200	-	0.00
MR. CHANG HSIAO-CHUN	Asst. Managing Director, Office of Managing Director	111,250	111,250	-	0.03
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. Kasem Kularbkeo	Chairman and Member of the Nomination Compensation Committee											
Mr. Premchai Karnasuta	Vice-Chairman		//						X			
Mr. Sun Tao-Heng	Managing Director	//	//	X	//	/	//	//		/		
Mr. Pornwut Sarasin	Chairman of Audit Committee and Independent Director											
Mr. Sai Wah Simon Suen	Chairman of the Nomination and Compensation Committee, Audit Committee Member and Independent Director											
Mr. Cheng Chow-Chun	Director			/		/	//	X				
Mr. Yuan Chun-Tang	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 Sirivallap	Independent Director											
Mrs. Sununtha Phaengsook	Director and Asst. Managing Director, Finance	//			//							
Mr. Ponrawat Charoensukpaisarn	Asst. Managing Director, Personnel and General Affairs	/										
Mr. Kuei Chih-Chung	Asst. Managing Director, Planning	//	//								//	//
Mr. Tanasit Aungkasit	Asst. Managing Director, Sales and Marketing	/	//		/							
Mr. Suvit Veerapong	Asst. Managing Director, Production and Engineering	/			//							
Mr. Sathit Tabpech	Asst. Managing Director, Quality Assurance	/	//		/							
Mr. Chang Hsiao-Chun	Asst. Managing Director, Office of Managing Director	//		//	/							
Mrs. Apanut Wongjarit	Accounting Manager											

Remarks : X = Chairman / = Director

// = Executive Director

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

SFO : Siam Fiber Optics Co., Ltd.

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

DDC : Double D Cable Co., Ltd.

SAP : Shanghai Asia Pacific Electric Co., Ltd.

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

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

ITD : Italian Thai Development Plc.

TMP : Thai Metal Processing Co., Ltd.

LoxPac : Loxpac (Thailand) Co., Ltd.

Loxpac-HK : Loxpac Hong Kong 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 Aungkasit	/	//			/
Mr. Ponrawat Charoensukpaisarn	/				
Mr. Sathit Tabpech	/	//			/
Mr. Suvit Veerapong	/				//
Mr. Chang Hsiao-Chun	//		//		/
Mr. Kuei Chih-Chung	//	//			
Mr. Toshitane Nakatsuji		/			
Mr. Teruhiko Omori		/			
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

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.

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 2017 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 2017 (latest closing date), the Company has 27.31% of free float shares.

2. Equitable Treatment of Shareholders

The Company always recognizes the importance of shareholders and fair shareholder's practice. In 2015, the shareholders' meeting was held an ordinary on April 25, 2017, at the Company's Head Office, 11 directors of 12 directors or equal to 91.67 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 2017, the Company also provided an option to shareholders whereby they may appoint of three independent directors as their proxy. There were 14 shareholders who authorized the independent director to attend the meeting and vote on their behalf.
- 2.8 The Company has an established policy regarding the exploitation of inside information by executive officers for securities trading as follows:

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

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

- 2.9 The Company's related parties transactions have to comply with all the regulations of the Stock Exchange of Thailand and the SEC.

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 : 2004 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 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 (SO₂), 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 2017, the auditor issued the unqualified opinion on the Company’s 2017 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 2017 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.
- 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 2017, the Company's 11 directors consists of:

Executive Directors	3 Persons
Non-Executive Directors	8 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 Audit Committee and the Nomination and Compensation Committee 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 2017, 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 2017, 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 26 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 (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.
- 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.

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 Director 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.1/2018 on 12 March 2018 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	

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 2017

1. Related Transactions between the Company and its subsidiaries

Name	Amount (Million Baht)	Related Transactions	Relationship	Price policy/Conditions	Notes
Siam Fiber Optics Co., Ltd. (SFO)	1.61	Packing Income from SFO to CTW.	CTW holds a 60.00% stake in SFO, while Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta are directors of CTW and major shareholders of ITD. They and family hold 21.92 % stake in ITD, and ITD holds 10% stake in SFO.	Cost plus margin	This transaction is disclosed in the Company's financial statements.
	0.13	SFO owes payment to CTW for raw materials.		Market price/terms and conditions are considered to be a normal business practice offered to the third parties.	Terms and conditions of these transactions are considered appropriate as they occur in the normal course of business, and are disclosed in the Company's financial statements.
	2.52	CTW purchases products and raw materials from SFO.			
	5.52	SFO owes payment to CTW for management fee, service fee and rental fee.		Contract price/Management Fee is in accordance with an Agreement. The management fee charged to SFO will vary depending on the number of advisory personnel CTW assigns to assist SFO. The rate charged for various levels of advisory personnel range. CTW charge in actual cost plus 10 per cent.	These transactions are described in an Agreement and are disclosed in the Company's financial statements.
	49.12	Management fee income for services provided by CTW to SFO.			
	7.74	Service fee income from SFO to CTW.		Contract price/CTW receives Baht 644,698 services revenue monthly from SFO for the maintenance, repair, and cleaning of facilities at SFO's factory.	These transactions are described in an Agreement and are disclosed in the Company's financial statements.
	5.20	Rental income from SFO to CTW.		Contract price/CTW receives a monthly Baht 433,327 rental revenue in accordance with the Factory Lease Agreement. The lease term is three years and is renewable every three years with an increase of rental rate of 3.5 per cent. The Agreement is automatically renewed unless SFO notifies CTW six months in advance of its intention to terminate the lease contract.	These transactions are described in the Agreement and are disclosed in the Company's financial statements.
	0.30	Rental of factory deposit from SFO to CTW.			
	3.57	Electric income from SFO to CTW.		At cost price (actual cost).	This transaction is disclosed in the Company's financial statements.
	75.71				

2. Related Transactions between the Company and its related companies

Name	Amount (Million Baht)	Related Transactions	Relationship	Price policy/Conditions	Notes
Thai Metal Processing Co., Ltd. (TMP)	14.92	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 3.26% stake in Bangkok Insurance Plc.. And Bangkok Insurance Plc. holds 5% stake in TMP.	Contract price.	This transaction is described in the Agreement and is disclosed in the Company's financial statements.
	0.76	CTW owed payment to TMP for fabrication cost (copper melting).			
	3.38	CTW receives dividend income from TMP.		CTW received a dividend income of Baht 15 per share from 225,000 shares in TMP.	Normal course of business and disclosed in financial statements.
	19.06				
Italian-Thai Development Plc. (ITD)	204.66	Sales of products by CTW to ITD.	Mr. Premchai Kamasuta and Mrs. Nijaporn Charanachitta are directors of CTW and major shareholders of ITD. They and family hold 21.92% stake in ITD.	Market Price/Terms and conditions are the same as those of other parties.	Normal course of business that disclosed in the financial statements.
	180.17	ITD owes payment to CTW for products.			
Ital-Thai Engineering Co., Ltd. (Ital Thai)	1.22	Sales of products by CTW to Ital Thai.	Ital Thai is affiliated company of ITD and Mrs. Nijaporn Charanachitta is a director of CTW and Ital Thai.	Contract Price. Market Price/Terms and conditions are the same as those of other parties.	This transaction is disclosed in the Company's financial statements. Normal course of business that disclosed in the financial statements.
	386.05				
Pacific Electric Wire and Cable Co., Ltd. (PEWC)	1.92	Management fee expenses from CTW to PEWC.	PEWC indirectly holds 51% stake in CTW.	Contract price/Management fee for service provided by PEWC to CTW.	These transactions are described in the Agreement with normal course of business that are approved by the Board meeting and are disclosed in the Company's financial statements.
	0.47	CTW owes the payment to PEWC for management fee expenses.			
Sigma Cable Pte. Ltd. (Sigma)	0.21	Sales of products by CTW to Sigma.	Sigma is affiliated company under PEWC Group.	Cost plus margin	This transaction is disclosed in the Company's financial statements.
	2.60				

3. Related Transactions between its subsidiaries

Name	Amount (Million Baht)	Related Transactions	Relationship	Price policy/Conditions	Notes
Siam Pacific Electric Wire & Cable Co., Ltd. (SPEWC) and Shanghai Asia Pacific Electric Co., Ltd. (SAP)	34.99	Sales of products and raw materials by SPEWC to SAP.	SPEWC is a 100% subsidiary of CTW and SAP is a subsidiary which CTW holds directly and indirectly 63.68% stake in SAP.	Market Price/Terms and conditions are the same as those of other parties.	Normal course of business that disclosed in the financial statements.
	2.39	SPEWC receives management fee income from SAP.		Contract price/ Management fee for service provided by SPEWC to SAP.	These transactions are described in the Agreement and are disclosed in the Company's financial statements.
	0.71	SAP owes payment to SPEWC for Management fee expenses.			
	1.30	SPEWC receives the deferred income from SAP.		SPEWC has provided a guarantee in securing the loan from Bangkok Bank, Shanghai Branch, China, to SAP for SAP's working capital.	These transactions provides to SAP for financial assistance to enable business to streamline and these transactions are described in the Agreement that are approved by the Board meeting and are disclosed in the Company's financial statements.
	90.92	SPEWC provides the short-term loan with interest rate to SAP.			
	2.34	SPEWC receives interest income from SAP.		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.	
	112.94				

Related Transactions

4. Related Transactions between its subsidiaries and related companies

Name	Amount (Million Baht)	Related Transactions	Relationship	Price policy/Conditions	Notes
Siam Fiber Optics Co., Ltd. (SFO) and Fujikura Ltd.	37.57	SFO purchased raw materials from Fujikura.	SFO is a 60% subsidiary company of CTW. Fujikura holds 25% stake in SFO.	Market price/ Same terms and conditions as other clients.	Terms and conditions of these transactions are considered appropriate as they occur in the normal course of business, and are disclosed in the Company's financial statements.
	37.57				
Siam Fiber Optics Co., Ltd. (SFO) and Italian Thai Development Plc. (ITD)	4.17	SFO receives income from the sale of products to ITD.	SFO is a 60% subsidiary company of CTW. ITD hold 10% stake in SFO.	Market price/ Same terms and conditions as other clients.	Terms and conditions of these transactions are considered appropriate as they occur in the normal course of business, and are disclosed in the Company's financial statements.
	4.26	ITD owes payment to SFO for products.			
	8.43				
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Pacific Electric Wire and Cable Co., Ltd. (PEWC)	198.13	SPEWC purchases raw materials from PEWC.	SPEWC is a 100% subsidiary of CTW and PEWC is a parent company of CTW group.	Market price/Same terms and conditions as other clients.	Normal course of business since PEWC had a surplus of raw materials (copper) that approved by the Board meeting and disclosed in the financial statements.
	47.30	Sales of products by SPEWC to PEWC.		Cost plus margin	This transaction is disclosed in the Company's financial statements.
	2.85	PEWC owes payment to SPEWC for products			
	7.01	PEWC hires SPEWC to manufacture products.		Market price/Same terms and conditions as other in clients.	This transaction is disclosed in the Company's financial statements.
	2.02	Management fee expenses from SPEWC to PEWC.		Contract price/Management fee for service provided by PEWC to SPEWC.	These transactions are described in the Agreement that are approved by the Board meeting and are disclosed in the Company's financial statements.
	0.42	SPEWC owes the payment to PEWC for management fee expenses.			
Siam Pacific Electric Wire and Cable Co., Ltd. (SPEWC) and Ningbo Pacific Cable Co., Ltd. (NPC)	0.15	Sales of second hand small machine (Butt Welding machine) by NPC to SPEWC.	SPEWC is a 100% subsidiary of CTW and NPC affiliated company under PEWC Group.	Contract price.	This transaction is disclosed in the Company's financial statements.
Shanghai Asia Pacific Electric Co., Ltd. (SAP) and Pacific Electric Wire and Cable (Shenzhen) Co., Ltd. (PEWC-Shenzhen)	20.19	Sales of products 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.	Normal course of business that disclosed in the financial statements.
	9.73	PEWC-Shenzhen owes payment to SAP for products.			
	9.95	SAP purchases raw materials from PEWC-Shenzhen.			
Shanghai Asia Pacific Electric Co., Ltd. (SAP) and Pacific Electric Wire and Cables (Hong Kong) Co., Ltd. (PEWC-HK)	123.24	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.	Normal course of business that disclosed in the financial statements.
	75.13	SAP owes payment to PEWC-HK for raw materials.			
Shanghai Asia Pacific Electric Co., Ltd. (SAP) and Ningbo Pacific Cable Co., Ltd. (NPC)	0.16	SAP owes payment to NPC for products.	SAP is a subsidiary of CTW which CTW holds directly and indirectly 63.68% stake in SAP and NPC is affiliated company under PEWC Group.	Market price/Same terms and conditions as other clients.	Normal course of business that disclosed in the financial statements.
Shanghai Asia Pacific Electric Co., Ltd. (SAP) and Ningbo Electric Wire and Cable Co., Ltd. (Ningbo)	0.11	SAP purchases raw materials from Ningbo.	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/Same terms and conditions as other clients.	Normal course of business that disclosed in the financial statements.
Shanghai Asia Pacific Electric Co., Ltd. (SAP) and Crown Century Holdings Co., Ltd. (CCH)	35.99	CCH provides the short-term loan with interest rate to SAP.	SAP is a subsidiary of CTW which CTW holds directly and indirectly 63.68% stake in SAP and CCH is affiliated company under PEWC Group.	CCH provides the short-term loan to SAP for SAP's working capital and CCH charges interest from SAP.	This transaction is disclosed in the Company's financial statements.
	0.45	SAP pays loan interest to CCH.			
	532.83				

Financial Highlights

Financial Information of the Company and its subsidiaries for 2015 - 2017

For the year ended December 31

(Unit : Million Baht)

	2017	2016	2015
OPERATING RESULTS			
Total Revenues	7,994.84	6,641.02	6,451.25
Revenue from Sales	7,902.40	6,427.94	6,421.93
Selling Expenses	109.07	98.60	101.77
Administrative Expenses	255.68	251.30	311.14
Total Expenses	7,635.95	6,257.93	6,533.60
Profit (Loss) Attributable to Equity Holders of the Company	280.99	281.80	(98.33)
Earning (Loss) per Share (Baht) Attributable to Equity Holders of the Company	0.71	0.71	(0.25)
Par Value (Baht/Share)	5.00	5.00	5.00
FINANCIAL POSITION			
Current Assets	5,065.84	4,382.50	4,180.76
Total Investments	108.50	101.25	103.17
Investment Properties	17.72	15.40	23.94
Property, Plant and Equipment-Net	947.23	973.08	932.11
Total Assets	6,412.21	5,743.91	5,612.02
Current Liabilities	1,786.80	1,277.54	1,323.83
Total Liabilities	2,055.81	1,514.60	1,550.12
Equity attributable to CTW's Shareholders	4,238.58	4,104.61	3,911.61
Total Shareholders' Equity	4,356.41	4,229.31	4,061.90
Book Value (Baht/Share)	10.95	10.63	10.21
FINANCIAL RATIO			
Current Ratio (times)	2.84	3.43	3.16
Quick Ratio (times)	1.75	2.21	1.88
Gross Profit (%)	8.45	8.09	4.69
Net Profit (Loss) (%)	3.51	4.24	(1.52)
Return on Equity (%)	6.55	6.80	(2.35)
Debt to Equity Ratio (times)	0.41	0.36	0.38
Return on Assets (%)	4.62	4.96	(1.59)
Total Assets Turnover Ratio (times)	1.32	1.17	1.05

Management Discussion and Analysis (MD&A) for 2017

1. Overview of operation

In 2017, various projects from the government and the private sectors have improved and the competition price of the main raw material price in the global market increased. As a result, the Company and subsidiaries had net profit of Baht 280.99 million in 2017, slightly decreased by Baht 0.81 million or 0.29% compared with net profit of Baht 281.80 million in 2016. Gross profit margin was 8.45% in 2017, while it was 8.09% in 2016. The Company group's revenue was mainly derived from sales of enameled wire and non-enameled wire of 55%, followed by aluminum cable of 16%, copper power cable of 13% and high voltage cable of 12%.

2. Operating results and profitability

Revenue Analysis

In 2017, the Company and subsidiaries had total revenue of Baht 7,994.84 million, increasing by Baht 1,353.82 million or 20.39% from Baht 6,641.02 million in the previous year. Most revenue was generated by sales of products in the amount of Baht 7,902.40 million, representing 98.84% of total revenue, divided by domestic sales of Baht 5,108.57 million or 64.65% of total sales and export sales of Baht 2,793.83 million or 36.35% of total sales.

In 2017, the Company group had other revenue of Baht 92.44 million, decreasing by Baht 120.64 million or 56.62% from Baht 213.08 million in 2016, mainly resulted from the Company had gain on sales of investment properties of Baht 156.75 million which was the sale of land not being used for operation and had gain on exchange of Baht 19.30 million. While in 2017, the Company and subsidiaries had gain on exchange of Baht 44.25 million.

Cost and Expense Analysis

Cost

In 2017, the Company and subsidiaries had total cost of sales of Baht 7,234.62 million, representing 91.55% of sales, increasing by Baht 1,326.59 million or 22.45% from Baht 5,908.03 million or representing 91.91% of sales. In 2016, there was reversal the allowance for diminution in value of inventory of Baht 102.22 million, while there was allowance for diminution in value of inventory of Baht 13.51 million in 2017 due to the decrease in copper price, the main raw material.

Selling expense

In 2017, the Company and subsidiaries had selling expenses of Baht 109.07 million, increasing by Baht 10.47 million or 10.62% from Baht 98.60 million in 2016 which were mainly the auction costs, delivery expenses, commission expenses and advertising and promotion expenses.

Administrative expense

In 2017, the Company and subsidiaries had administrative expenses of Baht 255.68 million, increasing by Baht 4.37 million or 1.74% from Baht 251.30 million in 2016.

Other expense

As at the end of 2017, a subsidiary assessed the value of its property, plant and equipment and concluded that the recoverable amounts of property, plant and equipment were lower than the carrying amounts, amounting to Baht 36.58 million. Therefore, the Company's subsidiary recognized such allowance for impairment loss on property, plant and equipment for the year 2017.

Finance cost

In 2017, the Company and subsidiaries had finance cost of Baht 33.08 million, increased by Baht 9.17 million or 38.38% from Baht 23.90 million in 2016 which were mainly the interest expenses of the trust receipts.

Net profit

The Company and subsidiaries had net profit of Baht 280.99 million in 2017, slightly decreasing by Baht 0.81 million or 0.29% from net profit of Baht 281.80 million in 2016. The net profit margin was 3.57%, slightly decreasing from the net profit margin of 4.38% in 2016.

3. Ability to manage property

Asset

As at 31 December 2017, the Company and subsidiaries had total assets of Baht 6,412.21 million, increasing by Baht 668.30 million or 11.64% from Baht 5,743.91 million in 2016, mainly caused by the increase in trade and other receivables of Baht 755.42 million. Meanwhile, the inventory increased by Baht 402.32 million from the products for delivering to customers in the next quarter, cash and cash equivalents decreases by Baht 149.62 million, investment properties increased by Baht 2.32 million and other long-term investments increased by Baht 4.40 million.

As at the end of 2017, current investments decreased by Baht 300 million from Baht 300 million in 2016, due to withdrawing fixed deposits for payment of dividend and the trust receipts.

As at the end of 2017, trade and other receivables of Baht 2,632.84 million increased by Baht 755.42 million or 40.24% from Baht 1,877.42 million at the end of 2016, since the Company and subsidiaries had an increase in trade receivables which are not yet due.

As at the end of 2017, inventories of Baht 1,880.16 million increased by Baht 402 million or 27.22% from Baht 1,477.85 million at the end of 2016 since they increased their raw materials for supporting orders in the next quarter.

Property, plant and equipment of Baht 947.23 million as at 31 December 2017, decreased by Baht 25.85 million or 2.73% from Baht 973.08 million at the end of 2016, due to allowance for loss on impairment of property, plant and equipment from a subsidiary of Baht 36.58 million. There was depreciation for the year 2017 of Baht 107.98 million.

Liability

As at 31 December 2017, the Company and subsidiaries had total liabilities of Baht 2,055.81 million, increasing by Baht 541.20 million or 26.33% from Baht 1,514.60 million at the end of 2016 which were divided into short-term loans of Baht 1,786.80 million and long-term loans of Baht 269.01 million. All long-term loans were the provision for long-term employee benefits, which represents compensation payable to employees after they retire.

Trust receipts (T/R) of Baht 1,058.99 million, increased by Baht 522.90 million or 97.54% from Baht 536.09 million at the end of 2016 due to increase in the import of main raw materials.

Cash flow analysis

In 2017, the Company and subsidiaries had net cash flows use in operating activities of Baht 751.80 million, cash flows from investing activities of Baht 214.11 million, net cash flows from financing activities of Baht 389.27 million. In addition, there was a decrease in translation adjustments of Baht 3.60 million, resulted in decrease in net cash and cash equivalents of Baht 152.02 million, and cash and cash equivalents were Baht 492.73 million as at 31 December 2017.

Net cash flows use in operating activities of Baht 751.80 million, resulted from profit from operating activities of Baht 484.33 million, increase in cash flows from operating liabilities of Baht 3.78 million. Meanwhile, cash flows used in operating assets increased by Baht 1,154.38 million. There were cash paid for long-term employee benefits of Baht 8.88 million and cash paid for interest expenses and corporate income tax of Baht 76.65 million.

Net cash flows from investing activities was Baht 214.11 million from current investments of Baht 300.00 million, dividend income from other long-term investment of Baht 14.12 million and interest income of Baht 25.05 million. Meanwhile, there were cash flows used in acquisition of machinery and assets under construction of Baht 120.45 million and increase in long-term investments of Baht 4.40 million.

Net cash flows from financing activities of Baht 389.27 million which were increase in trust receipts of Baht 532.32 million, while there were decrease in short-term loans from financial institutions of Baht 5.09 million and dividend of Baht 137.96 million.

Management Discussion and Analysis (MD&A) for 2017

4. Liquidity and Sufficiency of Fund

Liquidity

As at 31 December 2017, the Company and subsidiaries had the current ratio of 2.84 times and quick ratio of 1.75 times which decreased from the current ratio of 3.43 times and quick ratio of 2.25 times at the end of 2016. Although the Company and subsidiaries had a decrease in cash and cash equivalents from operation of Baht 152.02 million, and decrease in current investments, fixed deposits account, of Baht 300.00 million but they had an increase in trade and other receivables of Baht 755.42 million. At the same time, the Company group also had an increase in current liabilities of Baht 509.26 million, especially the increase in trust receipts of Baht 522.90 million due to purchase of raw materials for supporting orders to customers in the next quarter.

Capital structure

As at 31 December 2017, the Company and subsidiaries had the shareholders' equity of Baht 4,238.58 million, increasing by Baht 133.97 million or 3.26% from Baht 4,104.61 million at the end of 2016 since there was total comprehensive income for the year 2017 of Baht 261.22 million while there was dividend payment for the year 2016's operating results of Baht 139.27 million.

The capital structure of the Company and subsidiaries as at 31 December 2017 consists of total liabilities of Baht 2,055.81 million and shareholders' equity of Baht 4,356.41 million. As a result, the debt to equity ratio is only 0.41 times which increased a bit from 0.36 times at the end of 2016. 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 86.91%, 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 2018 will continuously expand. There is also the impulse from the public sector, in particular infrastructure investments that will encourage investment of the private sector to increase as well. This is in line with the Fiscal Policy Office, Finance Department, estimated that Thailand's economy in 2018 is expected to expand at 4.2% which has continued over the past year. The government spending is a major driving force of the capital expenditure by the government for the fiscal year 2018, which has increased continuously.

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 2018 is better than the previous year, because the government has continuously the economic stimulus packages and projects. The factors that may affect the operation of the Company group that may affect the profitability such as, key raw material price fluctuation, exchange rate which affects the cost of key raw materials, the price competition of products to face the challenge from the China's products which has low cost etc. Therefore, the Company has to monitor closely the movement of raw material price and the exchange rate.

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 2017, the Company's Audit Committee totally held four regular meetings and report to the Board of Directors every quarter. The attendance of the Audit Committee members is summarized as follows:

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

The followings are summary of the Audit Committee's duties during the year 2017:

- 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 2017 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 2017, 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 2018 for the Company and subsidiaries totaling Baht 4.98 million, then send their recommendation to the Board for consideration and such proposal will be proposed to the 2018 Annual General Meeting for further approval.

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



(Mr. Pornwut Sarasin)

Chairman of the Audit Committee

March 12, 2018

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 2017 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 12, 2018

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



(Mr. Kasem Kularbkeo)

Chairman



(Mr. Sun Tao-Heng)

Managing Director

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 2017, 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 2017, 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 period. 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 matters and how audit procedures respond for each matter are described below.

Net realisable value of inventories

Estimating the net realisable value of inventories, as disclosed in the Note 9 to the financial statements, is an area of significant management judgment, particularly with regard to the estimation of related costs and expenses and replacement costs of raw materials. Since most of the Group's products are made from copper and aluminum and their prices are thus dependent on the world market price, the Group may overstate the value of inventories.

I assessed the method and the assumptions applied by management in determining such allowance by gaining an understanding of the basis applied in determining the allowance for diminution in value of inventory and reviewing the consistency of the application of that basis. I reviewed the preparation of the report comparing the net realisable value of inventory with the cost of inventory for each product line, analysed trends in the market prices of the main raw materials and, on a sampling basis, examined supporting documents for actual sales transactions occurring after the period-end. In addition, I reviewed the preparation of the inventory aging report, analysed the inventory holding periods and inventory movement.

Revenue recognition under bill and hold arrangements

During the year 2017, the Company recognised revenue from sales under bill and hold arrangements totaling Baht 1,017 million or equivalent to 30 percent of revenue from sales of the Company. The Company has entered into sales contracts or trading agreements with some customers, such as state-owned enterprises and large construction companies, whereby the counterparties agree in advance that delivery of goods is to be made on request. If consideration of the specific conditions of such agreements is not made in non-compliance with the related accounting standards, revenue may be recognised in the wrong period.

I have assessed and tested the Company's internal controls with respect to the sales transactions under bill and hold arrangements by making enquiry of responsible executives, gaining an understanding of the controls and selecting samples to test the operation of the designed controls. I have 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 have observed the Company's inventory count procedures and directly sent confirmation requests to customers for the outstanding balances of sales under bill and hold arrangements, which covered the sales amounts, quantities and conditions of sale.

Deferred tax asset from unused taxable losses

As at 31 December 2017, the Group had deferred tax asset from unused taxable losses. The Group disclosed its accounting policy and details relating to the deferred tax asset in Note 4 and Note 20 to the financial statements. A deferred tax asset is recognised when it is highly probable that the Group's taxable profit will be sufficient to allow utilisation of the deferred tax asset in the future. Determining whether there will be sufficient future taxable profit to utilise taxable losses requires significant management judgment with respect to the preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax asset.

I assessed the estimates of future taxable profit by checking the required information and key economic assumptions used in the projections against information from both internal and external sources, with consideration of information and assumptions that directly affect revenue growth and gross profit margin. Furthermore, I compared the past projections with actual taxable profits to assess the exercise of management judgment in estimating the taxable profits. I also tested the calculation of future taxable profit based on the above information and assumptions. In addition, I reviewed the disclosures made with respect to temporary differences and unused taxable losses for which deferred tax asset was not recognised by the Group.

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 period 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.



Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 28 February 2018

Statement of financial position

Charoong Thai Wire and Cable Public Company Limited and its subsidiaries

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		Note	2017	2016	2017
Assets					
Current assets					
Cash and cash equivalents	6	492,727,505	642,345,524	230,355,366	306,020,309
Current investments - fixed deposits		-	300,000,000	-	300,000,000
Trade and other receivables	8	2,632,836,082	1,877,416,233	1,533,789,165	887,964,444
Inventories	9	1,880,163,347	1,477,845,952	1,405,662,879	912,615,006
Current tax assets		221,075	990,142	-	-
Other current assets		59,891,640	83,898,899	5,908,192	7,784,621
Total current assets		5,065,839,649	4,382,496,750	3,175,715,602	2,414,384,380
Non-current assets					
Restricted bank deposits		169,800,000	169,800,000	-	-
Long-term loans to subsidiaries	7	-	-	13,048,082	36,565,497
Investments in associates	10	6,328,536	3,475,328	-	-
Investments in subsidiaries	11	-	-	1,187,895,751	1,215,455,751
Other long-term investments	12	102,170,000	97,770,000	22,500,000	22,500,000
Investment properties	13	17,717,815	15,395,477	11,022,059	11,022,059
Property, plant and equipment	14	947,229,568	973,084,105	637,461,443	625,818,127
Deferred tax assets	20	82,141,329	80,941,088	63,523,275	54,631,662
Other non-current assets		20,986,998	20,946,768	4,152,553	2,981,409
Total non-current assets		1,346,374,246	1,361,412,766	1,939,603,163	1,968,974,505
Total assets		6,412,213,895	5,743,909,516	5,115,318,765	4,383,358,885

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 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
Note					
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	150,433,500	155,523,960	-	
Trust receipts	15	1,058,994,600	536,094,926	646,445,231	56,701,507
Trade and other payables	16	499,167,989	483,034,488	273,898,773	254,638,151
Short-term loan from related company	7	-	35,991,386	-	-
Income tax payable		35,526,185	15,573,770	35,378,969	15,573,770
Other current liabilities		42,672,911	51,321,790	33,650,310	40,187,614
Total current liabilities		1,786,795,185	1,277,540,320	989,373,283	367,101,042
Non-current liabilities					
Provision for long-term employee benefits	17	269,012,060	237,063,664	236,104,164	210,190,044
Other non-current liabilities		-	-	500,000	500,000
Total non-current liabilities		269,012,060	237,063,664	236,604,164	210,690,044
Total liabilities		2,055,807,245	1,514,603,984	1,225,977,447	577,791,086
Shareholders' equity					
Share capital					
Registered					
397,906,284 ordinary shares of Baht 5 each		1,989,531,420	1,989,531,420	1,989,531,420	1,989,531,420
Issued and fully paid-up					
397,906,284 ordinary shares of Baht 5 each		1,989,531,420	1,989,531,420	1,989,531,420	1,989,531,420
Share premium		1,105,933,696	1,105,933,696	1,105,933,696	1,105,933,696
Capital surplus from changes in shareholding percentage in subsidiary		13,145,139	1,125,080	-	-
Retained earnings					
Appropriated - statutory reserve	18	198,953,142	198,953,142	198,953,142	198,953,142
Unappropriated		929,185,461	804,765,995	594,923,060	511,149,541
Other components of shareholders' equity		1,831,484	4,298,431	-	-
Equity attributable to owners of the Company		4,238,580,342	4,104,607,764	3,889,341,318	3,805,567,799
Non-controlling interests of the subsidiaries		117,826,308	124,697,768	-	-
Total shareholders' equity		4,356,406,650	4,229,305,532	3,889,341,318	3,805,567,799
Total liabilities and shareholders' equity		6,412,213,895	5,743,909,516	5,115,318,765	4,383,358,885

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenues					
Sales		7,902,396,323	6,427,940,692	3,380,379,693	2,284,579,071
Other income					
Interest income		24,237,390	25,998,176	5,734,845	7,135,358
Gain on exchange		44,249,806	19,304,818	19,566,237	3,528,895
Management fee income		-	-	52,925,562	55,461,091
Dividend income	11,12	14,117,663	3,375,000	10,208,994	3,375,000
Gain on sales of investment properties	13	-	156,754,000	-	156,754,000
Others		9,838,246	7,646,679	29,086,007	29,502,474
Total revenues		7,994,839,428	6,641,019,365	3,497,901,338	2,540,335,889
Expenses					
Cost of sales		7,221,114,438	6,010,249,585	2,900,321,303	1,989,177,207
Allowance for diminution in value of inventory (reversal)		13,509,566	(102,220,360)	13,970,549	(48,116,964)
Total cost of sales		7,234,624,004	5,908,029,225	2,914,291,852	1,941,060,243
Selling expenses		109,069,500	98,601,598	58,902,622	51,150,874
Administrative expenses		255,675,563	251,304,002	186,615,289	181,004,870
Other expense					
Allowance for loss on impairment of investment in subsidiary		-	-	27,560,000	-
Allowance for loss on impairment of property, plant and equipment		36,581,888	-	-	-
Total expenses		7,635,950,955	6,257,934,825	3,187,369,763	2,173,215,987
Profit before share of profit (loss) from investment in associate, finance cost and tax expenses		358,888,473	383,084,540	310,531,575	367,119,902
Share of profit (loss) from investment in associate	10	2,853,208	(1,929,036)	-	-
Profit before finance cost and tax expenses		361,741,681	381,155,504	310,531,575	367,119,902
Finance cost		(33,076,023)	(23,903,138)	(8,746,022)	(2,456,648)
Profit before tax expenses		328,665,658	357,252,366	301,785,553	364,663,254
Tax expenses	20	(74,866,381)	(96,912,916)	(65,154,415)	(73,531,924)
Profit for the year		253,799,277	260,339,450	236,631,138	291,131,330
Profit (loss) attributable to:					
Equity holders of the Company		280,993,456	281,799,452	236,631,138	291,131,330
Non-controlling interests of the subsidiaries		(27,194,179)	(21,460,002)		
		253,799,277	260,339,450		
Earnings per share	21				
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company		0.71	0.71	0.59	0.73

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit for the year		253,799,277	260,339,450	236,631,138	291,131,330
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currency		(3,581,990)	(13,640,203)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(3,581,990)	(13,640,203)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial gain (losses)	17	(21,634,143)	356,764	(16,988,679)	(1,545,476)
Income tax effect	20	4,326,829	(71,353)	3,397,736	309,095
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(17,307,314)	285,411	(13,590,943)	(1,236,381)
Other comprehensive income for the year		(20,889,304)	(13,354,792)	(13,590,943)	(1,236,381)
Total comprehensive income for the year		232,909,973	246,984,658	223,040,195	289,894,949
Total comprehensive income attributable to:					
Equity holders of the Company		261,219,195	272,574,669	223,040,195	289,894,949
Non-controlling interests of the subsidiaries		(28,309,222)	(25,590,011)	-	-
		232,909,973	246,984,658	223,040,195	289,894,949

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 2017

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company					Other components of equity				
	Capital surplus					Other comprehensive income				
	Issued and fully paid-up share capital	Share premium	from changes in shareholding percentage in subsidiary	Retained earnings	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
Balance as at 1 January 2016	1,989,531,420	1,105,933,696	1,125,080	186,225,000	614,990,232	13,808,625	3,911,614,053	150,287,779	4,061,901,832	
Profit (loss) for the year	-	-	-	-	281,799,452	-	281,799,452	(21,460,002)	260,339,450	
Other comprehensive income for the year	-	-	-	-	285,411	(9,510,194)	(9,224,783)	(4,130,009)	(13,354,792)	
Total comprehensive income for the year	-	-	-	-	282,084,863	(9,510,194)	272,574,669	(25,590,011)	246,984,658	
Dividend paid (Note 24)	-	-	-	-	(79,580,958)	-	(79,580,958)	-	(79,580,958)	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	12,728,142	-	-	-	-	
Balance as at 31 December 2016	1,989,531,420	1,105,933,696	1,125,080	198,953,142	804,765,995	4,298,431	4,104,607,764	124,697,768	4,229,305,532	
Balance as at 1 January 2017	1,989,531,420	1,105,933,696	1,125,080	198,953,142	804,765,995	4,298,431	4,104,607,764	124,697,768	4,229,305,532	
Profit (loss) for the year	-	-	-	-	280,993,456	-	280,993,456	(27,194,179)	253,799,277	
Other comprehensive income for the year	-	-	-	-	(17,307,314)	(2,466,947)	(19,774,261)	(1,115,043)	(20,889,304)	
Total comprehensive income for the year	-	-	-	-	263,686,142	(2,466,947)	261,219,195	(28,309,222)	232,909,973	
Dividend paid (Note 24)	-	-	-	-	(139,266,676)	-	(139,266,676)	-	(139,266,676)	
Effect from the changes in shareholding percentage in subsidiary (Note 2.2 a)	-	-	12,020,059	-	-	-	12,020,059	(12,020,059)	-	
Increase in non-controlling interest of the subsidiary from increase capital of the subsidiary (Note 2.2 a)	-	-	-	-	-	-	-	33,457,821	33,457,821	
Balance as at 31 December 2017	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	

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

Statement of changes in shareholders' equity (continued)

Charoeng Thai Wire and Cable Public Company Limited and its subsidiaries

For the year ended 31 December 2017

(Unit: Baht)

Separate financial statements

	Issued and fully paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
Balance as at 1 January 2016	1,989,531,420	1,105,933,696	186,225,000	313,563,692	3,595,253,808
Profit for the year	-	-	-	291,131,330	291,131,330
Other comprehensive income for the year	-	-	-	(1,236,381)	(1,236,381)
Total comprehensive income for the year	-	-	-	289,894,949	289,894,949
Dividend paid (Note 24)	-	-	-	(79,580,958)	(79,580,958)
Unappropriated retained earnings transferred to statutory reserve	-	-	12,728,142	(12,728,142)	-
Balance as at 31 December 2016	1,989,531,420	1,105,933,696	198,953,142	511,149,541	3,805,567,799
Balance as at 1 January 2017	1,989,531,420	1,105,933,696	198,953,142	511,149,541	3,805,567,799
Profit for the year	-	-	-	236,631,138	236,631,138
Other comprehensive income for the year	-	-	-	(13,590,943)	(13,590,943)
Total comprehensive income for the year	-	-	-	223,040,195	223,040,195
Dividend paid (Note 24)	-	-	-	(139,266,676)	(139,266,676)
Balance as at 31 December 2017	1,989,531,420	1,105,933,696	198,953,142	594,923,060	3,889,341,318

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	328,665,658	357,252,366	301,785,553	364,663,254
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Dividend income	(14,117,663)	(3,375,000)	(10,208,994)	(3,375,000)
Depreciation and amortisation	109,726,389	115,466,086	65,566,734	57,485,585
Write off bad debts - trade receivables	169,490	-	-	-
Allowance for doubtful accounts - trade receivables	2,233,875	11,342,022	6,200,514	5,789,273
Allowance for diminution in value of inventory (reversal)	13,509,566	(102,220,360)	13,970,549	(48,116,964)
Reversal loss on purchase raw materials contracts	(342,513)	(2,507,519)	(342,513)	(558,319)
Allowance for loss on impairment of investment in subsidiary	-	-	27,560,000	-
Gains on sales of investment properties	-	(156,754,000)	-	(156,754,000)
Gains on sales of property, plant and equipment	(1,269,739)	(2,359,070)	(558,630)	(722,481)
Allowance for loss on impairment of property, plant and equipment	36,581,888	-	-	-
Share of (profit) loss from investment in associate	(2,853,208)	1,929,036	-	-
Provision for long-term employee benefits	19,195,995	20,710,039	16,319,892	17,798,859
Unrealised (gain) loss on exchange	(13,834,464)	15,317,451	(7,762,081)	979,609
Unrealised (gain) loss on forward contracts	4,520,793	(6,675,821)	4,109,456	-
Interest income	(24,237,390)	(25,998,176)	(5,734,845)	(7,135,358)
Interest expenses	26,379,478	18,482,328	7,337,979	1,438,413
Profit from operating activities before changes in operating assets and liabilities	484,328,155	240,609,382	418,243,614	231,492,871
Operating assets (increase) decrease				
Trade and other receivables	(761,298,127)	(338,531,331)	(652,934,570)	(92,574,176)
Inventories	(415,826,961)	196,272,871	(507,018,421)	(91,519,442)
Other current assets	22,747,285	29,411,425	1,067,699	19,922,826
Operating liabilities increase (decrease)				
Trade and other payables	17,916,262	174,699,617	19,530,988	114,014,922
Other current liabilities	(14,135,671)	10,475,371	(11,612,759)	1,839,148
Cash flows from (used in) operating activities	(666,269,057)	312,937,335	(732,723,449)	183,176,149
Cash paid for long-term employee benefits	(8,881,741)	(9,577,800)	(7,394,450)	(7,893,982)
Cash paid for interest expenses	(26,888,376)	(18,223,970)	(7,035,128)	(1,451,844)
Cash paid for corporate income tax	(52,008,454)	(53,401,542)	(50,843,094)	(52,617,063)
Cash receipt from corporate income tax	2,250,117	2,617,780	808,730	-
Net cash flows from (used in) operating activities	(751,797,511)	234,351,803	(797,187,391)	121,213,260

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Interest income	25,050,246	25,821,559	8,161,596	6,538,388
(Increase) decrease in current investments	300,000,000	(100,000,000)	300,000,000	(100,000,000)
Decrease in restricted bank deposits	-	69,400,000	-	-
Decrease in long-term loan to subsidiary	-	-	22,000,000	-
Dividend income from investment in subsidiary	-	-	6,833,994	-
Dividend income from other long-term investments	14,117,663	3,375,000	3,375,000	3,375,000
Increase in long-term investments	(4,400,000)	-	-	-
Acquisition of investment properties	(173,227)	-	-	-
Proceeds from sales of investment properties	-	164,800,000	-	164,800,000
Acquisition of property, plant and equipment	(120,445,028)	(159,401,669)	(76,976,072)	(132,124,357)
Proceeds from sales of property, plant and equipment	1,704,463	3,303,475	850,544	1,082,176
Increase in other non-current assets	(1,744,332)	(553,164)	(1,697,037)	(356,543)
Net cash flows from (used in) investing activities	214,109,785	6,745,201	262,548,025	(56,685,336)
Cash flows from financing activities				
Dividend paid	(137,958,164)	(78,857,031)	(137,958,164)	(78,857,031)
Increase (decrease) in short-term loans from financial institutions	(5,090,460)	11,444,076	-	-
Increase (decrease) in trust receipts	532,318,338	(294,298,355)	596,932,587	(65,526,044)
Increase in short-term loan from related company	-	35,284,164	-	-
Net cash flows from (used in) financing activities	389,269,714	(326,427,146)	458,974,423	(144,383,075)
Decrease in translation adjustments	(3,604,234)	(22,738,238)	-	-
Net decrease in cash and cash equivalents	(152,022,246)	(108,068,380)	(75,664,943)	(79,855,151)
Unrealised gain on exchange for cash and cash equivalents	2,404,227	866,935	-	-
Cash and cash equivalents at beginning of year	642,345,524	749,546,969	306,020,309	385,875,460
Cash and cash equivalents at end of year	492,727,505	642,345,524	230,355,366	306,020,309
Supplemental cash flow information:-				
Non-cash transaction				
Increase in capital of the subsidiary by conversion of short-term loan from related party	33,457,821	-	-	-
Repayment from trade receivables by means of receipts of investment properties	2,650,000	-	-	-

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 2017

1. General information

Charoong Thai Wire and Cable Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The parent company of the group is Pacific Electric Wire and Cable Co., Ltd., which was incorporated in Taiwan. The Company is principally engaged in the manufacture and distribution of electric wire and cables and telephone cables. The registered office of the Company is at 589/71 Central City Tower, 12A Floor, Bangna-trad Road, Bangna, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with 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	
			2017	2016
			Percent	Percent
CTW-Beta Co., Ltd.	Investment and holding company	Thailand	100	100
Siam Fiber Optics Co., Ltd.	Manufacturer and distributor of fiber optic cables	Thailand	60	60
Siam Pacific Electric Wire and Cable Co., Ltd.	Manufacturer and distributor of wire and cable products, and enameled and non-enameled wires	Thailand	100	100
Shanghai Asia Pacific Electric Co., Ltd. (Held by subsidiary 54% (2016: 59%))	Manufacturer and distributor of enameled copper wires	China	64	70
Double D Cable Co., Ltd.	Manufacturer and distributor of cables and provider of fabrication service	Thailand	100	100

In June 2017, Shanghai Asia Pacific Electric Company Limited, an overseas subsidiary in China, increased its registered and paid up share capital by USD 1 million, from USD 9.5 million to USD 10.5 million, by issuing 1 million new ordinary shares with a par value of USD 1 each. This capital increase was made through a private placement with Crown Century Holdings Limited, a related company and a shareholder of the subsidiary, in order to support the conversion of debt to equity, since the subsidiary had borrowed USD 1 million from Crown Century Holdings Limited. Following the increase in share capital, the shareholding of the Company and Siam Pacific Electric Wire and Cable Company Limited (Subsidiary) in this subsidiary changed from 70% to 64%. However, the Group still maintains its control over the subsidiary.

The Company recorded the effect of the change in shareholding of the subsidiary, amounting to Baht 12 million, under the caption of "Capital surplus from changes in shareholding percentage in subsidiary" in shareholders' equity in the consolidated financial statements.

- 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 Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statements of financial position.

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 Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

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 debt securities expected to be held to maturity are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- b) Investments in non-marketable equity securities, which the Company and its subsidiaries classify as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) 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 determining income.

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 determining income.

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

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

4.8 Related party transactions

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

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

4.11 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the 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 Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

Defined benefit plans

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

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

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

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company and its subsidiary recognise restructuring-related costs.

4.13 Provisions

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

4.14 Income tax

Income tax 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 Company and its subsidiaries recognise 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 Company and its subsidiaries review and reduce 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 Company and its subsidiaries record 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 Company and its subsidiaries apply 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 Company and its subsidiaries measure 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 Company and its subsidiaries determine 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 are as follows:

Leases

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

Allowance for doubtful accounts

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

Allowance for diminution in value of inventories

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

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of investments

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

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

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash	1,520	1,364	650	650
Bank deposits	491,208	640,982	229,705	305,370
Total	492,728	642,346	230,355	306,020

As at 31 December 2017, bank deposits in saving and fixed accounts carried interests between 0.10 and 1.30 percent per annum (2016: between 0.10 and 2.50 percent per annum).

7. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2017	2016	2017	2016	
<u>Transactions with parent company of the Group</u>					
Sales of goods	47	14	-	1	Cost plus margin
Fabrication income	7	-	-	-	Cost plus margin
Purchases of raw materials	198	80	-	-	Market price
Management fee expenses	4	4	2	2	Contract price
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of raw materials	-	-	22	21	Cost plus margin
Fabrication income	-	-	14	22	Cost plus margin
Packing income	-	-	2	3	Cost plus margin
Purchases of goods	-	-	3	4	Cost plus margin
Purchases of raw materials	-	-	2	1	Cost plus margin
Fabrication cost	-	-	22	18	Cost plus margin
Insulation cost	-	-	9	8	Cost plus margin
Management fee income	-	-	53	55	Contract price
Service income	-	-	9	9	Contract price
Rental income	-	-	6	6	Contract price
Electric income	-	-	13	13	At cost
Interest income	-	-	1	1	1.3 - 1.4 percent per annum (2016: 1.4 percent per annum)
Dividend income	-	-	7	-	Announced rate
<u>Transactions with related companies</u>					
Sales of goods	231	109	206	85	Market price, cost plus margin
Purchases of goods	10	-	-	-	Market price
Purchases of raw materials	161	75	-	-	Contract price, cost plus margin
Fabrication cost	15	25	15	25	Contract price
Construction of factory buildings expenses and acquisition of assets	-	10	-	10	Contract price
Dividend income	14	3	3	3	Announced rate
Interest expenses	1	1	-	-	3.0 percent per annum

As at 31 December 2017 and 2016, the balances of the accounts between the Company, its subsidiaries and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade and other receivables - related parties (Note 8)				
Parent company of the Group	2,848	14,087	-	-
Subsidiaries	-	-	12,467	16,258
Related companies (related as the shareholders of the Company or common shareholders or directors)	194,162	79,150	180,171	78,035
Total trade and other receivables - related parties	197,010	93,237	192,638	94,293
Trade and other payables - related parties (Note 16)				
Parent company of the Group	892	15,267	471	481
Subsidiaries	-	-	1,855	2,520
Related companies (related as common shareholders or shareholder of a subsidiary or investee of the Company)	76,050	12,759	757	2,322
Total trade and other payables - related parties	76,942	28,026	3,083	5,323

Long-term loans to subsidiaries

As at 31 December 2017 and 2016, the balances of loans between the Company and its subsidiaries and the movements are as follows:

(Unit: Thousand Baht)

Loans to	Separate financial statements			
	Balance as at 31 December 2016	Increase during the year	Decrease during the year	Balance as at 31 December 2017
CTW-Beta Company Limited				
Loan principal	540,939	-	-	540,939
Add: Accrued interest	96,174	-	-	96,174
Total	637,113	-	-	637,113
Less: Allowance for doubtful accounts	(637,113)	-	-	(637,113)
Total	-	-	-	-
Double D Cable Company Limited				
Loan principal	35,000	-	(22,000)	13,000
Add: Accrued interest	1,565	321	(1,838)	48
Total	36,565	321	(23,838)	13,048
Total long-term loans to subsidiaries	36,565	321	(23,838)	13,048

Long-term loan to CTW-Beta Company Limited was loan in the form of at call on demand promissory notes bearing interest at the rate of time deposit 12 months of the commercial bank. During the year 2006, the Company ceased to calculate the said interest because of the uncertainty in receiving repayments. The Company considered adjusting the allowance to be at the anticipated repayment amount. (A total of Baht 125 million of interest receivable under the agreement was not recorded in its accounts. Interest income for the year ended 31 December 2017 and 2016 amounted to Baht 7 million and Baht 8 million, respectively).

Long-term loan to Double D Cable Company Limited was loan in the form of at call on demand bearing interest at the rate of time deposit 12 months of the commercial bank.

Short-term loan from related company

As at 31 December 2017 and 31 December 2016, the balance of short-term loan from related company and the movements were as follow:

(Unit: Thousand Baht)

Loan from	Consolidated financial statements				Balance as at 31 December 2017
	Balance as at 31 December 2016	Increase during the year	Decrease during the year	Realised gain on exchange	
Crown Century Holdings Limited					
Loan principal	35,724	-	(33,458)	(2,266)	-
Add: Accrued interest	267	447	(709)	(5)	-
Total short-term loan from related company	35,991	447	(34,167)	(2,271)	-

Short-term loan of a subsidiary company was from overseas related company bearing interest at 3.0 percent per annum.

In June 2017, the subsidiary converted this short-term loan into its registered and paid up capital, as described in Note 2.2 a) to the financial statements.

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	87,224	81,043	61,861	57,345
Post-employment benefits	3,188	5,160	1,464	3,620
Total	90,412	86,203	63,325	60,965

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with their related parties, as described in Note 25.4 to financial statements.

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables - related parties (Note 7)				
Aged on the basis of due dates				
Not yet due	55,472	27,774	46,414	32,968
Past due				
Up to 3 months	64,623	53,238	63,551	42,368
3 - 6 months	61,693	12,225	60,660	12,225
6 - 12 months	15,222	-	15,222	-
Total trade receivables - related parties	197,010	93,237	185,847	87,561

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	1,996,434	1,345,046	1,072,699	598,206
Past due				
Up to 3 months	424,090	413,682	256,659	173,633
3 - 6 months	16,878	17,269	16,821	16,265
6 - 12 months	2,677	9,670	1,759	8,451
Over 12 months	95,187	97,731	14,366	11,196
Total	2,535,266	1,883,398	1,362,304	807,751
Less: Allowance for doubtful accounts	(100,481)	(101,931)	(21,331)	(15,131)
Total trade receivables - unrelated parties, net	2,434,785	1,781,467	1,340,973	792,620
Total trade receivables - net	2,631,795	1,874,704	1,526,820	880,181
Other receivables				
Other receivables - related parties (Note 7)	-	-	6,791	6,732
Other receivables - unrelated parties	1,041	3,303	178	1,051
Total	1,041	3,303	6,969	7,783
Less: Allowance for doubtful accounts	-	(591)	-	-
Total other receivables - net	1,041	2,712	6,969	7,783
Trade and other receivables - net	2,632,836	1,877,416	1,533,789	887,964

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Reduce cost to net					
	Cost		realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	704,174	476,154	(46,032)	(23,287)	658,142	452,867
Work in process	311,430	290,432	(4,572)	(9,520)	306,858	280,912
Raw materials and factory supplies	714,662	567,753	(20,907)	(23,146)	693,755	544,607
Goods in transit	221,408	201,508	-	(2,048)	221,408	199,460
Total	1,951,674	1,535,847	(71,511)	(58,001)	1,880,163	1,477,846

(Unit: Thousand Baht)

	Separate financial statements					
	Reduce cost to net					
	Cost		realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	463,110	308,195	(42,068)	(20,603)	421,042	287,592
Work in process	269,939	235,328	(2,629)	(7,428)	267,310	227,900
Raw materials and factory supplies	537,768	312,147	(8,357)	(10,229)	529,411	301,918
Goods in transit	187,900	96,028	-	(823)	187,900	95,205
Total	1,458,717	951,698	(53,054)	(39,083)	1,405,663	912,615

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 28 million (2016: Baht 5 million) (The Company only: Baht 26 million and 2016: Baht 3 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company and its subsidiaries reversed the write-down of cost of inventories by Baht 15 million (2016: Baht 107 million) (The Company only: Baht 12 million and 2016: Baht 51 million), and reduced the cost of sales during the year.

10. Investments in associates

10.1 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	
			2017	2016	2017	2016	2017	2016
			(%)	(%)				
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	6,328	3,475
Total					379,548	379,548	111,479	108,626
Less: Allowance for impairment loss of investment							(105,151)	(105,151)
Total investments in associates - net							6,328	3,475

10.2 Share of profit/loss and dividend received

During the years 2017 and 2016, the 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.

During the current year, the subsidiary has recognised its share of profit from investment in Loxpac Hong Kong Co., Limited totally Baht 2.9 million (2016: share of loss totally Baht 1.9 million).

During the years 2017 and 2016, no dividend received from this associate.

10.3 Financial information of the associates are summarised below:

Company's name	Unit	Paid-up capital		Total assets		Total liabilities		Total revenues for		Profit (loss) for	
		as at		as at		as at		the years ended		the years ended	
		31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	(Million)	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Loxpac (Thailand) Company Limited	Baht	700	700	278	433	14	153	151	110	(15)	(12)
Loxpac Hong Kong Co., Limited	EUR	6	6	12	10	4	3	0.8	0.4	0.4	(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 Company and its subsidiary 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 Company 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 subsidiaries in the separate financial statements.

11. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost		Dividend received during the year	
	2017	2016	2017	2016	2017	2016
Siam Fiber Optics Company Limited	240,000	240,000	144,000	144,000	-	-
Siam Pacific Electric Wire and Cable Company Limited	670,000	670,000	1,067,703	1,067,703	6,834	-
Double D Cable Company Limited	20,000	20,000	20,000	20,000	-	-
Shanghai Asia Pacific Electric Company Limited	10,549	9,549	41,110	41,110	-	-
	Thousand USD	Thousand USD				
CTW-Beta Company Limited	100	100	100	100	-	-
Total			1,272,913	1,272,913	6,834	-
Less: Allowance for impairment loss of investments			(85,017)	(57,457)		
Total investments in subsidiaries - net			1,187,896	1,215,456		

During the year 2017, a meeting of the Board of Directors of Shanghai Asia Pacific Electric Company Limited, an overseas subsidiary in China, passed a resolution to increase its registered and paid up share capital by USD 1 million. This capital increase was made through a private placement with Crown Century Holdings Limited, a related company and a shareholder of the subsidiary, in order to support the conversion of debt to equity, as described in Note 2.2 a) and 7 to the financial statements.

As at 31 December 2017, the Company assessed the value of investments in subsidiaries and concluded that the recoverable amounts of investment in Siam Fiber Optics Company Limited was lower than the carrying amounts, amounting to Baht 27 million. The Company therefore recognised allowance for impairment loss on this investment in the income statement of the separate financial statements for the year 2017.

11.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year	
	2017	2016	2017	2016	2017	2016
	(%)	(%)				
Siam Fiber Optics Company Limited	40	40	50	77	(27)	(12)
Shanghai Asia Pacific Electric Company Limited	36	30	68	47	-	(10)

11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Siam Fiber Optics Company Limited		Shanghai Asia Pacific Electric Company Limited	
	2017	2016	2017	2016
Current assets	129	158	490	423
Non-current assets	8	52	65	67
Current liabilities	12	17	369	332

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December			
	Siam Fiber Optics Company		Shanghai Asia Pacific Electric	
	Limited		Company Limited	
	2017	2016	2017	2016
Total revenues	154	218	1,148	1,061
Loss for the year	(67)	(30)	(2)	(32)
Other comprehensive income	-	-	(4)	(14)
Total comprehensive income	(67)	(30)	(6)	(46)

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December			
	Siam Fiber Optics Company		Shanghai Asia Pacific Electric	
	Limited		Company Limited	
	2017	2016	2017	2016
Cash flow from (used in) operating activities	(22)	(23)	17	1
Cash flow used in investing activities	-	(3)	(8)	(12)
Cash flow from (used in) financing activities	-	-	(5)	47
Translation adjustments	-	-	(4)	(23)
Net increase (decrease) in cash and cash equivalents	(22)	(26)	-	13

12. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Fixed deposit				
Fixed deposit is over 1 year	15,400	-	-	-
Total fixed deposit	15,400	-	-	-
Non-marketable equity securities				
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
Held-to-maturity debt securities				
Subordinated debentures of BBL PLC.	-	11,000	-	-
Total held-to-maturity debt securities	-	11,000	-	-
Total other long-term investments	102,170	97,770	22,500	22,500

During the years 2017 and 2016, the Company received dividend from Thai Metal Processing Company Limited amounting to Baht 3 million.

During the year 2017, the subsidiary received dividend from Crown Century Holdings Limited amounting to USD 0.3 million or Baht 11 million.

During the year 2017, the subsidiary was redeemed all the debentures at face value prior to its maturity subject to the term and conditions of debentures and other relevant laws by Bangkok Bank Public Company Limited.

13. Investment properties

The net book value of investment properties as at 31 December 2017 and 2016 is presented below.

(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 2017:						
Cost	13,845	10,017	23,862	11,022	-	11,022
<u>Less</u> Accumulated depreciation	-	(6,144)	(6,144)	-	-	-
Net book value	13,845	3,873	17,718	11,022	-	11,022
31 December 2016:						
Cost	11,022	10,017	21,039	11,022	-	11,022
<u>Less</u> Accumulated depreciation	-	(5,644)	(5,644)	-	-	-
Net book value	11,022	4,373	15,395	11,022	-	11,022

A reconciliation of the net book value of investment properties for the years 2017 and 2016 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net book value at beginning of year	15,395	23,942	11,022	19,068
Acquisition of assets	173	-	-	-
Repayment from trade receivables	2,650	-	-	-
Disposals during the year - net book value at disposal date	-	(8,046)	-	(8,046)
Depreciation charged for the year	(500)	(501)	-	-
Net book value at end of year	17,718	15,395	11,022	11,022

During the year 2017, the subsidiary receives land not being used for operation by repayment from its trade receivables.

On 31 May 2016, the Company's Board of Directors Meeting resolved to approve the sale of land not being used for operation totaling Baht 165 million to an unrelated company.

The Company recognised gain on sales of this investment property amounting to Baht 157 million as a separate caption under other income in the income statement for the year 2016.

The fair values of the investment properties as at 31 December 2017 and 2016 are stated below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Land - not being used for operation	340,283	315,449	337,633	315,449
Condominium and office building for rent	14,880	18,915	-	-

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

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land	Buildings and improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
Cost:							
1 January 2016	202,364	1,152,391	2,955,715	109,757	89,608	205,296	4,715,131
Additions	-	1,789	8,139	3,378	11,644	134,452	159,402
Disposals	-	(4,099)	(162,665)	(3,925)	(11,513)	-	(182,202)
Transfers	-	117,779	145,768	648	590	(264,785)	-
Translation adjustment	-	(5,224)	(11,338)	(227)	(317)	(37)	(17,143)
31 December 2016	202,364	1,262,636	2,935,619	109,631	90,012	74,926	4,675,188
Additions	37,757	292	8,992	2,882	16,888	53,634	120,445
Disposals	-	-	(76,431)	(3,070)	(4,168)	-	(83,669)
Transfers	-	9,848	89,147	390	42	(99,427)	-
Translation adjustment	-	(1,822)	(3,941)	(83)	(105)	(76)	(6,027)
31 December 2017	240,121	1,270,954	2,953,386	109,750	102,669	29,057	4,705,937
Accumulated depreciation:							
1 January 2016	-	(938,234)	(2,677,052)	(95,702)	(72,032)	-	(3,783,020)
Depreciation for the year	-	(32,805)	(67,193)	(6,204)	(7,436)	-	(113,638)
Depreciation on disposals	-	4,099	162,355	3,881	11,099	-	181,434
Translation adjustment	-	2,926	9,764	186	244	-	13,120
31 December 2016	-	(964,014)	(2,572,126)	(97,839)	(68,125)	-	(3,702,104)
Depreciation for the year	-	(34,387)	(61,386)	(4,930)	(7,279)	-	(107,982)
Depreciation on disposals	-	-	76,410	3,008	3,816	-	83,234
Translation adjustment	-	1,068	3,534	70	54	-	4,726
31 December 2017	-	(997,333)	(2,553,568)	(99,691)	(71,534)	-	(3,722,126)
Allowance for impairment loss:							
1 January 2016	-	-	-	-	-	-	-
31 December 2016	-	-	-	-	-	-	-
Increase during the year	-	-	(36,582)	-	-	-	(36,582)
31 December 2017	-	-	(36,582)	-	-	-	(36,582)
Net book value:							
31 December 2016	202,364	298,622	363,493	11,792	21,887	74,926	973,084
31 December 2017	240,121	273,621	363,236	10,059	31,135	29,057	947,229
Depreciation for the year							
2016 (Baht 105 million included in manufacturing cost, and the balance in selling and administrative expenses)							113,638
2017 (Baht 99 million included in manufacturing cost, and the balance in selling and administrative expenses)							107,982

(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	
Cost:							
1 January 2016	149,013	542,194	1,502,934	69,134	55,403	177,678	2,496,356
Additions	-	1,132	5,909	2,256	5,115	117,712	132,124
Disposals	-	(4,099)	(12,310)	(2,498)	(4,404)	-	(23,311)
Transfers	-	114,706	112,591	648	-	(227,945)	-
31 December 2016	149,013	653,933	1,609,124	69,540	56,114	67,445	2,605,169
Additions	37,757	291	8,249	1,619	9,083	19,977	76,976
Disposals	-	-	(35,461)	(1,318)	(1,470)	-	(38,249)
Transfers	-	5,828	73,345	250	-	(79,423)	-
31 December 2017	186,770	660,052	1,655,257	70,091	63,727	7,999	2,643,896
Accumulated depreciation:							
1 January 2016	-	(470,683)	(1,370,185)	(60,847)	(43,565)	-	(1,945,280)
Depreciation for the year	-	(18,768)	(29,531)	(3,733)	(4,991)	-	(57,023)
Depreciation on disposals	-	4,099	12,278	2,461	4,114	-	22,952
31 December 2016	-	(485,352)	(1,387,438)	(62,119)	(44,442)	-	(1,979,351)
Depreciation for the year	-	(20,859)	(36,302)	(2,846)	(5,034)	-	(65,041)
Depreciation on disposals	-	-	35,455	1,298	1,204	-	37,957
31 December 2017	-	(506,211)	(1,388,285)	(63,667)	(48,272)	-	(2,006,435)
Net book value:							
31 December 2016	149,013	168,581	221,686	7,421	11,672	67,445	625,818
31 December 2017	186,770	153,841	266,972	6,424	15,455	7,999	637,461
Depreciation for the year							
2016 (Baht 53 million included in manufacturing cost, and the balance in selling and administrative expenses)							57,023
2017 (Baht 61 million included in manufacturing cost, and the balance in selling and administrative expenses)							65,041

As at 31 December 2017 and 2016, certain plant and equipment items had been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 3,198 million and Baht 3,108 million, respectively (The Company only: Baht 1,690 million, 2016: Baht 1,611 million).

As at 31 December 2017, two subsidiary companies have pledged land and buildings and machinery amounting to approximately Baht 2 million and RMB 4 million (2016: Baht 2 million and RMB 4 million) as collateral against credit facilities received from financial institutions. In addition, a subsidiary has the released mortgaged of land and buildings amounting to Baht 57 million (31 December 2016: Baht 61 million) with 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.

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

Short-term loans from financial institutions carry interest at rates of 4.5 - 4.8% per annum (2016: 4.7 - 4.8% per annum) while trust receipts carry interest at rates of 1.7 - 2.6% per annum (2016: 1.1 - 2.1% 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 and by guarantee provided by a subsidiary.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables - related parties (Note 7)	76,050	27,117	2,612	4,843
Trade payables	242,518	315,190	147,695	145,770
Other payables - related parties (Note 7)	892	909	471	480
Other payables	52,392	38,255	38,224	28,841
Accrued expenses	127,316	101,563	84,897	74,704
Total trade and other payables	499,168	483,034	273,899	254,638

17. 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 financial statements		Separate financial statements	
	2017	2016	2017	2016
Provisions for long-term employee benefits				
at beginning of year	237,063	226,288	210,190	198,740
Included in profit or loss:				
Current service cost	12,108	14,378	10,102	12,289
Interest cost	7,088	6,332	6,218	5,510
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Demographic assumptions changes	5,892	-	5,149	-
Financial assumptions changes	10,400	(7,896)	8,523	(4,032)
Experience adjustments	5,342	7,539	3,316	5,577
Benefits paid during the year	(8,881)	(9,578)	(7,394)	(7,894)
Provisions for long-term employee benefits at end of year	269,012	237,063	236,104	210,190

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current service cost	12,108	14,378	10,102	12,289
Interest cost	7,088	6,332	6,218	5,510
Total expenses recognised in profit or loss	19,196	20,710	16,320	17,799
Line items in profit or loss under which such expenses are included				
Cost of sales	12,410	12,330	10,707	10,485
Selling and administrative expenses	6,786	8,380	5,613	7,314

The Company and its subsidiaries expect to pay Baht 29 million of long-term employee benefits during the next year (Separate financial statements: Baht 28 million) (2016: Baht 21 million, separate financial statements: Baht 20 million).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 11 years (31 December 2016: 11 - 12 years, separate financial statements: 11 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	2.7	3.1 - 3.3	2.7	3.1
Salary increase rate (depending on age)	5.0 - 6.0	5.0 - 6.0	6.0	6.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

(Unit: Million Baht)

	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(23)	27	(20)	23
Salary increase rate	26	(23)	23	(20)

(Unit: Million Baht)

	As at 31 December 2016			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(21)	24	(18)	21
Salary increase rate	24	(20)	21	(18)

18. 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.

19. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Raw materials and consumables used and purchase of finished goods	6,571	5,019	2,516	1,401
Changes in finished goods and work in progress	(249)	174	(190)	125
Salaries and wages and other employee benefits	529	475	333	311
Packing expenses	155	99	127	69
Fabrication expenses	13	25	37	43
Electric expenses	173	162	68	61
Repair and maintenance expenses	63	49	47	35
Depreciation and amortisation	109	115	66	57
Commission expenses	9	7	1	-
Allowance for doubtful accounts	2	11	6	6

20. Income tax

Tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax:				
Current income tax charge	71,740	68,191	70,648	68,191
Deferred tax:				
Relating to origination and reversal of temporary differences	3,126	28,722	(5,494)	5,341
Tax expenses reported in the statement of income	74,866	96,913	65,154	73,532

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax relating to actuarial (gain) losses	4,327	(71)	3,398	309

The reconciliation between accounting profit and tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounting profit before tax	328,666	357,252	301,786	364,663
Applicable tax rate	20% and 25%	20% and 25%	20%	20%
Accounting profit before tax multiplied by income tax rate	65,638	69,852	60,357	72,933
Utilisation of previously unrecognised deferred tax assets	(674)	(744)	-	-
Deferred tax assets which were not recorded during the year	11,393	27,246	5,512	-
Effects of:				
Additional taxable income	-	-	1,442	1,488
Tax-exempt income	(675)	(675)	(2,042)	(675)
Non-deductible expenses	771	1,580	418	267
Additional expense deductions allowed	(815)	(743)	(533)	(481)
Others	(772)	397	-	-
Total	(1,491)	559	(715)	599
Tax expenses reported in the income statement	74,866	96,913	65,154	73,532

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	As at 31 December 2017	As at 31 December 2016	As at 31 December 2017	As at 31 December 2016
Deferred tax assets				
Trade accounts receivable and inventories (differences in revenue recognition)	56	1,290	21	1,143
Allowance for doubtful accounts	5,971	5,879	4,266	3,026
Allowance for diminution in value of inventories	14,302	11,600	10,611	7,817
Provision for loss on exchange forward contracts	904	-	822	-
Provision for accrued vacation leave	706	625	582	539
Provision for long-term employee benefits	53,802	47,413	47,221	42,038
Provision for loss on purchase raw materials contracts	-	69	-	69
Unused tax loss	6,400	15,400	-	-
Total	82,141	82,276	63,523	54,632
Deferred tax liabilities				
Provision for gain on exchange forward contracts	-	(1,335)	-	-
Total	-	(1,335)	-	-
Deferred tax assets - net	82,141	80,941	63,523	54,632

As at 31 December 2017, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 592 million (2016: Baht 553 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe 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 374 million will expire by the year 2022.

21. 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 financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit for the year (Thousand Baht)	280,993	281,799	236,631	291,131
Weighted average number of ordinary shares (Thousand shares)	397,906	397,906	397,906	397,906
Basic earnings per share (Baht/share)	0.71	0.71	0.59	0.73

22. 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 Company and its subsidiaries are 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 Company's and its subsidiaries' operating segments for the years ended 31 December 2017 and 2016, respectively.

(Unit: Million Baht)

	For the year ended 31 December											
	Power cable segment ¹⁾		Communication cable segment		Enameled and non-enameled wire segment ²⁾		Fiber optic cable segment		Other segments		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue												
Sales	3,284	2,206	99	107	4,356	3,749	153	212	10	154	7,902	6,428
Segment profit	470	351	22	25	156	122	20	21	-	1	668	520
Unallocated income and expenses												
Other income											68	187
Interest income											24	26
Interest expenses											(26)	(18)
Selling expenses											(109)	(99)
Administrative expenses											(256)	(251)
Allowance for loss on impairment of property, plant and equipment											(36)	-
Finance expenses											(7)	(6)
Share of profit (loss) from investment in associate											3	(2)
Profit before tax expenses											329	357
Tax expenses											(75)	(97)
Profit for the year											254	260
Non-controlling interests of the subsidiaries											27	22
Profit attributable to equity holders of the Company											281	282

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 is based on locations of the customers.

(Unit: Million Baht)

	2017	2016
Revenue from external customers		
Thailand	5,109	3,880
China	1,092	1,044
India	1,044	1,096
Hong Kong	269	117
Vietnam	160	146
Others	228	145
Total	7,902	6,428
Non-current assets (other than deferred tax assets)		
Thailand	1,199	1,213
China	65	67
Total	1,264	1,280

Major customers

For the year 2017, the Company and its subsidiaries have revenue from one major customer in amount of Baht 1,118 million arising from sales by the power cable segment. (2016: the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues)

23. Provident fund

The Company together with its subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees, the Company and its subsidiary contribute to the fund monthly at the rate of 5 percent of basic salary. The fund of the Company, which is managed by Krungsri Asset Management Company Limited and the fund of the 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 2017 amounting to approximately Baht 8 million (2016: Baht 8 million) were recognised as expenses (the Company only: Baht 6 million, 2016: Baht 6 million).

24. Dividends

	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General meeting of the shareholders on 29 April 2016	79,581	0.20
Final dividends for 2017	Annual General meeting of the shareholders on 25 April 2017	139,267	0.35

25. Commitments and contingent liabilities

25.1 Capital commitments

As at 31 December 2017, the Company and its subsidiaries had capital commitments of approximately Baht 14 million (2016: Baht 4 million) relating to the acquisition of machinery and equipment and vehicles.

25.2 Operating lease and service commitments

As at 31 December 2017 and 2016, the Company and its subsidiaries had commitments in respect of the lease of equipment, factory building and office building and the respect of service as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Payable within 1 year	8	8	5	5

(Unit: Million TWD)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Payable within 1 year	2	2	1	1

25.3 Commitments to purchase raw materials

As at 31 December 2017 and 2016, the Company and its subsidiaries had commitments to purchase raw materials as follows:

As at 31 December 2017

The Company and its subsidiaries	The Company only	Pricing/Metric ton	Foreign currency
(Metric ton)	(Metric ton)		
16,050 - 24,950	3,850 - 4,950	reference to the market price	
450	-	54,211 - 54,393	Renminbi
950	350	7,140 - 7,320	US dollar

As at 31 December 2016

The Company and its subsidiaries	The Company only	Pricing/Metric ton	Foreign currency
(Metric ton)	(Metric ton)		
8,800 - 13,000	3,300	reference to the market price	
1,950 - 3,900	-	36,650	Renminbi
500	300	5,735 - 5,975	US dollar

25.4 Guarantees

- a) As at 31 December 2017, a local subsidiary had guarantee obligations for bank credit lines of an overseas subsidiary at approximately USD 2 million (2016: USD 2 million).
- b) As at 31 December 2017 and 2016, there were the following outstanding bank guarantees issued by the banks in respect of certain performance bonds required in the normal course of business by the Company and its subsidiaries.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Letter of guarantee for bidding	148	127	148	116
Letter of guarantee for performance in accordance with the contracts	970	884	964	876
Letter of guarantee for utilities usage	23	23	8	8
	1,141	1,034	1,120	1,000

26. Fair value hierarchy

As at 31 December 2017 and 2016, the Company and its subsidiaries 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 2017			
	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	5	-	5
Assets for which fair value are disclosed				
Investment properties	-	355	-	355

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Foreign currency forward contracts	-	7	-	7
Assets for which fair value are disclosed				
Investment properties	-	334	-	334

(Unit: Million Baht)

	Separate financial statements as at 31 December 2017			
	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	4	-	4
Assets for which fair value are disclosed				
Investment properties	-	338	-	338

(Unit: Million Baht)

	Separate financial statements as at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment properties	-	315	-	315

27. Financial instruments

27.1 Financial risk management

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

Financial assets	Financial liabilities
- Cash and cash equivalents	- Short-term loans from financial institutions
- Current investments	- Trust receipts
- Trade and other receivables	- Trade and other payables
- Restricted bank deposits	- Short-term loan from related company
- Long-term loans to subsidiaries	
- Other long-term investments	

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures. In addition, the Company and its subsidiaries sold goods to credit worthiness customers such as state enterprise and government agencies and therefore do not expect to incur material financial losses.

In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have the large customer bases. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries are exposure to interest rate risk relates primarily to its cash at banks, short-term loans and trust receipts. Most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2017 and 2016, significant financial assets and liabilities classified by type of interest rate are 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 2017						
	Fixed interest rates		Floating Interest rate	Non-Interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	Over 5 years				
Financial assets						
Cash and cash equivalents	130	-	361	2	493	0.1 - 1.3
Trade and other receivables	-	-	-	2,633	2,633	-
Restricted bank deposits	170	-	-	-	170	0.9 - 1.0
Other long-term investments	-	15	-	87	102	1.5
	300	15	361	2,722	3,398	
Financial liabilities						
Short-term loans from financial institutions	-	-	150	-	150	4.5 - 4.8
Trust receipts	1,059	-	-	-	1,059	1.7 - 2.6
Trade and other payables	-	-	-	499	499	-
	1,059	-	150	499	1,708	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2016

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	Over 5 years				
Financial assets						
Cash and cash equivalents	165	-	463	14	642	0.1 - 2.5
Current investments	300	-	-	-	300	1.4 - 1.5
Trade and other receivables	-	-	-	1,877	1,877	-
Restricted bank deposits	170	-	-	-	170	0.9
Other long-term investments	-	11	-	87	98	4.4
	635	11	463	1,978	3,087	
Financial liabilities						
Short-term loans from financial institutions	-	-	156	-	156	4.7 - 4.8
Trust receipts	536	-	-	-	536	1.1 - 2.1
Trade and other payables	-	-	-	483	483	-
Short-term loan from related company	36	-	-	-	36	3.0
	572	-	156	483	1,211	

(Unit: Million Baht)

Separate financial statements as at 31 December 2017

	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial assets					
Cash and cash equivalents	100	130	-	230	0.4 - 1.2
Trade and other receivables	-	-	1,534	1,534	-
Long-term loans to subsidiaries	-	13	-	13	1.3 - 1.4
Other long-term investments	-	-	23	23	-
	100	143	1,557	1,800	
Financial liabilities					
Trust receipts	646	-	-	646	1.7 - 2.0
Trade and other payables	-	-	274	274	-
	646	-	274	920	

(Unit: Million Baht)

Separate financial statements as at 31 December 2016

	Fixed interest rates within 1 year	Floating Interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial assets					
Cash and cash equivalents	100	197	9	306	0.4 - 1.2
Current investments	300	-	-	300	1.4 - 1.5
Trade and other receivables	-	-	888	888	-
Long-term loans to subsidiaries	-	37	-	37	1.4
Other long-term investments	-	-	23	23	-
	400	234	920	1,554	
Financial liabilities					
Trust receipts	57	-	-	57	1.0 - 1.6
Trade and other payables	-	-	255	255	-
	57	-	255	312	

Foreign currency risk

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

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements

	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
Foreign currency	2017	2016	2017	2016	2017	2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	10	9	40	24	32.6809	35.8307
Japanese Yen	-	-	-	15	0.2898	0.3080

Separate financial statements

	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
Foreign currency	2017	2016	2017	2016	2017	2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	24	5	32.6809	35.8307

As at 31 December 2017 and 2016, forward exchange contracts outstanding are summarised below.

2017

	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
Foreign currency			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	14	5	32.31 - 33.30	32.60 - 33.18	January 2018 - December 2018

2016

Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	10	-	34.71 - 36.09	-	March 2017 - June 2017

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

27.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' 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.

28. Capital management

The primary objective of the Company's and its subsidiaries' capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 0.47:1 (2016: 0.36:1) and the Company's was 0.31:1 (2016: 0.15:1).

29. Approval of financial statements

These financial statements were authorised for issue by the authorised director of the Company on 28 February 2018.

Audit Fee

1. Audit fee

The Company and its subsidiaries paid audit fee to :

- The Company's auditor for the year 2017 totaling Baht 5,480,000.
- Other than the Company's auditor but, related individual or related company of the Company's auditor for the year 2017 totaling Baht 0.

2. Non-audit fee

The Company and its subsidiaries paid non-audit fee for the year 2017 totaling Baht 0.

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"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 or the Company's website www.ctw.co.th"