

CTW001/2017

February 28, 2017

Subject : Management Discussion and Analysis for 2016

To : President  
The Stock Exchange of Thailand

Charoong Thai Wire and Cable Plc.(CTW) would like to clarify the Company and its subsidiaries' 2016 operating results based on the consolidated financial statements for the year ended 31 December 2016 as follows:

(Unit : Million Baht)

Operating Results	Period of the Year		
	2016	2015	% Change
Total revenues	6,641.02	6,451.25	2.94
Net Profit (Loss) attributable to equity holders of CTW	281.80	(98.33)	386.58
Earnings (Loss) per share (Baht/Share)	0.71	(0.25)	

### **Net Profit (Loss)**

Net profit was THB 281.80 million in 2016, increased by THB 380.13 million or 386.58% from net loss of THB 98.33 million in 2015 caused from the following main reasons:

### **Revenue from Sales**

Revenue from sales of THB 6,427.94 million in 2016 increased by THB 6.01 million or 0.09% from THB 6,421.93 million in 2015.

For the year 2016, the Company and its subsidiaries had revenue from local customers of THB 3,879.67 million and from overseas customers of THB 2,548.27 million.

### **Other Income**

Other Income of THB 213.08 million increased by THB 183.76 million or 626.74% from THB 29.32 million in 2015 since the Company had gain on sales of investment property amounting to THB 156.75 million from the sales of land not being used for operation. In the year 2016, there was gain on exchange of THB 19.30 million, while there was loss on exchange of THB 104.22 million in 2015.

### **Expenses**

Total expenses of THB 6,257.93 million in 2016 decreased by THB 275.66 million or 4.22% from THB 6,533.60 million in 2015, details were summarized as follows.

#### **1. Cost of Sales**

Total cost of sales of THB 5,908.03 million in 2016 decreased by THB 212.67 million or 3.47% from THB 6,120.70 million in 2015 which included the allowance for diminution in value of inventory of THB 53.58 million, while there was the reversal of allowance for diminution in value of inventory of THB 102.22 million in 2016 due to increase in the main raw material (copper) price.

2. Selling Expenses

Selling expenses was THB 98.60 million in 2016, decreased by THB 3.16 million or 3.11% from THB 101.77 million in 2015, which most were the reduction of transportation and consulting fees.

3. Administration Expenses

Administration expenses was THB 251.30 million in 2016, decreased by THB 59.83 million or 19.23% from THB 311.14 million in 2015 since there was gain on exchange of THB 19.30 million in 2016, while there was loss on exchange of THB 104.22 million due to the depreciation of Thai Baht against the US dollar in 2015.

4. Share of profit (loss) from investment in associate

Share of loss from investment in associate company was THB 1.93 million in 2016, increased by THB 3.51 million or 222.23% from share of profit from investment in associate of THB 1.58 million in 2015 since its a subsidiary recognized share of loss from investment in Loxpac Hong Kong Co., Ltd. of THB 1.93 million in 2016, while the subsidiary recognized share of profit from investment in Loxpac Hong Kong Co., Limited by THB 1.58 million in 2015.

5. Finance Cost

Finance cost of THB 23.90 million, decreased by THB 16.14 million or 40.30% from THB 40.04 million in the previous year due to the repayment of trust receipts before maturity in order to reduce loss on exchange and interest expenses.

6. Tax income (expenses)

Tax expenses of THB 96.91 million in 2016 consisted of the corporate income tax of THB 68.19 million and relating to origination of temporary difference of THB 28.72 million, increased by THB 97.46 million in the previous year. There was tax income of THB 0.54 million, consisted of the corporate income tax of THB 30.13 million and relating to reversal of temporary differences of THB 30.67 million.

The separate financial statements for the year 2016, the Company had net profit of Baht 291.13 million, increased by Baht 169.64 million or 139.63%, when compared with the net profit of Baht 121.49 million in 2015.

Please be informed accordingly.

Sincerely yours,

(Mr. Sun Tao-Heng)  
Managing Director