
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-14542

**ASIA PACIFIC WIRE & CABLE
CORPORATION LIMITED**

(Exact name of Registrant as specified in its charter)

Bermuda

(Jurisdiction of incorporation or organization)

7/FI. B, No. 132, Sec. 3

Min-Sheng East Road

Taipei, 105, Taiwan

Republic of China

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Common Shares, par value 0.01 per share	NASDAQ Global Market

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

13,819,669 Common Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. Large accelerated Filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing: U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this Annual Report on Form 20-F contain some forward-looking statements. Forward-looking statements give our current beliefs or expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Such statements may include words such as “anticipate,” “estimate,” “expect,” “intend,” “plan,” “believe” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance.

Such statements are not promises or guarantees and are subject to a number of known and unknown risks and uncertainties that could cause our future results, performance or achievements to differ significantly from the results, performance or achievements expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include our ability to maintain and develop market share for our products; global, regional or national economic and financial conditions, the recent global drop in demand for and the pricing of commodities, including copper, our principal raw material, and their individual or collective impact on demand for our products and services; the introduction of competing products or technologies; the extreme volatility of share prices on major securities exchanges throughout the world, our inability to successfully identify, consummate and integrate acquisitions; our potential exposure to liability claims; the uncertainty and volatility of the markets in which we operate; changes in laws or regulations applicable to the Company in the markets in which we conduct business; the availability and price of copper, our principal raw material; our ability to negotiate extensions of labor agreements on acceptable terms and to successfully deal with any labor disputes; our ability to service and meet all requirements under our debt, and to maintain adequate credit facilities and credit lines, in certain markets, our ability to compete effectively with state-owned enterprises (“SOEs”), which may receive governmental subsidies to enhance results or receive preferred vendor status in state controlled projects, our ability to make payments of interest and principal under our existing and future indebtedness; our ability to increase manufacturing capacity and productivity; the fact that we have operations outside the United States that may be materially and adversely affected by acts of terrorism, war and political and social unrest, or major hostilities; increased exposure to political and economic developments, crises, instability, terrorism, civil strife, expropriation and other risks of doing business in foreign markets; economic consequences arising from natural disasters and other similar catastrophes, such as floods, earthquakes, hurricanes and tsunamis; the fact that Asia Pacific Wire & Cable Corporation Limited (“APWC” or the “Company”) is a holding company that depends for income upon distributions from operating subsidiaries, most of which are not wholly-owned and for which there may be restrictions on the timing and amount of distributions; price competition and other competitive pressures; the impact of climate change on our business and operations and on our customers; tax inefficiencies associated with our cross-border operations, including without limitation, limitations on our ability to utilize net losses within our group of companies for income tax purposes; fluctuations in currency, exchange and interest rates, operating results and the impact of technological changes and other factors that are discussed in this report and in our other filings made with the Securities and Exchange Commission (the “SEC” or the “Commission”).

In particular, these statements include, among other things, statements relating to:

- our business strategy;
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- our prospects for future revenues and profits in the markets in which we operate;
 - the impact of political, legal or regulatory changes or developments in the markets in which we do business;
 - our dependence upon the level of business activity and investment by our customers for the generation of our sales revenue;
 - our reliance on our majority shareholder for research and development relating to our product lines
 - the fact that our Common Shares are traded on a national exchange in the United States;
 - our dependence on a limited number of suppliers for our raw materials and our vulnerability to fluctuations in the cost of our raw materials; and
 - our liquidity.
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We undertake no obligation to update any forward-looking statements or other information contained in this Annual Report, whether as a result of new information, future events or otherwise, except as required by law. You are advised, however, to consult any additional disclosures we make in our filings with the SEC. Also note that we provide a cautionary discussion of risks and uncertainties under the “Risk Factors” section of this Annual Report. These are factors that we think could cause our actual results to differ materially from expected results. Other factors besides those listed there could also adversely affect us.

This discussion is permitted by the Private Securities Litigation Reform Act of 1995.

OTHER CONVENTIONS

Unless otherwise specified, all references in this Annual Report to “Thailand” are to the Kingdom of Thailand, all references to “Singapore” are to The Republic of Singapore, all references to “Taiwan” are to Taiwan, The Republic of China, all references to “China” and to the “PRC” are to The People’s Republic of China (for the purpose of this Annual Report, excluding Hong Kong and Macau), all references to “Australia” are to the Commonwealth of Australia and all references to the “U.S.” are to the United States of America.

Most measurements in this Annual Report are given according to the metric system. Standard abbreviations of metric units (*e.g.*, “mm” for millimeter) have been employed without definitions. All references in this Annual Report to “tons” are to metric tons, which are equivalent in weight to 2,204.6 pounds.

With respect to measurements relating to the manufacture of wire and cable products, references to “pkm” are to kilometers of twisted pairs of copper wire.

Dollar amounts in this Annual Report are expressed in thousands (\$000), except where otherwise indicated or with respect to earnings per share.

Part I

Item 1: Identity of Directors, Senior Management and Advisers

(Not applicable)

Item 2: Offer Statistics and Expected Timetable

(Not applicable)

Item 3: Key Information

3.1 Selected Consolidated Financial Data

The following selected consolidated financial data is derived from the consolidated financial statements of the Company for the years ended December 31, 2012, 2013, 2014 and 2015, prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Until and including our consolidated financial statements included in our annual report on Form 20-F for the year ended December 31, 2012, we prepared our consolidated financial statements in accordance with generally accepted accounting principles accepted in the United States (“U.S. GAAP”). As required by First Time Adoption of International Financial Reporting Standards, or IFRS 1, financial results for the year ended December 31, 2012 were adjusted in our annual report for the fiscal year ended December 31, 2013 (the “2013 Annual Report”) in accordance with IFRS and differ from the results reported in the annual reports filed with the Commission prior to the 2013 Annual Report.

The selected data set forth below should be read in conjunction with, and is qualified in its entirety by, the discussion in “Item 5: Operating and Financial Review and Prospects” and the consolidated financial statements and the notes thereto included in “Item 18: Financial Statements.”

	For the Year Ended December 31,			
	2015	2014	2013	2012
	(in US\$ thousands)			
Income Statement Data:				
Net sales	\$ 389,632	\$ 451,327	\$ 460,676	\$ 462,265
Costs of sales	(366,143)	(414,583)	(408,860)	(411,786)
Gross profit	23,489	36,744	51,816	50,479
Other operating income	1,140	1,135	1,525	7,046
Selling general & administrative expenses	(26,882)	29,479	(34,559)	(34,593)
Other operating expenses	(332)	(2,168)	(196)	(888)
Operating profit/(loss)	(2,585)	6,232	18,586	22,044
Finance cost	(1,547)	(1,697)	(1,734)	(2,195)
Finance income	697	1,167	1,306	1,322
Share of profit of an associate	(801)	(338)	(211)	(21)
Gain on disposal of investment	—	—	232	—
Loss on disposal of a subsidiary	—	(178)	—	—
Gain on liquidation of subsidiaries	—	—	—	279
Exchange gain (loss)	(4,640)	(206)	(1,245)	2,411
Other income	119	104	110	712
Other expenses	(248)	(49)	(260)	—
Income/(loss) from continuing operations before income taxes	(8,937)	5,035	16,784	24,552
Income taxes expenses	(661)	(2,274)	(5,518)	(7,578)
Net income/(loss)	\$ (9,598)	\$ 2,761	\$ 11,266	\$ 16,974
Net income/(loss) attributable to non-controlling interests	\$ (1,440)	\$ 2,189	\$ 5,419	\$ 7,280
Net income/(loss) attributable to APWC	(8,158)	572	5,847	9,694
Basic and diluted earnings/(loss) per share ⁽¹⁾	\$ (0.59)	\$ 0.04	\$ 0.42	\$ 0.70

⁽¹⁾ The calculation of the earnings per share is based on 13,830,751, 13,820,200, 13,819,669 and 13,819,669 basic and diluted weighted common shares issued and outstanding for the year ended December 31, 2012, 2013, 2014 and 2015, respectively.

	As of December 31,			
	2015	2014	2013	2012
	(in US\$ thousands)			
Balance Sheet Data:				
Cash and cash equivalents	\$ 51,303	\$ 68,863	\$ 62,509	\$ 72,816
Working capital	144,953	169,533	174,124	181,805
Total assets	305,402	378,672	364,635	391,751
Total debt	39,238	55,400	43,521	59,577
Net assets	194,068	221,211	228,127	237,160
Capital stock	138	138	138	138
Total APWC shareholders' equity	135,330	153,032	157,248	162,102

3.2 Exchange Rates

Unless otherwise specified, all references in this Annual Report to “\$,” “U.S. dollars” or “US\$” are to United States dollars; all references to “Bt,” “Thai Baht” or “Baht” are to Baht, the legal tender currency of Thailand; all references to “S\$” are to Singapore dollars, the legal tender currency of Singapore; all references to “A\$” are to Australian dollars, the legal tender currency of Australia; and all references to “RMB” are to Chinese Renminbi, the legal tender currency of China.

Unless otherwise noted, for the convenience of the reader, translations of amounts from Baht, Singapore dollars, Renminbi and Australian dollars to U.S. dollars have been made at the respective noon buying rates in New York City for cable transfers in those currencies as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate") on December 31, 2015. The respective Noon Buying Rates on December 31, 2015 were US\$ 1.00 = Bt 36.08; S\$ 1.4166; RMB 6.4778; and A\$ 1.3725. The respective Noon Buying Rates on March 31, 2016, the latest practicable date before publication of this Annual Report, were US\$ 1.00 = Bt 35.09; S\$1.3462; RMB 6.4480 and A\$ 1.3026. No representation is made that the foreign currency amounts could have been or could be converted into U.S. dollars on these dates at these rates or at any other rates.

Sources: Federal Reserve Bulletin, Board of Governors of the Federal Reserve System. Federal Reserve Statistical Release H.10, from the website of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov>.

Thailand

The Thai Baht is convertible into foreign currencies and is subject to a managed float against a basket of foreign currencies, the most significant of which is the U.S. dollar. The composition of the basket for determining the value of the Baht is not made public by the Bank of Thailand. The following tables set forth, for the periods indicated, certain information concerning the Noon Buying Rate of the Thai Baht. No representation is made that the Baht or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Baht, as the case may be, at any particular rate or at all.

Year Ended December 31,	At Period End	Average ⁽¹⁾ (Bt per \$1.00)	High	Low
2011	31.51	30.46	31.76	29.68
2012	30.59	30.99	31.87	30.29
2013	32.68	30.85	32.85	28.6
2014	32.90	32.54	33.08	31.74
2015	36.08	34.39	36.48	32.32

⁽¹⁾ Average means the average of the Noon Buying Rates on the last day of each month during a year.

The high and low exchange rates for the six months preceding the date of this Annual Report were:

Month	High	Low
October 2015	36.48	35.14
November 2015	35.99	35.52
December 2015	36.17	35.75
January 2016	36.33	35.67
February 2016	35.77	35.58
March 2016	35.59	34.76

Sources: Federal Reserve Bulletin, Board of Governors of the Federal Reserve System. Federal Reserve Statistical Release H.10, from the website of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov>.

Singapore

The Singapore dollar is convertible into foreign currencies and floats against a trade-weighted basket of foreign currencies, the composition of which is not made public by Singapore's central bank, the Monetary Authority of Singapore, but of which the U.S. dollar is a component. The following tables set forth, for the periods indicated, certain information concerning the Noon Buying Rate of the Singapore dollar. No representation is made that the Singapore dollar or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Singapore dollars, as the case may be, at any particular rate or at all.

	At Period End	Average ⁽¹⁾ (¥ per \$1.00)	High	Low
2011	1.295	1.260	1.314	1.202
2012	1.221	1.245	1.294	1.216
2013	1.262	1.253	1.283	1.220
2014	1.324	1.270	1.324	1.238
2015	1.417	1.378	1.434	1.317

(1) Average means the average of the Noon Buying Rates on the last day of each month during a year.

The high and low exchange rates for the six months preceding the date of this Annual Report were:

Month	High	Low
October 2015	1.434	1.378
November 2015	1.424	1.399
December 2015	1.422	1.396
January 2016	1.441	1.424
February 2016	1.427	1.424
March 2016	1.401	1.346

Sources: Federal Reserve Bulletin, Board of Governors of the Federal Reserve System. Federal Reserve Statistical Release H.10, from the website of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov>.

China

The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign currencies, including the conversion rate limitations on capital transfers and through restrictions on foreign trade and other regulatory impediments to the free transferability of capital. The following tables set forth, for the periods indicated, certain information concerning the Noon Buying Rate of the Renminbi. No representation is made that the Renminbi or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all.

Year Ended December 31,	At Period End	Average⁽¹⁾	High	Low
		(RMB per \$1.00)		
2011	6.294	6.460	6.636	6.294
2012	6.230	6.299	6.338	6.222
2013	6.054	6.141	6.244	6.054
2014	6.205	6.170	6.259	6.040
2015	6.478	6.287	6.490	6.187

⁽¹⁾ Average means the average of the Noon Buying Rates on the last day of each month during a year.

The high and low exchange rates for the six months preceding the date of this Annual Report were:

Month	High	Low
October 2015	6.359	6.318
November 2015	6.395	6.318
December 2015	6.490	6.388
January 2016	6.593	6.522
February 2016	6.580	6.555
March 2016	6.550	6.448

Sources: Federal Reserve Bulletin, Board of Governors of the Federal Reserve System. Federal Reserve Statistical Release H.10, from the website of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov>.

Australia

The following tables set forth, for the periods indicated, certain information concerning the Noon Buying Rate of the Australian dollar. No representation is made that the Australian dollar or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Australian dollars, as the case may be, at any particular rate or at all.

Year Ended December 31,	At Period End	Average⁽¹⁾ (A\$ per \$1.00)	High	Low
2011	0.976	0.968	1.058	0.907
2012	0.962	0.964	1.032	0.925
2013	1.120	1.048	1.129	0.945
2014	1.224	1.115	1.235	1.054
2015	1.372	1.342	1.446	1.218

(1) Average means the average of the Noon Buying Rates on the last day of each month during a year.

The high and low exchange rates for the six months preceding the date of this Annual Report were:

Month	High	Low
October 2015	1.424	1.365
November 2015	1.423	1.380
December 2015	1.409	1.361
January 2016	1.459	1.396
February 2016	1.417	1.411
March 2016	1.394	1.303

Sources: Federal Reserve Bulletin, Board of Governors of the Federal Reserve System. Federal Reserve Statistical Release H.10, from the website of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov>.

3.3 Risk Factors

You should carefully consider the following risks before you decide to buy our Common Shares. If any one of these risks or uncertainties were to occur, our business, financial condition, results and performance could be seriously harmed and/or the price of our Common Shares might significantly decrease. The risks and uncertainties described in this Annual Report on Form 20-F are not the only ones facing us. Additional risks and uncertainties that currently are not known to us or that we currently believe are immaterial also may adversely affect our businesses, results of operations, condition (financial or otherwise) and the value of any investment in our Common Shares.

3.3.1 The auditors' report included in this annual report was prepared in reliance on audit work; procedures and quality controls which were not inspected by the Public Company Accounting Oversight Board and, as such, investors may be deprived of the benefits of such inspection.

Auditors of companies that are registered with the SEC and traded publicly in the United States, including our independent registered public accounting firm, must be registered with the U.S. Public Company Accounting Oversight Board ("PCAOB"), and are required by the laws of the United States to undergo regular inspections by the PCAOB to assess their compliance with PCAOB rules and requirements and professional standards applicable to independent, registered public accounting firms. Because the Company has substantial operations within China, our auditor relied on its China affiliates to perform the audit on the Company's consolidated financial statements in so far as they relate to the condition (financial and otherwise) and results of operations of the Company in China and its overall impact on the consolidated financial statements of the Company as a whole. The PCAOB is currently unable to conduct inspections of the work of our auditor's affiliates in China as it is prohibited by the Chinese authorities. Investors should be mindful that the risk of inaccurate or incomplete reporting may be increased because our auditor's work related to our operations in China is not currently inspected by the PCAOB.

The lack of PCAOB's inspection of the audit work performed in China prevents the PCAOB from regularly evaluating the audit work of any auditor that is performed in China including the audit work performed by our auditor. As a result, investors may be deprived of the full benefits of PCAOB inspections.

The inability of the PCAOB to conduct inspections of audit work performed in China makes it more difficult to evaluate the effectiveness of our auditor's audit procedures as compared to auditors in other jurisdictions that are subject to PCAOB inspections on all of their work. As a result, investors may have reservations regarding our reported financial information and the accuracy and completeness of our consolidated financial statements.

3.3.2 Risks Related to the Continuing Impacts of the Global Economic and Financial Crisis

Shortly after the 2008 global financial and economic crises, the U.S. Federal Reserve Bank (the "U.S. Fed") and the central banks of most of the leading industrialized nations lowered their short-term interest rates to near zero in an effort to stimulate borrowing and increase economic activity. The U.S. Fed and certain other of those central banks also undertook a series of government bond repurchase programs to enhance market liquidity and to maintain a very low interest rate environment. The extremely low cost of borrowing, which continued for an extremely long period of time, enhanced liquidity and facilitated borrowing to stimulate investment. Some economists and policymakers have expressed concern that this artificially low interest rate environment will have negative repercussions once interest rates start to rise. Recently, the U.S. Fed and certain other central banks have curtailed their bond repurchase programs. In December 2015, the U.S. Fed raised its benchmark rate by 25 basis points (or .25%), which was the first U.S. central bank interest rate rise since its benchmark rate was reduced to near zero following the 2008 great recession. An increase in U.S. dollar borrowing costs could adversely affect our business in the markets where we have operating plants (Thailand, China, Singapore and Australia). Our financial statements for our operating subsidiaries in those markets are reported and denominated in local currencies and when translated into US dollars, our reporting currency, these operating subsidiaries would suffer a decrease in reported revenue and operating profits due to foreign currency translation if one takes into account only increased U.S. dollar borrowing costs. Moreover, our copper purchases are based on U.S. dollar quotations, which mean the operating subsidiaries would have to pay more in local currency in order to meet their trade payable obligations.

Impact of Stronger U.S. Dollar

The rate of exchange for the U.S. Dollar has strengthened materially over the course of 2015 as measured against most of other major global currencies. As our raw materials and most other costs of production are priced in U.S. Dollars, the increase in the value of the U.S. Dollar, particularly as measured against the currencies in which our operating subsidiaries generate revenue, has an overall net negative effect on our financial results.

Price Volatility for our Principal Raw Material

A comparison of copper prices on the London Metals Exchange (the "LME"), between year-end 2014 and year-end 2015 shows that the average price for copper fell from \$6,860 per metric ton to \$5,502 per metric ton by year-end 2015, representing a 19.80% price decline. The effect of that decrease has adversely impacted the Company's ability to improve its overall financial results. The decrease in the average LME copper price over 2015 was the principal contributing factor to the drop in 2015 of our average selling price compared with 2014.

Copper prices on the LME dropped during 2015 at one point to a price lower than \$4,516 per ton. Consistent with industry practice, customers would expect that the selling prices of our products, particularly of copper based wires, would therefore be lower than our product prices at the end of 2014. The decrease in copper prices and other commodity prices also resulted in a decreased turnover for the entire year, as customers delayed placing orders with the Company or reduced the quantity of such orders in anticipation of a possible further reduction in copper prices. A further decrease in copper prices would likely have an adverse effect on the revenues of the Company.

The Company is unable to determine the precise impact of the volatility of copper prices, and the fragile state of the global recovery, on its operations and cash flow, since its operating results are also affected by factors that are, or may be, unrelated to the economic volatility and the downward pressures on commodity prices, such as the completion of routine purchase cycles by customers and the completion, expansion or contraction of large infrastructure projects. However, the Company is of the opinion that the falling copper prices have negatively affected the Company's operations and cash flow. The Company believes that any efforts to forecast likely future performance with any degree of specificity would be fraught with uncertainty. Accordingly, the Company cautions against placing reliance on any efforts to identify trends for the foreseeable future.

3.3.3 Risks Related to the Common Shares and the Company

Consolidation of Charoong Thai Group Accounts

As of December 31, 2015, the Company effectively owned 50.93% of the issued and outstanding shares of Charoong Thai Wire and Cable Public Company Limited (“Charoong Thai” or “CTW”), a decrease from the Company’s initial ownership percentage which was attributable to the exercise of warrants or conversion of convertible securities by third parties. The Company’s present intention is to maintain majority ownership of the voting securities of Charoong Thai. However, there may be circumstances under which the Company cannot maintain majority ownership of Charoong Thai. In the event Charoong Thai were to make a further offering of voting securities, or securities convertible into or exchangeable for voting securities, and the Company was not in a position to fund or finance its participation in the offering, the ownership interest of the Company in Charoong Thai could fall below a level necessary for consolidated treatment, and the Company may lose the controlling interest in Charoong Thai. If that were the case, the accounts of the Charoong Thai group, which includes all of the Company’s Thailand operations, would not be consolidated under IFRS, but instead would be accounted for under the equity method. In such an event, the Company’s accounts would show a significant decrease in revenue and most categories of assets and liabilities, which events could have a material adverse effect on the value of the Common Shares.

Potential Illiquidity of Common Shares

Approximately 75.5% of our Common Shares are either unregistered securities or registered securities held by affiliates (or were repurchased by the Company), which are subject to restrictions on trading. Accordingly, approximately 75.5% of our Common Shares are not fully liquid investments. APWC has been listed on NASDAQ since April 2011; however, the volume of trading in our Common Shares has not been significant. The value of our Common Shares may be impacted negatively by their relative illiquidity when compared to the publicly-traded shares of many other issuers.

Control of the Company Rests with Majority Shareholder; Controlled Company Exemption; Risks Related to PEWC

As the majority shareholder, Pacific Electric Wire & Cable Co., Ltd. (“PEWC”), a Taiwanese company, has sufficient votes to control the outcome of any matters presented for a shareholder vote, including the election of each member of the Board of Directors of the Company (“Board of Directors”). PEWC may vote its shares in the Company in the manner that it sees fit. In addition, subject to applicable securities laws, PEWC may sell, convey or encumber all or a portion of its ownership interest in the Company without regard to the best interests of the other shareholders of the Company except to the extent that it is prohibited from engaging in conduct oppressive to non-controlling interests under applicable law.

The Common Shares of the Company are traded on the NASDAQ Global Market tier. However, as the Company has a more than fifty percent (50%) shareholder, the Company is entitled to rely upon a “controlled company exemption” to the requirement that a company have a board of directors comprised of a majority of independent directors in order to be listed on NASDAQ. At present, a majority of the board of directors of the Company is affiliated with PEWC.

PEWC was delisted from the Taipei Stock Exchange in 2003 following the disclosure of a major corporate scandal involving fraud and embezzlement by certain former executives of PEWC, one or more of whom are now serving prison sentences for their actions. Commencing in 2004, PEWC brought a number of actions in different jurisdictions against those former executives and others seeking to recover substantial assets that had been misappropriated. Some of those actions are ongoing. PEWC is still seeking to recover financially, and in terms of its market reputation, from the malfeasance of those former executives. The financial and governance problems experienced by PEWC increase the uncertainty regarding its ability to perform under the Composite Services Agreement between PEWC and the Company, although to date PEWC has met its obligations under that agreement. (See---section 10.3 Material Contracts).

Limited Trading Volume

Although our Common Shares are traded on the NASDAQ Global Market tier, the trading and demand for our Common Shares has been limited. As a consequence, shareholders may find that their ability to sell their Common Shares quickly or in substantial amounts is adversely affected by the limited public trading market. Thinly-traded equity can be more volatile than equity securities traded in an active trading market. The high and low daily closing prices for our Common Shares during the past 24 months (March 2014 – March 2016) were \$2.99 and \$1.2, respectively. In the future, our Common Shares may experience significant price fluctuations which could adversely affect the value of your ownership interest in the Company.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined under Rule 13a-15(f) under the Securities Exchange Act of 1934 (the “Exchange Act”).

Based on the Company’s evaluation under the applicable framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), our management, including our chief executive officer (“CEO”) and chief financial officer (“CFO”), concluded that there was not any material weakness in the Company’s internal controls over financial reporting for the fiscal year ended December 31, 2015. However, in certain prior years, such as the year ended December 31, 2014, management of the Company, including its CEO and CFO, did conclude that there then existed one or more material weaknesses. While your management took remedial measures to address the material weaknesses identified as of year-end 2014, the Company cannot be certain that those remedied material weaknesses will not re-occur or that new material weaknesses will not take place in the future.

Reporting of Financial Results

The Company is currently compliant with its reporting obligations under the Exchange Act. As a foreign private issuer, the Company is not required by the rules of the Commission to provide financial results on a quarterly or semi-annual basis. In addition, Bermuda law does not require the Company to provide interim financial information to its shareholders, whether on a quarterly or semi-annual basis. As such, investors may not have the same access to financial information of the Company as they customarily receive in the case of a domestic issuer disclosing quarterly results on a Form 10-Q. Under the NASDAQ rules; however, listed issuers are required to report semi-annual unaudited financial results, which the Company has been doing since its listing on NASDAQ.

Potential Conflict of Certain Officers and Directors

We have three independent directors; the other six members of the Board of Directors are also directors or officers or affiliated with PEWC, the majority shareholder. Certain of our officers are also affiliated with PEWC. In each case, they may be subject to potential conflicts of interest. In addition, certain of our officers and directors who are also officers and/or directors of PEWC may be subject to conflicts of interest in connection with, for example, pursuing corporate opportunities in which we and PEWC or one of its affiliates have competing interests, and in the performance by us and PEWC of our respective obligations under existing agreements, including the Composite Services Agreement (discussed in section 10.3). In addition, some of these persons will devote time to the business and affairs of PEWC and its affiliates as is appropriate under the circumstances, which could reduce the amount of time available for overseeing or managing our business and affairs. Notwithstanding any such potential conflicts, however, such individuals, in their capacities as our directors and officers, are subject to fiduciary duties to our shareholders.

The Bermuda Companies Act 1981, as amended (the "Companies Act"), subjects our officers and directors to certain fiduciary standards in the exercise of their executive and management duties on behalf of the Company. Under the Companies Act, an officer of ours (which term includes our directors) is subject to a duty of care requiring him to act honestly, in good faith and in the best interests of the Company in the discharge of his duties and to, among other things, give notice to the Board of Directors at the first opportunity of any interest he has in any material contract or proposed material contract with us or any of our subsidiaries. The Companies Act also prohibits us, subject to certain exceptions, from making loans to any directors without first obtaining the consent of shareholders holding in the aggregate not less than nine-tenths of the total voting rights of all the shareholders having the right to vote at any shareholders meeting. We do not make any loans to our directors or executive officers in accordance with the provisions of the Sarbanes-Oxley Act of 2002.

Holding Company Structure; Potential Restrictions on the Payment of Dividends

We have no direct business operations other than our ownership of the capital stock of our subsidiaries and affiliates and certain investments in the wire and cable business. While we have no present intention to pay dividends, should we decide in the future to do so, as a holding company our ability to pay dividends and meet our other obligations will depend upon the amount of distributions, if any, received from our operating subsidiaries and other holdings and investments. Our operating subsidiaries and other holdings and investments, from time to time, may be subject to restrictions on their ability to make distributions to us, including as a result of restrictive covenants contained in loan agreements, restrictions on the conversion of local currency earnings into U.S. dollars or other hard currency and other regulatory restrictions. For example, PRC legal restrictions permit payments of dividends by our business entities in the PRC only out of their retained earnings, if any, determined in accordance with relevant PRC accounting standards and regulations. Under PRC law, such entities are also required to set aside a portion of their net income each year to fund certain reserve funds. These reserves are not distributable as cash dividends. The foregoing restrictions may also affect our ability to fund operations of one subsidiary with dividends and other payments received from another subsidiary.

Corporate Matters; Limited Recourse; Limited Enforceability

We are incorporated in and organized pursuant to the laws of Bermuda. In addition, all of our directors and officers reside outside the United States and our material assets are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon such persons or to realize against them in courts of the United States upon judgments predicated upon civil liabilities under the United States federal securities laws. Even if investors are successful in realizing against such persons in courts of the United States, the laws of Taiwan may render such investors unable to enforce the judgment against the Company's assets or the assets of its officers and directors. Also, investors may have difficulty in bringing an original action based upon the United States federal securities law against such persons in the Taiwan courts. Additionally, we have been advised by our legal counsel in Bermuda, Appleby Global (Bermuda) Limited, that there is doubt as to the enforcement in Bermuda, in original actions or in actions for enforcement of judgments of United States courts, of liabilities predicated upon U.S. federal securities laws, although Bermuda Courts will enforce foreign judgments for liquidated amounts in civil matters subject to certain conditions and exceptions. As a result, shareholders may encounter more difficulties in enforcing their rights and protecting their interests in the face of actions taken by management, the Board of Directors or controlling shareholders than they would if the Company were organized under the laws of the United States or one of the states therein, or if the Company had material assets located within the United States or some of the directors and officers were resident within the United States. See "Enforceability of Certain Civil Liabilities" for additional information.

3.3.4 Risks Relating to Our Business

Risks Relating to Copper

Copper is the principal raw material we use, accounting for a majority of the cost of sales. We purchase copper at prices based on the average prevailing international spot market prices on the LME for copper for the one month prior to purchase, or the first five days of the current average copper price. The price of copper is affected by numerous factors beyond our control, including international economic and political conditions, supply and demand, inventory levels maintained by suppliers, actions of participants in the commodities markets and currency exchange rates. As with other costs of production, changes in the price of copper may affect the Company's cost of sales. Whether this has a material impact on our operating margins and financial results depends primarily on the Company's ability to adjust selling prices to its customers, such that increases and decreases in the price of copper are fully reflected in those selling prices. Most of our sales of manufactured products reflect the cost of copper used to manufacture those products at the time the products are ordered. In the ordinary course of business we maintain inventories of raw materials and finished products reasonably necessary for the conduct of our business. These inventories typically reflect the cost of copper prevailing in the market at the time of purchase. A long-term decrease in the price of copper would require the Company to revalue its inventory at periodic intervals to the then net realizable value, which could be below cost. Copper prices have been subject to considerable volatility and it is not always possible to manage our copper purchases and inventory so as to neutralize the impact of copper price volatility. Accordingly, significant volatility in copper prices could have an adverse effect on our operations. No assurance can be given that such volatility will not recur.

Risks related to our Customer Base and our Geographic Markets

Our sales of manufactured and distributed products are made primarily to customers that use our products as components in their own products or in construction or infrastructure projects in which they participate. The volume of our sales is significantly correlated with overall economic conditions in the markets in which we compete, including how much our customers invest in their own product manufacturing or project development. Increases or decreases in economic activity and investment in the markets where we operate generally will result in higher or lower sales volume and higher or lower net income for the Company.

Risks relating to Force Majeure Events

Operations and other business conducted at our plants and other facilities are at risk to acts of god consisting of uncontrollable natural and climatic events (often referred to as force majeure events), such as the 2011 flooding in much of Thailand that severely disrupted our manufacturing operations at the Siam Pacific Electric Wire and Cable Ltd. (“Siam Pacific”) plant, a subsidiary 100% controlled by Charoong Thai. The flooding affected much of our Thai operations and forced the suspension of operations of Siam Pacific for a period of five months resulting in a 20% reduction in product sales in 2011. The adverse impact of the flooding carried over into 2012. Since then the insurance coverage in Thailand includes fire and theft, but does not include flood or losses due to business interruption as coverage for business losses due to flooding is generally not available in Thailand or is considered to be prohibitively costly in the limited circumstances where it is available.

Risks Relating to North Asia Region

Economic Reform Measures in the PRC May Adversely Affect the Company's Operations or Financial Condition

The PRC government has gradually moved away from a planned economic model and implemented economic reform measures emphasizing decentralization, utilization of market forces in the development of the economy and a high level of management autonomy. When General Secretary Xi Jinping took office in December 2012, the government decreased its focus on export-oriented activities and placed greater emphasis on building up rural areas in China, including integrating a number of primitive, largely inaccessible agricultural areas into the national economy. However, many of the reforms are unprecedented and may be subject to revision, modification or termination based on the outcomes of the reform efforts and other considerations, including their impact on societal stability. There is not sufficient administrative or judicial precedent to allow the Company to determine with any degree of certainty how the reforms will impact our business in China.

Recent Macro-economic Concerns

China has risen to be the world's second largest economy measured by gross domestic product. Increasingly, over the past year there has been global concern about the possibility of the current economic downturn in China becoming more severe and leading to a possible recession. There is widespread concern about a possible "housing bubble" in China. A downturn in residential construction is one factor that could adversely affect the Company's business in China. A broader recession in China would likely have a more profound adverse impact on our business results in that market.

Any Decrease in Real Estate Development and Construction Activities in China May Affect the Company's Operations or Financial Condition

Our wire and cable products are manufactured and sold in China and are used in the commercial and residential real estate industry and in infrastructure development. Therefore, the demand for our wire and cable products is affected by the pace of modernization and the growth of the real estate industry in China, which could in turn be affected by a number of factors, such as the level of governmental investment in infrastructure development, the strength of the commercial and residential real estate markets, the level of disposable income, consumer confidence, unemployment rate, interest rates, credit availability and volatility in the stock markets.

To dampen an over-heated real estate market, the PRC government implemented a series of measures in the real estate market. The real estate market in China may also be negatively affected by the reform of the real estate tax system in respect of levying real estate tax on individually owned real estate which is not used for a business purpose, which has already been implemented by certain local government authorities and may be expanded nationwide sometime in the future.

Any decrease in commercial and residential real estate development and construction activities would certainly affect the demand for our manufactured products and may affect the Company's results of operations or financial condition.

The PRC Legal System May Limit the Company's Remedies

The PRC legal system is a civil law system based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since the late 1970s, the PRC central government has promulgated a large volume of laws and regulations governing economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. In particular, since reforms were first introduced in 1979, the PRC legislation and regulations have significantly enhanced the protections provided to various forms of foreign investment in China. Foreign investment laws and regulations in China are evolving and the interpretations of many laws, regulations and rules are not always uniform. Accordingly, enforcement of these laws, regulations and rules involves uncertainties, which may limit the remedies available to us in the event of any claims or disputes with third parties. In addition, any litigation in China may be protracted and could result in substantial costs and diversion of resources and management attention. As the PRC legal system continues to evolve, we cannot predict future developments in the PRC legal system, including promulgation of new laws, changes to existing laws or the interpretation and enforcement thereof.

Uncertainties Exist with respect to the Enactment Timetable, Interpretation and Implementation of Draft PRC Foreign Investment Law and how it may affect the Company's Corporate Governance

On January 19, 2015, the PRC Ministry of Commerce published a discussion draft of the proposed PRC Foreign Investment Law (“Foreign Enterprise Law”), aiming to, upon its enactment, replace the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules. The draft Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to better align the corporate legal requirements for both foreign and domestic investments. The PRC Ministry of Commerce is currently soliciting comments on this draft and uncertainties exist with respect to its enactment timetable, interpretation and implementation. The draft Foreign Investment Law, if enacted and implemented as proposed, may materially affect our relevant corporate governance practices and increase our compliance costs. For instance, the draft Foreign Investment Law imposes periodic information reporting requirements on foreign investors. Aside from an investment implementation report and an investment amendment report that are required for each investment and alteration of investment specifics, an annual report is mandatory, and large foreign investors meeting certain criteria are required to report on a quarterly basis. Any company found to be non-compliant with these information reporting obligations may potentially be subject to fines and/or administrative or criminal liabilities, and the persons directly responsible may be subject to sanctions.

PRC Regulations of Loans to and Direct Investment in PRC Entities by Offshore Holding Companies may delay or prevent us from making Loans or additional Capital Contributions to our PRC Subsidiaries, which could adversely affect our ability to fund and expand our business

We conduct substantial business operations in China. We may make loans to our PRC subsidiaries, or we may make additional capital contributions to our PRC subsidiaries. Loans by APWC or any of our offshore subsidiaries to our PRC subsidiaries, which are treated as foreign-invested enterprises under PRC law, are subject to PRC regulations and foreign exchange loan registrations. Such loans to any of our PRC subsidiaries to finance their activities cannot exceed statutory limits and must be registered with the local counterpart of the State Administration of Foreign Exchange (“SAFE”). The statutory limit for the total amount of foreign debts of a foreign-invested enterprise is the difference between the amount of total investment as approved by the PRC Ministry of Commerce or its local counterpart and the amount of registered capital of such foreign-invested enterprise. We may also decide to finance our PRC subsidiaries by means of capital contributions. These capital contributions must be approved by the PRC Ministry of Commerce or its local counterpart.

On March 30, 2015, the SAFE promulgated SAFE Circular No. 19, a notice regulating the conversion by a foreign-invested company of foreign currency into Renminbi by restricting how converted Renminbi may be used. This notice requires that the Renminbi capital converted from the foreign currency-denominated capital of a foreign-invested enterprise may not be directly or indirectly used for purposes beyond the business scope of such foreign-invested enterprise. The Renminbi capital converted from the foreign currency-denominated capital of a foreign-invested enterprise may not be used to provide entrusted loans or repay Renminbi loans between non-financial companies. As a result, SAFE Circular No. 19 may impose an additional layer of bureaucratic compliance and could, under certain circumstances, limit our ability to transfer the proceeds from our non-RMB denominated borrowing arrangements outside of the PRC to our PRC subsidiaries, which may, absent the requisite approvals from SAFE, adversely affect the continued growth of our business.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, including SAFE Circular referred to above, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans or capital contributions by us to our PRC subsidiaries and conversion of such loans or capital contributions into Renminbi. If we fail to complete such registrations or obtain such approvals, our ability to capitalize or otherwise fund our PRC operations may be negatively affected, which could adversely affect our ability to fund and expand our business.

Political or Social Instability in the PRC May Adversely Affect the Company's Operations or Financial Condition

Political or social instability in China could also adversely affect our business operations or financial condition. In addition, adverse public health epidemics or pandemics in China could not only interfere with our ability to operate our PRC subsidiaries, but could also affect the country's overall economic growth, which could in turn affect the sales of our products in China. Growing environmental awareness and concern over the deterioration of the quality of the environment in China, including air and water quality, could dampen domestic industrial growth and reduce foreign investor interest in PRC investment. In addition, as our corporate headquarters are located in Taipei, any escalation in political tensions between the PRC and the government of Taiwan could impact adversely our ability to manage our Chinese operations efficiently or without third party interference.

Inflation in the PRC May Adversely Affect the Company's Operations or Financial Condition

The rapid growth of the PRC economy has historically resulted in high levels of inflation. The PRC government has publicly announced its commitment to control inflation, and the anti-inflation policies of the PRC government may have an adverse effect on the business climate and growth of private enterprise in the PRC. An economic slowdown may increase our costs. If inflation is significant, our costs would likely increase, and there can be no assurance that we would be able to increase our prices to an extent that would offset the increase in our expenses.

PRC Power Shortages and Lack of Insurance May Adversely Affect the Company's Operations or Financial Condition

We consume substantial amounts of electricity in our manufacturing processes at our production facilities in China. Certain parts of China have been subject to power shortages in recent years. We have experienced a number of power shortages at our production facilities in China to date, particularly in Shenzhen where numerous clusters of factories are situated. We are sometimes given advance notice of power shortages, but often power shortages or outages occur unexpectedly for various periods of time. We currently have a backup power system at certain of our production facilities in China. However, there can be no assurance that in the future our backup power system will be completely effective in the event of a power shortage, particularly if that power shortage is over a sustained period of time and/or we are not given advance notice thereof. Any power shortage, brownout or blackout for a significant period of time may disrupt our manufacturing, and as a result, may have an adverse impact on our business.

The insurance industry in China is still at an early stage of development and foreign insurance companies are permitted to operate only in a certain large cities. PRC insurance companies do not offer extensive business insurance products. As a result, we have limited business liability and disruption insurance coverage for our operations in China. Any business disruption, litigation or natural disaster might result in our incurring substantial costs and the diversion of resources, which could have a material adverse effect on our business and operations.

PRC Tax Treatments May Affect the Company's Operations or Financial Condition

Under current tax law in China, foreign-invested enterprises no longer receive more favorable tax treatment than domestic enterprises. China has in place a uniform tax rate of 25% for all enterprises (including foreign-invested enterprises) and has revoked the prior tax exemptions, reductions and preferential treatments applicable to foreign-invested enterprises.

Dividends Payable by Our PRC Subsidiaries to Their Respective Offshore Investors May Be Subject to PRC Withholding Taxes

Under Chinese tax law and related regulations, dividends, interests, rent or royalties payable by a foreign-invested enterprise, such as our PRC subsidiaries, to any of its foreign non-resident enterprise investors, and proceeds from any such foreign enterprise investor's disposition of assets (after deducting the net value of such assets) are subject to a 10% withholding tax, unless the foreign enterprise investor's jurisdiction of incorporation has a tax treaty with China that provides for a reduced rate of withholding tax. Undistributed profits earned by foreign-invested enterprises prior to January 1, 2008 are exempted from any withholding tax. Bermuda, where APWC, the ultimate owner of our PRC subsidiaries and investments, is incorporated, does not have such a tax treaty with China. Hong Kong, where Crown Century Holdings Limited ("CCH HK"), the sole shareholder in Pacific Electric Wire and Cable (Shenzhen) ("PEWS"), is incorporated, has a tax arrangement with China that currently provides for a 10% withholding tax on dividends subject to certain conditions and requirements, such as the requirement that the Hong Kong resident enterprise own at least 25% of the PRC enterprise distributing the dividend at all times within the 12-month period immediately preceding the distribution of dividends and be a "beneficial owner" of the dividends. However, if CCH HK is not considered to be the beneficial owner of the dividends paid to it by PEWS under the tax circulars promulgated in October 2009 and June 2012, such dividends would be subject to withholding tax at a rate of 10%. If our PRC subsidiaries declare a dividend or distribution and distribute profits earned after January 1, 2008 to their respective offshore investors in the future, such payments will be subject to withholding tax.

Labor Law Legislation in the PRC May Adversely Affect the Company's Operations or Financial Condition

The PRC Labor Contract Law formalizes workers' rights concerning overtime hours, pensions, layoffs, employment contracts and the role of trade unions. Considered one of the strictest labor laws in the world, among other things, this law requires an employer to conclude an "open-ended employment contract" with any employee who either has worked for the employer for ten years or more or has had two consecutive fixed-term contracts. An "open-ended employment contract" is in effect a lifetime, permanent contract, which is terminable only in specified circumstances, such as a material breach of the employer's rules and regulations, or for a serious dereliction of duty. Such employment contracts with qualifying workers would not be terminable if, for example, the Company determined to downsize its workforce in the event of an economic downturn. Under the current law, downsizing by 10% or more (or more than 20 persons) may occur only under specified circumstances, such as a restructuring undertaken pursuant to the PRC Enterprise Bankruptcy Law, or where a company suffers serious difficulties in production and/or business operations. Any of the Company's staff employed to work exclusively within the PRC are covered by the law and thus, the Company's ability to adjust the size of its operations when necessary in periods of recession or less severe economic downturns has been curtailed. Accordingly, if the Company faces future periods of decline in business activity generally or adverse economic periods specific to the Company's business, this law can be expected to exacerbate the adverse effect of the economic environment on the Company's results of operations and financial condition. Additionally, this law has affected labor costs of our customers which could result in a decrease in such customers' production and a corresponding decrease in their purchase of our products.

Exposure to Foreign Exchange Risks

Fluctuations in foreign exchange rates influence our results of operations. Our principal operations are located in the three geographic regions that have now been designated as our revised business segments; namely, the North Asia region, the Thailand region and the Rest of the World (“ROW”) region. A substantial portion of our aggregate revenues is denominated in the following currencies: Baht, Australian dollars, Singapore dollars or Renminbi. Nearly all of the raw materials for these operations are imported and paid for in U.S. dollars and a substantial portion of our future capital expenditures are expected to be in U.S. dollars. We require a significant amount of U.S. dollars for our ongoing equipment upgrade and maintenance programs. Any devaluation of any of the Baht, the Australian dollar, the Singapore dollar or the Renminbi against the U.S. dollar would increase the effective cost of foreign manufacturing equipment and the amount of our foreign currency denominated expenses and liabilities and would have an adverse impact on our operations.

Although our reporting currency is U.S. dollars, the functional currency of our Thailand region, which accounted for 42.4% of our sales in 2015, is the Thai Baht. The functional currencies of our ROW region, which accounted for 34.4% of sales in 2015, are the Australia dollar and the Singapore dollar. The functional currencies for our North Asia operations, which, in total accounted for 23.2% of our sales in 2015, are divided into two groups: for Shandong Pacific Rubber Cable Company, Ltd. (“SPRC”, equity investee with 25% equity owned by APWC, accounting under equity method), and Shanghai Asia Pacific Electric Co., Ltd. (“Shanghai Yayang”), their functional currency is Renminbi, while for CCH HK and PEWS their functional currency is U.S. dollars. Accordingly, the functional currency accounts of these operations are all translated into U.S. dollars utilizing the reporting date exchange rate for balance sheet accounts, and an average exchange rate for the year for the income statement accounts for the reporting purposes. Any devaluation of the Baht, the Australian dollar, the Singapore dollar, or the Renminbi against the U.S. dollar would adversely affect our financial performance measured in U.S. dollars.

In addition to our operating revenues being generated in local currencies, a portion of our investment assets are denominated in foreign currencies, including the RMB. Accordingly, our investment results will be subject to possible currency rate fluctuations as well as the volatility of overseas capital markets. Our results of operations may be materially impacted by those fluctuations and volatility.

Competition

The wire and cable industry in the Asia Pacific region is highly competitive, and if we fail to successfully invest in and maintain product development, productivity improvements and customer service and support, sales of our products could be adversely affected. Our competitors include a large number of independent domestic and foreign suppliers. Certain competitors in each of our markets have substantially greater manufacturing, sales, research and financial resources than we do. We and other wire and cable producers compete primarily on the basis of product quality and performance, reliability of supply, customer service and price. To the extent that one or more of our competitors are more successful with respect to the primary competitive factors, our business could be adversely affected. In addition, the Company's profit could be adversely impacted if low margin wire and cable manufacturers in China enter into the markets where we operate. With respect to certain of our products, they are made to common specifications and may be interchangeable with the products of certain of our competitors. Since customers could potentially substitute our products with those of our competitors, customer loyalty is an important pillar of our business's competitive position.

Highly Concentrated Markets

Failure to properly execute customer projects in certain highly concentrated markets may adversely impact our ability to obtain similar contracts from other customers in the market and may result in material financial penalties. In certain markets, sales of manufactured products are highly concentrated in large state-controlled entities or large private infrastructure developers. As those markets are often highly concentrated, the loss of individual customers in such markets may have a material adverse impact on our position in that market as a whole.

Risks associated with Required Productivity Increases

Our business strategy includes a focus on increasing profitability through increased efficiency and productivity. In the event we are not able to implement measures to increase efficiencies and productivity, we may be limited in achieving increased profitability or may become less profitable. Moreover, productivity increases are linked to capacity utilization rates. A drop in the utilization rate of our manufacturing capacity would adversely impact productivity.

Employees' Unions

Some of the operating subsidiaries of the Company have a large number of employees that are members of employees' unions. Failure to successfully negotiate and/or renew collective agreements, strikes, or other labor disputes could result in a disruption of our operations. The Company believes that approximately 100% and 99% of the employees of PEWS and Shanghai Yayang, respectively, are members of their respective company workers' unions. Approximately 16% of the employees of Australia Pacific Electric Cables Pty., Ltd. ("APEC") are members of the Australian Workers' Union. While the Company has never experienced a strike or other disruption due to labor disputes, the possibility exists that a labor dispute could lead to a disruption of our operations, hindering our ability to serve our customers, and ultimately having a material adverse impact on the Company's results of operations.

Information Systems

Failure or disruptions of our information systems could have a material impact on our business and operations. The Company heavily relies on information systems and technology for, amongst other tasks, processing customer orders, shipment of products, billing our customers, tracking inventory, supporting accounting functions and financial statement preparation, paying our employees, and otherwise running our business. Disruptions in our system, whether from external or internal causes, could have a significant material adverse impact on our business. Specifically, a disruption in our systems could adversely affect our ability to properly serve our customers and as a result, could affect our customer loyalty and ultimately, have an adverse impact on our business. The Company is actively engaged in the monitoring of our information systems to manage the risk of security threats and sophisticated computer crime and to reduce the risk of disruption to the integrity of our data.

Employees and Personnel

If we fail to retain our key employees and attract qualified personnel, our business may be harmed. The loss of any of our executive officers or other key employees, without a properly implemented transition plan, could have an adverse effect on operations. The loss of executive officers or key employees could impair customer relationships and result in the loss of vital industry knowledge, expertise, and experience. There is also a risk of losing key employees to our competitors, which could pose a possible risk of the theft of trade secrets, with competitors then gaining valuable information about our manufacturing process. The Company's future success depends on its continued ability to attract and retain talented and qualified personnel.

Indebtedness

As of December 31, 2015, the Company had a total of \$249.7 million in credit available to itself, or one or more of its operating subsidiaries. The available credit is provided by a total of 14 banks in the various regions/territories in which we operate. Out of total available credit, \$148.6 million was unused and available for borrowing. The Company, collectively and on an individual basis, is not highly leveraged and management does not consider it to be likely that the Company will become highly leveraged. The weighted average borrowing rate, for all the outstanding loans combined, was 3.29% for 2015, which runs, at this particular point in time, slightly higher than like-kind borrowing rates that might be available to us in the marketplace, *i.e.*, three month LIBOR (data of April 8, 2016) of 0.26% plus 2.5%.

Impairment Charges

As a result of market and industry conditions or in the event we close any of our manufacturing facilities, we may be required to recognize impairment charges for our long-lived assets, including goodwill. To the extent the Company must incur goodwill impairment on our long-lived assets, there may be an adverse effect on our financial condition, including earnings per share and other financial results.

As of December 31, 2015, the Company performed impairment testing for SPRC, equity investee with 25% equity owned by APWC, accounting under equity method, as SPRC has been reporting losses in the past few years owing to slower economy growth and a slowdown of the business of its customers in China in recent years. The Company determined that it was not necessary to recognize any impairment loss against SPRC. Nevertheless, the Company cannot offer any assurances that an impairment loss will not incur in the future for various reasons including, but not limited to, strategic decisions made in response to changes in economic and competitive conditions, the impact of the economic environment on our business or a material adverse change in any material relationships with our clients. If we recognize significant impairment charges, our results of operations may be materially and adversely affected.

Composite Services Agreement with PEWC

We engage in transactions in the ordinary course of business with PEWC, including the purchase of certain raw materials and the distribution of PEWC products in various countries in the Asia Pacific region. We and PEWC have entered into a composite services agreement dated November 7, 1996, as amended and supplemented (the "Composite Services Agreement"), which contains provisions that define our relationship and the conduct of our respective businesses and confers certain preferential benefits on us. The Composite Services Agreement is renewable at our option and is currently in force. However, we are unable to predict whether PEWC would, at some future date, seek to limit, or be unable to perform in whole or in part, the business it conducts with the Company pursuant to the terms of the Composite Services Agreement.

Risks Relating to Thailand Region

A substantial portion of our Thai operations, which accounted for approximately 42.4% of our total net sales in 2015, consists of the manufacture of telecommunications and power cable and sales of those products for use in large-scale telecommunications projects and various construction projects in Thailand. As a result, our future results will depend in part on the political situation in Thailand and the general state of the Thai economy. With the political tension remaining high in Thailand, the continuing political uncertainty and the risk of further social unrest tends to lessen the attractiveness of the local market for foreign investment, and diminishes the focus of the government on infrastructure development, both of which considerations may adversely impact on the volume of business of the Company's actual and potential customers in the Thai market.

The Company's Thai operations remain vulnerable to uncertainties with regard to payment for current sales and the award of future contracts in view of the ongoing political instability in Thailand. Additionally, in recent years the Thai economy has been highly cyclical and volatile, depending for economic growth in substantial part on a number of government initiatives for economic expansion. Moreover, the Baht remains volatile and subject to significant fluctuations in relation to the U.S. dollar. Such fluctuations in the value of the Baht may negatively impact our performance.

Environmental Liabilities

We are subject to certain environmental protection laws and regulations governing our operations and the use, handling, disposal and remediation of hazardous substances used by us. A risk of environmental liability could arise from our manufacturing activities in the event of a release or discharge by us of a hazardous substance. Under certain environmental laws, we could be held responsible for the remediation of any hazardous substance contamination at our facilities and at third party waste disposal sites and could also be held liable for any consequences arising out of human exposure to such substances or other environmental damage. There can be no assurance that the costs of complying with environmental, health and safety laws and requirements in our current operations or the liabilities arising from past releases of, or exposure to, hazardous substances, will not result in future liabilities incurred, or expenditures payable, by us that could materially and adversely affect our financial results, cash flows or financial condition.

Alternative Transmission Technologies

Our fiber optic and copper-based telecommunications business is subject to competition from other transmission technologies, principally wireless-based technologies. Fiber optic cable is presently being used in telecommunications trunks and feeder cable businesses and minimally in the access cable business. Over the past five years, we have withdrawn entirely from the fiber optics business in China. Wireless telecommunications businesses have sometimes made substantial inroads in early emerging markets where sufficient funding may not then be available to install the infrastructure necessary for market-wide fixed line telecommunications. In addition, the ease of use of wireless telecommunications may make that medium an attractive alternative in circumstances where access to fixed line telecommunications is limited. While these technologies do present significant competition in the markets in which we conduct or plan to conduct business, the Company believes that demand for its fixed wire products will remain strong. However, no assurance can be given that the future development and use of such alternative technologies will not adversely affect our results of operations.

International Business Risks

We are subject to risks specific to our international business operations, including: the risk of supply disruption; production disruption or other disruption arising from events of force majeure, such as the severe weather and climatic events that caused the 2011 floods in Thailand; the outbreak of highly infectious or communicable diseases such as Severe Acute Respiratory Syndrome, swine influenza or pandemics of a similar nature; the risk of potential conflict and further instability in the relationship between Taiwan and the PRC; risks related to national and international political instability, such as disruptions to business activities and investment arising out of the political unrest and turmoil in Thailand; risks related to the recent global economic turbulence and adverse economic developments in a number of Asian markets; risks related to changes in governmental or private sector policies and priorities with respect to infrastructure investment and development; unpredictable consequences on the economic conditions in the U.S. and the rest of the world arising from terrorist attacks, and other military or security operations; unexpected changes in regulatory requirements or legal uncertainties regarding tax regimes; tariffs and other trade barriers, including current and future import and export restrictions; difficulties in staffing and managing international operations in countries such as Australia, Singapore, the PRC, Thailand and Taiwan; risks that changes in foreign currency exchange rates will make our products comparatively more expensive; limited ability to enforce agreements and other rights in foreign countries; changes in labor conditions; longer payment cycles and greater difficulty in collecting accounts receivable; burdens and costs of compliance with a variety of foreign laws; limitation on imports or exports and the possible expropriation of private enterprises; and reversal of the current policies (including favorable tax and lending policies) encouraging foreign investment or foreign trade by our host countries. Although we have not experienced any serious harm, except for the flooding situation in Thailand in 2011, in connection with our international operations, we cannot assure you that such problems will not rise in the future.

Item 4: Information on the Company

4.1 History and Development of the Company

General

Asia Pacific Wire & Cable Corporation Limited was formed on September 19, 1996 as a Bermuda exempted limited liability Company under the Companies Act. The address of the Company's principal place of business is Room B, 7th Floor, No. 132, Sec. 3, Min-Sheng East Road, Taipei, 105, Taiwan, and its telephone number is (886) 2-2712-2558. Puglisi & Associates, located at 850 Library Avenue, Suite 204, Newark, Delaware 19711, is the Company's agent for service of process in the United States.

The Company is principally engaged in the manufacture and distribution of telecommunications (primarily copper, but also fiber optic) and power cable, enameled wire and electronic wire products in the Asia Pacific region, primarily in Thailand, China, Singapore and Australia. The Company manufactures and distributes its own wire and cable products ("Manufactured Products") and also distributes wire and cable products ("Distributed Products") manufactured by its principal shareholder, PEWC, and other third party suppliers. The Company also provides project engineering services in the supply, delivery and installation ("SDI") of power cables to certain of its customers.

Principal Capital Expenditures

Total purchases of property, plant and equipment amounted to \$9.5 million in 2013, \$6.0 million in 2014 and \$7.4 million in 2015, mostly for newly purchased production machinery and equipment for the CTW group in Thailand and for APEC in Australia, as well as for the building improvement at PEWS.

4.1.1 Certain Recent Events

In 2015, in connection with the sale to PEWC of certain Common Shares held by a private equity fund, the Company was able to terminate the amended and restated shareholders agreement dated as of March 27, 2009 (the "Shareholders Agreement") among the Company, PEWC and the private equity fund. The Company benefited from the termination of the Shareholders Agreement in that the obligation of the Company to maintain an effective registration statement for the two shareholders, and the obligation of the Company to indemnify the private equity fund investor for certain contingent U.S. tax exposures were both terminated. As a result of the transaction, PEWC's direct and indirect beneficial ownership of our Common Shares increased to approximately 75.4% of the Company's total issued and outstanding Common Shares.

In 2012, the Company determined to convert its financial accounting principles from US GAAP to IFRS. The Company made this change to align the accounting principles used at its public holding company level with those employed for some years by its principal operating subsidiaries and because of the increasing acceptance and usage of IFRS by foreign private issuers. Accordingly, the financial data contained in this report for the fiscal years ended December 31, 2015, 2014, 2013 and 2012 are reported in accordance with IFRS.

As part of the Company's evaluation of its financial reporting, the Company examined its historical business reporting segments, consisting of manufactured products, distribution and SDI project engineering. The Company noted that in some years manufactured products represented 90% or more of total revenues, that SDI project engineering to date has been limited to the Singapore market and that distribution has traditionally been viewed as an ancillary component of the Company's overall business plan. After careful deliberation, management decided in 2013 to reorganize the Company's business segments along regional lines, which it believes better reflects the organizational structure, deployment of its assets, cost allocations and information gathering and reporting of the consolidated group. In addition, in 2013 the Company appointed Mr. William Gong Wei as its chief operating officer ("COO") and Mr. Gong Wei undertook, at the Company's request, a reorganization of the lines of reporting among the Company's operating subsidiaries to reflect the determination of management to emphasize regional reporting.

The Company now has three operating segments, consisting of the North Asia region, the Thailand region and the Rest of the World ("ROW") region.

Each segment engages in business activities generating revenues and incurring expenses. Each segment generates a management report which contains its own financial information and submits to the Company's chief operating decision maker ("CODM") for review on a monthly basis. The Company's CEO and COO are the ones who review all the management reports provided by each segment, make the decisions on how the resources are to be allocated and assesses the operating performances based on the reports. Each reporting segment has a segment manager who is in charge of the business operations in such region and regularly contacts the Company's CEO and COO to discuss operational-related matters.

On December 17, 2015, the Company announced its financial results for the first nine months of 2015. On August 26, 2015, APWC announced its financial results for the first six months of 2015. On August 13, 2014, the Company announced also that its Board of Directors had authorized the future implementation of a share repurchase program of up to \$1 million worth of its Common Shares. APWC did not announce a commencement date for that future share repurchase program and, to date, it has not yet been implemented. In addition, Mr. Yuan Chun Tang, CEO, and Mr. Ivan Hsia, CFO, were authorized to take all actions necessary to organize and implement the Company's 2015 annual general meeting of shareholders (the "2015 AGM").

The Company conducted its 2015 AGM in Taipei on October 8, 2015, where all matters put to a vote of the shareholders were approved.

4.1.2 Managing Our Business in Current Market Conditions

In order to address the continuing market challenges facing our business, the Company has taken and plans to continue to implement a number of measures in order to maintain efficient operations.

Specifically, the Company has continued to focus on increased efforts to collect its receivables on a timely basis. The days of sales outstanding in 2015 were 74 days, a material improvement over our 85 days of sales outstanding in 2014. The Company continues to focus on working actively with all of its significant customers to reduce collection times and minimize write-offs. The Company has also reduced its inventory levels through planned reductions in raw material purchases while negotiating with suppliers to reduce costs of raw materials and supplies. The Company has focused also on reducing operating costs where practicable. We believe that the successful implementation of these actions has had a positive effect on our cash resources, and we intend to continue these measures in order to preserve our liquidity and maintain a strong cash position. As of December 31, 2015, the Company had available and unused lines of credits from suppliers, banks and other lenders totaling, in the aggregate, approximately \$148.7 million, a decrease of \$19.7 million from that date one year prior. We believe that available and unused amounts of credit are sufficient to support our current working capital needs. The total bank loans and trust receipts outstanding as of December 31, 2015 were \$16.2 million lower than that as of December 31, 2014. Trust receipts represent debt incurred by the Company for goods then in its possession.

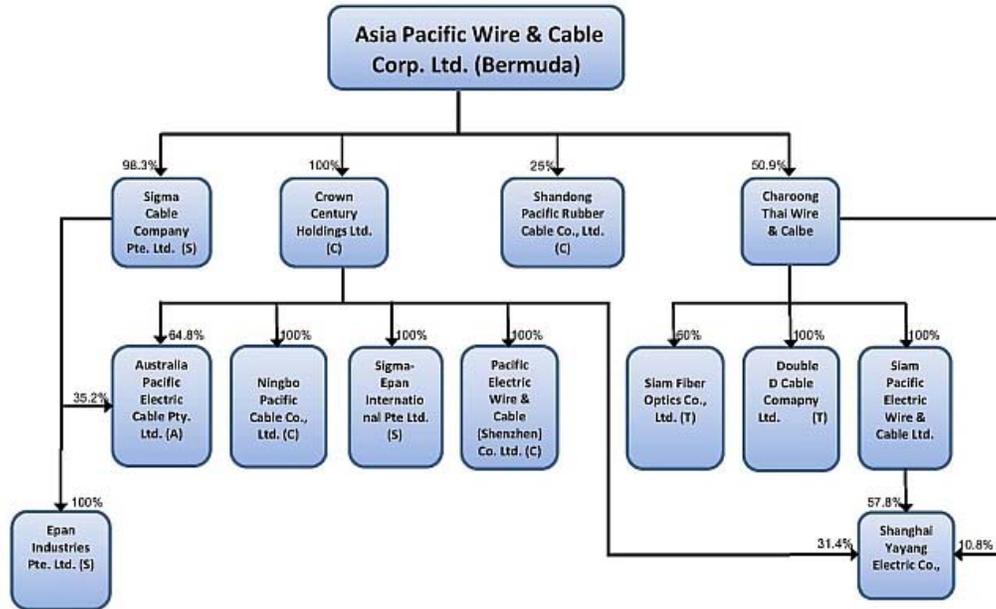
4.1.3 Recent Business Trends

APWC experienced a 13.7% reduction in overall 2015 revenues against revenue of 2014 and a decrease in gross profit by 35.0% against that of 2014. The Company's operating profit in 2015 was \$(2.6) million. The profit was eroded because of the material decrease in expenditures on major infrastructure development projects in Thailand, which adversely impacted our gross margins in that region. We also faced increased competition in the ROW region as well as the economy slowdown in the North Asia region. The Company's gross margin yielded earnings per share of \$(0.59) in 2015, compared to earnings per share of \$0.04 in 2014 and \$0.42 in 2013.

4.2 Business Overview

The Company is a holding company that operates its business through operating subsidiaries and associates, principally located in Thailand, China, Singapore and Australia.

The following chart shows the organizational structure of the Company as of December 31, 2015 and its principal operating subsidiaries, including affiliate ownerships, and the percentage of ownership interest and voting power in each case. The location of the headquarters of each company is indicated in parentheses under the company's name ("S" for Singapore, "T" for Thailand, "A" for Australia and "C" for China or Hong Kong).



Thailand Region

The Company's Thai operations are conducted through Charoong Thai, Siam Pacific, Double D Cable Company Ltd. ("DD") and Siam Fiber Optics Co. Ltd. ("Siam Pacific Optics")

Charoong Thai is a publicly-traded Thai corporation, the shares of which are listed on the Stock Exchange of Thailand (“SET”). It manufactures aluminum and copper electric wire, medium and high voltage power cable and telecommunications cable. It has subsidiaries and affiliates in the businesses of optic fiber cable manufacturing and telecommunication and network services. Charoong Thai was established in Thailand in 1967 as a limited public company. As of December 31, 2015, the Company effectively owned 50.93% of the issued and outstanding shares of Charoong Thai. The Company’s present intention is to maintain majority ownership of the voting securities of Charoong Thai. The board of directors of Charoong Thai may authorize the issuance of additional shares of common stock of Charoong Thai. The Company has preemptive rights to purchase its pro rata share of any additional authorized shares, less amounts reserved for directors, officers and employees. In the event the board of Charoong Thai decides to cause it to issue additional shares, the Company may decide not to exercise its preemptive rights, in which case the Company’s interest may be diluted. In May 2013, rather than producing premium products, a new subsidiary – named “DD” was formed by Charoong Thai in order to produce cable products that were just on par with, or exceeded, national standards in an effort to enhance the competitive position of Charoong Thai.

Siam Pacific was established in 1988 as a joint venture between PEWC and Italian-Thai Development Plc (“Ital-Thai”), a third party, which at the time was the largest diversified construction company in Thailand, principally engaging in the design, engineering, construction and project management of large-scale civil engineering and telecommunications projects in Thailand. Capitalizing on PEWC’s wire and cable manufacturing expertise and Ital-Thai’s significant presence in the local market, Siam Pacific was able to establish its presence in this market and gain knowledge of business opportunities in Thailand. Siam Pacific is now a 100%-owned subsidiary of Charoong Thai and it focuses on the manufacture of telecommunications cable, and enameled wire for the domestic Thailand market. As we have reported previously, the Siam Pacific operation suffered significant flooding damage in September and October of 2011 but with support from affiliated companies in Taiwan and in China, Siam Pacific resumed full operations during the course of 2012. During 2014 and 2015, Siam Pacific conducted its operations without any material disruptions.

Based on information published by the Thai Ministry of Commerce on sales by dollar value, the Company believes that Siam Pacific and Charoong Thai are two of the leading telecommunications and power cable and wire manufacturers in Thailand and are two of a very limited number of the government-approved suppliers of telecommunications cables for major public telecommunications projects in Thailand.

North Asia Region

During 2015, the Company's China (and North Asia) operations were conducted through five business entities – Shanghai Yayang, CCH HK, PEWS, Ningbo Pacific Cable Co. Ltd. (“Ningbo”) and SPRC. The operating entities include Shanghai Yayang, formerly known as Shanghai Pacific Electric Co., Ltd., a subsidiary in Shanghai incorporated in June 1998 to manufacture enameled wires. The Company's effective holding in Shanghai Yayang is 66.35%. Shanghai Yayang manufactures enameled wires with a diameter between 0.05mm and 2.5mm for sale and distribution in the eastern part of China, including to local and Taiwanese based end-users. The board consists of six directors, each of whom is either a member of management of Shanghai Yayang who are expatriated from Taiwan or Thai representatives, also expatriated or designated by APWC or PEWC.

The Company owns 100% of CCH HK, a Hong Kong registered company, and its wholly-owned subsidiary company, PEWS. PEWS manufactures enameled wires for electric, video and audio products for both domestic and export sales.

The Company holds a 25.0% interest in SPRC, which manufactures rubber cable for the China market. The remaining 75% is owned by Shandong Yanggu Wire & Cable Corp. Ltd. (“Shandong Yanggu”), an established cable manufacturer in Shandong Province that produces a wide range of cable products and is considered one of the major cable producers in China.

The Company held a 49% interest in Shandong Huayu Pacific Fiber Optics Communication, Co., Ltd. (“SHP”), which engages in the manufacture of optic fibers. In January 2013, the Company completed the sale of its 49% interest in SHP to its partner, Shandong Pacific Fiber Optics Cable Co. Ltd., which acquired 100% of SHP as of the closing of that sale. Due to a severe downturn in the market for fiber optic cable after SHP was established, the plant intended to be constructed for manufacturing fiber optic cable was not completed and a production date for commencing operations had not been determined. The Company received RMB 9.5 million for its 49% interest in SHP, which yielded a gain for the Company of over \$0.2 million in 2013. The management considered disposing of its interest in SHP for some time because this equity investee had been in a loss position for several years and because fiber optic cable in Shandong Province is not an element of the Company’s core business plan.

Rest of the World (“ROW”) Region

The Company’s ROW region currently includes its Singapore and Australian operations.

The Company’s Singapore operations are principally conducted through its 98.3%-owned subsidiary, Sigma Cable. The Company believes that Sigma Cable is one of the major suppliers of power cable products in Singapore. Sigma Cable manufactures and sells a range of low voltage power cable products, used mainly in infrastructure projects and commercial and residential developments. Sigma Cable is the exclusive distributor in Singapore of medium and high voltage wire and cable products manufactured by PEWC. It is also the distributor for general wire manufactured by a third party supplier.

Sigma Cable also has project engineering operations in Singapore to supply, deliver and install primarily medium and high voltage cable to power transmission projects. While the Company currently obtains its supply of medium and high voltage power cable for its SDI operations from PEWC, other suppliers are also available if necessary. The Company anticipates that there will be modest demand for medium and high voltage power cable projects sponsored by the Singapore government in the fairly near future.

In January 2014, Epan Industries Pte Ltd. (“Epan”), a Singaporean, indirect wholly-owned subsidiary of APWC, was sold to Sigma Cable Company (Private) Limited (“Sigma Cable”), an indirect, 98.3%-owned subsidiary of the Company in Singapore. Currently, Epan is acting as the distributor of Sigma Cable products and those of other third party suppliers.

Australia

The Company's business in Australia is conducted by Australia Pacific Electric Cable Pty. Ltd. ("APEC"). The Company went through group restructurings in March 2010 and in June 2012. CCH HK, in total, acquired 64.79% of the shares of APEC from Sigma Cable. The Company's effective interest in APEC is now 99.4%. APEC is located near Brisbane and is one of three major wire and cable manufacturers in Australia. APEC produces a range of power cables supplemented by imports from overseas sister companies. APEC possesses a substantial marketing and distribution infrastructure with a network of sales offices and warehouses in the major cities of Brisbane, Sydney, Melbourne and Perth.

4.2.1 Products and Services

The Company engages in three principal business lines consisting of the manufacture of wire and cable products, the distribution of certain wire and cable products manufactured by PEWC, as well as some third party products, and the provision of project engineering services to certain of its customers. The Company manufactures and sells a wide variety of wire and cable products primarily in four general categories: telecommunications cable, power transmission cable, enameled wire, and electronic wire. The Company's telecommunications and power cables are used in a range of infrastructure projects and in commercial and residential developments. The Company's enameled wire is used in the manufacturing of components and sub-components of a number of household appliances and various small machinery. The electronic wire products, which include cable harnesses, are used in the electronics, computer, building automation, audio and communication industries. In addition, the Company acts as a distributor of wire and cable products in Singapore manufactured by PEWC and other third party suppliers. The Company also offers SDI project engineering services of medium and high voltage cable for power transmission projects in Singapore.

Distribution Products

The Company has a sales and marketing force for the distribution of its Manufactured Products in the markets where it has manufacturing facilities and in certain other Asian markets. In addition, the Company is a distributor of wire and cable products manufactured by PEWC and other third party suppliers. The leading PEWC products sold by the Company are medium and high voltage power cable (with capacities ranging from 3.3 kilovolts to 69 kilovolts), with the vast majority of such sales made in Singapore. The PEWC products sold by the Company do not compete with the Company's Manufactured Products. In addition, from time to time, certain subsidiaries also sell distributed products from other suppliers in Thailand and Australia.

SDI Project Engineering Services

Based upon the needs of government and the private sector with regard to residential and commercial buildings and infrastructure projects in Singapore, the Company anticipates modest demand for medium and high voltage power and for value added services in the power supply industry. To take advantage of these opportunities, the Company has developed its SDI project engineering capability. The SDI project engineering involves supply, delivery and installation primarily of medium and high voltage cable to power transmission projects in Singapore. After entering into a contract to supply, deliver and install cable for a power transmission project, the Company delivers medium and high voltage cables and enters into subcontracting agreements with local companies to install the cable as required by the project.

4.2.2 Manufacturing

Copper rod is the base component for most of the Company's products. The manufacturing processes for these products require that the rod be "drawn" and insulated. In the "drawing" process, copper rod is drawn through a series of dies to reduce the copper to a specific diameter. For certain applications, the drawn copper conductor is then plated with tin. Copper used in cable is covered with various insulating materials that are applied in an extrusion process. The insulated wires are then combined, or "cabled" to produce the desired electrical properties and transmission capabilities. Then, depending upon the cable, some form of protective cover is placed over the cabled wires. A summary of the manufacturing process used for the Company's primary wire and cable products is set forth below.

Telecommunications Cable

The Company produces a wide range of bundled telecommunications cable for telephone and data transmissions with different capacities and insulations designed for use in various internal and external environments principally as access cable to connect buildings and residents to trunk cables. Telecommunications cables produced by the Company include copper-based and fiber optic cables.

Production of copper-based telecommunications cable begins by drawing a copper rod until it has reached the desired diameter, after which the drawn wires are subjected to a process called "annealing" in which the wires are heated in order to make the wires softer and more pliable. Utilizing an extrusion process, which involves the feeding, melting and pumping of a compound through a die to shape it in final form as it is applied to insulate the wire, the wires are then covered by a polyethylene ("PE") or polyvinyl chloride ("PVC") compound and foam skin, suitable for different installations and environmental conditions. In order to reduce the cross-talk between pairs of communication wires, the insulated wires are then "twinned" or twisted so that two insulated single wires are combined to create a color-coded twisted pair. The twisted pairs of wire are then "cabled" or "stranded" into units of 25 twisted pairs for combination with other 25 pair units to form cable of various widths and capacities. The appropriate number of units is cabled together after stranding to form a round cable core. Depending upon the planned environment, a petroleum jelly compound may then be added to fill the cable core to seal out moisture and water vapor. Aluminum or copper tape is used to "shield" the cable and, finally, the shielded cable core is covered by plastic outer sheathing. The Company manufactures telecommunications cable with capacities and sizes ranging from 25 to 3,000 pairs of 0.4 mm-diameter wire to 10 to 600 pairs of 0.9 mm-diameter wire.

Power Cable

The Company produces a range of armored and unarmored low voltage power transmission cable. Low voltage power cable, generally considered to be cable with a capacity of 1 to 3.3 kilovolts, is typically used to transmit electricity to and within commercial and residential buildings, as well as to outdoor installations such as street lights, traffic signals and other signs. Armored low-voltage power cable is usually used for public lighting and power transmission running to buildings and installed either above or below ground. Unarmored low voltage cable is mainly used as lighting and power supply cable inside and outside of buildings. The voltage capacity of the Company's power cables range from 300 volts to one kilovolt.

Production of unarmored cable begins by drawing and annealing of copper rods. The drawn copper wires are then stranded or "bunched" into round or sector-shaped conductors in sizes ranging from 1.5 square millimeters to 1000 square millimeters. The copper conductors are then covered in an extrusion process with a plastic insulator such as PVC, after which 2-5 conductors are twisted into a circular cable core in a cabling process and covered by a plastic outer cover.

Unarmored cable is composed of one or more cores of copper wire, insulated by substances such as PVC. Armored cable is produced in the same manner and the same range of configurations as unarmored cable, but with the addition of an outer layer of galvanized steel or iron wires to protect the cable from damage.

Enameled Wire

The Company also produces several varieties of enameled wire. Enameled wire is copper wire varnished, in an enameling process, by insulating materials. The enameling process makes the wire more resistant to oil, heat, friction and fusion, and therefore suitable for use in machinery and components and sub-components of manufactured goods. The Company manufactures enameled wire in sizes that range from 0.02 mm to 4.00 mm in diameter, varnished by various types of petroleum insulation materials including polyvinyl formal, polyurethane wire and polyester, among others. Enameled wire products are used in the assembly of a wide range of electrical products, including oil-filled transformers, refrigerator motors, telephones, radios, televisions, fan motors, air conditioner compressors and other electric appliances.

Electronic Wire

The Company produces electronic wire with its major production facilities in Ningbo, China. The electronic wire is predominately used for heat resistant applications in consumer electronics and in the automotive industry.

4.2.3 Raw Materials

Copper is the principal raw material used by the Company for copper-based products. The Company purchases copper at prices based on the average prevailing international spot market prices on the London Metals Exchange (“LME”) for copper for the one month prior to purchase. The price of copper is influenced heavily by global supply and demand as well as speculative trading. As with other costs of production, changes in the price of copper may affect the Company’s cost of sales. Whether this has a material impact on the Company’s operating margins and financial results depends primarily on the Company’s ability to adjust selling prices to its customers, such that increases and decreases in the price of copper are reflected in those selling prices. Most sales of the Company’s Manufactured Products reflect copper prices prevailing at the time the products are ordered. A long-term decrease in the price of copper would require the Company to revalue the value of its inventory at periodic intervals to the then net realizable value, which could be below cost.

The Company purchases copper in the form of rods and cathodes. Copper cathodes are thin sheets of copper purified from copper ore. Copper purchased by the Company in the form of cathodes must be sent to subcontractors to be melted and cast into the copper rods necessary for the manufacturing processes, for a processing fee equal to approximately 3.5% (based on the Company’s past experience) of the copper cathode purchase price. The Company presently utilizes the services of Thai Metal Processing Co., Ltd. to process its copper cathodes into copper rods in Thailand, although the Company has a variety of processing companies from which it may obtain these services. Construction of a copper processing facility could also be an additional source of revenues and profit, to the extent that sales are made to unaffiliated parties. However, the Company does not have any present plans to establish or acquire a copper processing facility. Copper rods are drawn into copper wire for the production of telecommunications cable, power cable and enameled wire.

The Company has historically purchased a substantial portion of its copper rods from PEWC. Under the Composite Services Agreement between the Company and PEWC, PEWC agreed to supply to the Company on a priority basis its copper rod requirements at prices at least as favorable as prices charged to other purchasers in the same markets purchasing similar quantities. PEWC continues to be a leading supplier of copper rods to the Company's operations. Under the Company's copper rod supply arrangements, orders are typically placed between eight to ten weeks before the desired delivery date, with prices "pegged" to the average spot price of copper on the LME for the one month prior to delivery plus a premium.

The Company purchases both copper cathodes which are subjected to a 1.0% import tariff, and copper rods which normally are subject to a 5.0% import tariff for its Thailand operations. The key suppliers are Sterlite Industries (India) Ltd - India, PEWC-Taiwan, Prime Global Corp.-Korea, Lanexang Mineral Ltd.-Laos and the Mitsubishi Corporation Unimetal Ltd.-Japan, Mitsubishi Corporation-Japan, Glencore International AG.-Switzerland, and Marubeni Corporation-Japan. The Company has regularly signed one-year contracts with each of the copper suppliers, pursuant to which the Company agrees to purchase a set quantity of copper each month. Under the terms of such contracts, the price of copper is usually pegged to the monthly average of the spot price of copper on the LME for the delivery month (M-0), or 1 month before delivery month (M-1) plus a premium. The Company has almost two decades of good relationships with many copper suppliers, and currently believes that the copper suppliers will be capable of providing an adequate supply of copper for the Company's requirements. The Company does not anticipate any change in relations with its copper suppliers in the near term.

The Company attempts to maintain approximately a three to five week supply of copper rods and cathodes for its Thai operations and approximately a two to four week supply in Singapore. In PEWS, the Company generally maintains one to two weeks of supply of copper rods and cathodes. In APEC, the copper supply is generally maintained at one to two weeks of anticipated requirements. The Company has never experienced a material supply interruption or difficulty obtaining a sufficient supply of copper rod or cathode.

Other raw materials used by the Company include aluminum used as a conductor in power cable and petroleum-based insulation materials such as PE, PVC and jelly compounds for insulating covers on cables and varnishes on enameled wire; aluminum foils for sheathing of communication cable; and galvanized steel wire for the production of armored wire. The Company has not had any difficulty in maintaining adequate supplies of these raw materials and expects to continue to be able to purchase such raw materials at prevailing market prices.

Other than import tariffs in Thailand, the Company does not face any restriction or control on the purchase or import of its raw materials. The Company may freely choose its suppliers and negotiate the price and quantity of material with its suppliers. The Company formulates consumption plans for raw materials regularly and continually monitors market conditions in respect of the supply, price and quality of raw materials.

Inflation would increase the cost of raw materials and operating expenses for the Company. The Company would try to maintain its gross margins by increasing the prices of its products.

4.2.4 Quality Control

The Company places a significant emphasis on product quality. The Company has implemented a range of quality control procedures with stringent quality standards under the supervision of dedicated quality control staff. Quality control procedures are implemented from the raw material to the finished product stages at each of the Company's major production facilities. Raw materials are inspected to ensure they meet the necessary level of quality before production begins. During the manufacturing process, quality control procedures are performed at several stages of production. Upon completion, finished goods are brought to quality control centers set up in the factory for inspection and testing of different electrical and physical properties.

Depending on the requirements of its customers, the Company has the capability to manufacture its products to meet a variety of different quality and production standards. These include local standards and certifications, such as the Singapore Institute of Standards and Industrial Research Quality Mark and the Thailand Industrial Standard, as well as other standards including the National Electrical Manufacturers Association Standard, the British Standard, the Japan Industrial Standard and Underwriters Laboratories Inc. Standard, as applicable.

All the major companies in the APWC group have attained International Standards Organization ("ISO") 9002 certification for quality management and assurance standards in the manufacture of electric wire and cable and have maintained that certification for at least the last ten years. The certifications mean that the companies have in place quality assurance systems and the capability to consistently manufacture products of quality.

4.2.5 Sales and Marketing

The Company's telecommunications cable and power cable products are primarily sold in the domestic markets of the countries where they are manufactured, whereas most of the enameled wire manufactured by the Company in Thailand is exported, primarily to customers throughout Southeast Asia. The following table sets forth the Company's sales revenues for the periods indicated in its three reporting segments – North Asia region, Thailand region and ROW region for its three principal product lines, *i.e.*, Manufactured Products, Distributed Products, and SDI together with their respective percentage share of total sales by reporting segment for such periods.

	For the year ended December 31,					
	(figures in US\$ are in thousands)					
	2015		2014		2013	
	\$	%	\$	%	\$	%
Regions:						
North Asia	\$ 90,237	23.20%	\$ 114,836	25.40%	\$ 69,347	15.00%
Thailand	165,354	42.40%	166,864	37.00%	175,347	38.10%
ROW	134,041	34.40%	169,627	37.60%	215,982	46.90%
Total Net Sales	\$ 389,632	100.00%	\$ 451,327	100.00%	\$ 460,676	100.00%

Our operating subsidiaries are also responsible for sales planning, marketing strategy and customer liaison. The Company's sales staff is knowledgeable about the Company's products and frequently must render technical assistance, consulting services and repair and maintenance services to the Company's customers. In order to ensure quality service and maintain sensitivity to market conditions, the Company does not conduct sales through independent sales agents on a commission basis but uses its own sales employees located at the operating subsidiaries.

As copper constitutes the most significant component of the Company's wire and cable products, the price of the Company's products depends primarily upon the price of copper. In order to minimize the impact of copper price fluctuations, the Company attempts to determine the prices of its products based on the prevailing market price of copper. The Company may be affected, to a degree, in the short term by significant fluctuations in the price of copper.

Payment methods for the Company's products vary with markets and customers. The majority of sales by the Company of its Manufactured Products requires payment within 90 days, but may vary depending on the customer and payment record. Sales pursuant to a successful project tender or sales to governmental or public utilities are conducted in accordance with the tender or other applicable regulations. In connection with the distribution of medium and high voltage power cable manufactured by PEWC, the Company is required to pay PEWC 90% of the cost of the products either within 30 days of receipt of the product or, in the case of SDI products, upon installation, with the remaining 10% in either case to be paid within one year. In connection with the purchase of copper rod, the Company is required to pay PEWC the cost of the copper rod within 30 days from obtaining the products from PEWC. For the export market, payment is usually made by prior delivery of an irrevocable letter of credit. Neither the Company nor its local subsidiaries offers financing for purchases of the Company's products. Company employees engaged in sales and marketing are paid a salary and may also receive a bonus based on performance.

Products are marketed under the respective names of each company. For instance, products manufactured by Siam Pacific are marketed under the “Siam Pacific”. Products manufactured by Sigma Cable are sold under the “Sigma Cable” brand.

Thailand

The Company produces and sells telecommunication cable, enameled wire and power cable in Thailand. Charoong Thai is one of the leading cable manufacturers in Thailand. Our distribution channels include both direct sales to government entities and private sector participants in the infrastructure sector, and sales to agents for governmental entities. Sales within Thailand region are made directly by the sales department of the Company’s local subsidiaries in accordance with terms and pricing set by the local subsidiaries. The major customers of the Company include many prominent clients working with the government and its contractors (True Corporation Plc (“True”), TT&T (“Triple T”), etc.), subcontractors, and distributors for the private sector. Charoong Thai has successfully participated in many major projects, which included, Suwannabhumi International Airport, Government Center, PTT Maptaput, and BRT (Bus Rapid Transit).

ROW

The Company produces and sells low voltage power cable in Singapore and Australia. In addition, the Company sells a wide range of wire and cable products produced by PEWC. The Company also offers SDI project engineering services for medium and high voltage power cable to power transmission projects in Singapore.

In Singapore alone, sales of Manufactured Products in 2015 accounted for 37% of the total net sales in Singapore; sales of Distributed Products in 2015 accounted for 54%, the remaining 9% representing SDI project engineering services. SP Power Assets Ltd. has historically been far and away the leading customer for the Company's SDI services. Sales to the customer are under a comprehensive contract, with purchase orders placed from time to time with the Company by SP Power Assets Ltd.

China

The Company produces and sells enameled wire and electronic wire in China. The Company's China operations are now conducted through five business entities; following the establishment of PEWC Hong Kong, which has continued to act as a distributor of PEWS products following its sale in 2014 to PEWC. The Company generally sells enameled wire directly to manufacturers of electric motors for use in various consumer appliances.

4.2.6 Competition

The wire and cable industry in the Asia Pacific region is highly competitive. The Company's competitors include a large number of independent domestic and foreign suppliers. Certain competitors in each of the Company's markets have substantially greater manufacturing, sales, research and financial resources than the Company. The Company and other wire and cable producers increasingly compete on the basis of product quality and performance, reliability of supply, customer service and price. To the extent that one or more of the Company's competitors is more successful with respect to the primary competitive factors, the Company's business could be adversely affected.

Thailand

The wire and cable industry in Thailand is highly competitive. In its various product lines, the Company competes with a total of approximately thirty local wire and cable manufacturers and, to a lesser extent, with foreign producers for sales in Thailand of telecommunications cable, power cable and enameled wire. The Company is one of the five largest producers in the Thai market. These five largest producers are the only producers of telecommunications cable approved by the Thai Industrial Standards Institute and, therefore, the only cable producers whose products may be used in government-commissioned projects. Stringent governmental approval processes, tariffs and other import restrictions have limited competition in the Thailand market from foreign wire and cable producers. The Company also experiences significant competition from a number of smaller producers with regard to sales of enameled wire products.

Singapore

The Company believes that Sigma Cable is one of the major suppliers of power cable products in Singapore; however, it experiences significant competition from other local producers. There is no tariff or other barrier against foreign competition in the local Singapore market and potential competitors are free to enter the industry. However, because of high capital costs, the Company does not presently anticipate that it is likely there will be new domestic entrants to the wire and cable industry in Singapore in the near future.

Australia

Currently, besides APEC, there are two major wire and cable producers with operations located in Australia: Olex Cables (owned by Nexans) and Prysmian Cables, with factories in the states of Victoria and New South Wales, respectively. Also, Advance Cable, a cable producer with a factory in Victoria, has recently obtained a bigger market share. In addition, a significant portion of the Australian market is serviced by two importers: (i) General Cables Australia, which imports cables from its parent company General Cables, which manufactures cables in New Zealand and (ii) Electra Cables, which imports cables from factories in China. These companies are APEC's principal competitors. APEC however is the only power cable producer in Queensland and therefore seeks to take advantage of its comparative proximity to Queensland-based customers in contrast to competitors that are required to transport their products into Queensland from other states in Australia. APEC has also opened sales offices with warehousing facilities in Sydney, Melbourne, Brisbane, and Perth in order to attract and service the customers in those regions. APEC also has a distribution agreement with one of the regional suppliers with the goal of generating additional business for the Australia operations. Foreign competition barriers exist with import duties and the more stringent Australian cable specifications standards. Asean (Association of South East Asian Nations) Free Trade Area (AFTA) Agreements are in effect with Singapore and Thailand, among other Asian countries.

China

PEWS manufactures enameled wires in the Shenzhen Special Economic Zone in Guangdong Province for electronic, video and audio products for the South China market and for export. PEWC Hong Kong, one of the subsidiaries of PEWC, is the trading arm of PEWS. It supplies mainly to overseas transformer, motor and coil manufacturers. It faces competition principally from overseas imports and local manufacturers.

Shanghai Yayang is the only major enameled wire producer in Shanghai and it supplies mainly to transformer, motor and coil manufacturers in the eastern part of China. It faces competition principally from overseas imports and manufacturers from other provinces in China.

4.2.7 Regional Considerations

The principal Asian markets in which we do business have displayed exceptional overall economic growth in recent years compared to the United States and a number of other more developed markets, subject to occasional episodes of economic and currency exchange volatility attributable to various factors including the increased risks of emerging market investment, actual or potential political instability and occasional pandemics. In some countries, the International Monetary Fund (the "IMF") exerts considerable influence over economic policy and provides support to stabilize the domestic economy. In general, the Asian markets in which we do business have been export-driven in recent years and have in the case of China and Singapore, for example, accumulated considerable capital reserves, which contributes to a more stable business environment.

Thailand Region

A substantial portion of the Company's Thai operations, whose sales accounted for approximately 42.4% of the Company's net sales in 2015, consists of the manufacture of telecommunications and power cable and sales of those products for use in large-scale telecommunications projects and various construction projects in Thailand. The volume of sales of these products tends to correlate with the general level of economic activity in Thailand. As a result, the performance of the Company's Thai operations depends in significant part on the general state of the Thai economy. Infrastructure development and related construction projects in Thailand depend significantly upon government sponsored initiatives. In recent years, the level of government involvement in infrastructure development has tended to track increases or contractions in Thailand's gross domestic product ("GDP"). Overall, the construction industry and infrastructure projects have slowed considerably, thereby affecting local sales, placing competitive pressure on prices and prompting the Company to rationalize Thai operations and actively seek overseas export markets.

Telecommunications

Sales of the Company's telecommunication products in Thailand have depended to a significant degree on the substantial investment in and development of the telecommunications sector by the Thai government. In particular, the Company's sales of Manufactured Products are affected by the dollar value of contracts awarded by the government for telecommunications and other infrastructure projects.

The Company produces and sells copper core telecommunications cable, enameled copper wire and enameled aluminum wire to the Thai market, and also exports enameled wire to overseas markets. Sales of telecommunications cable, one of the Company's leading products in Thailand, are conducted either by tender for participation in large scale telecommunications projects of the Telephone Organization of Thailand Corporation Plc. ("TOT"), or by sales directly to subcontractors of Triple T and True, the two private telephone line contractors which would be licensed by TOT with regard to particular projects. The Company generally sells enameled wire directly to electrical appliance manufacturers or an OEM (original equipment manufacturers) for both the local and export markets, and in smaller units that are sold to local dealers.

Power

In Thailand, the prevailing historical trend has been that economic growth would stimulate rapid growth in the demand for electric power, and annual rates of growth in electricity demand would outpace annual economic growth rates. Despite the rapid growth in electricity demand, electricity consumption in Thailand remains low by international standards. The Company believes that, in the medium to longer term, there will be an increased demand for power supply which will lead to increased demand for the Company's power cable products from both developers of power production facilities and contractors installing power supply lines.

Singapore

The Company's distribution and project engineering business segments are concentrated in the Singapore market. In 2015, the Company realized \$8.8 million in revenues from SDI projects, compared to \$21.6 million in 2014 and \$18.6 million in 2013. Revenue in Singapore from Distributed Products in 2015 was \$52.9 million, compared to \$61.0 million in 2014 and \$54.8 million in 2013.

The Singapore government has established targets to increase the resident population from the approximately 3.9 million citizens and permanent residents at the end of 2015 to approximately 6 million by the end of 2020. This planned growth in population is expected to result in an increase in demand for residential property and construction. The Company continues to seek ways to increase its business volume in its project engineering business segment.

China

The economy of China differs from that of most developed free-market economies in a number of respects, including structure, degree of government involvement, level of development, growth rate, capital reinvestment, allocation of resources, rate of inflation and balance of payments position. In recent years, the PRC government has implemented economic reform measures which emphasize decentralization, expansion of consumption in the domestic market, utilization of market forces and the development of foreign investment projects of which Shanghai Yayang is an example.

4.3 Organization Structure

Please refer to Business Overview in section 4.2

4.4 Property, Plant and Equipment

The Company's Manufactured Products are produced at facilities located on premises owned or leased by Siam Pacific, Charoong Thai, Sigma Cable, APEC, Shanghai Yayang, PEWS and NPC. The following is a summary of the Company's material facilities and operations as of December 31, 2015.

Siam Pacific owns a 7.45 acre production facility near Bangkok, Thailand, located on a 26.79 acre site that it also owns. Telecommunications cable and enameled wire are manufactured at this facility. The production facility constitutes a portion of certain property and assets which are pledged to a financial institution.

Charoong Thai owns a 24.7 acre production facility in Chachoengsao province, near Bangkok, Thailand, where telecommunications cable and power cable are manufactured. The production facility is located on a 57.9 acre site which Charoong Thai also owns. Neither the production facility nor the land is mortgaged.

Sigma Cable produces power cable on a 19,373 square meter site in Singapore leased from the Jurong Town Corporation (“JTC”) for 30 years from September 16, 2000 to September 16, 2030. JTC is a government-linked corporation and is Singapore’s largest industrial landlord. Building assets are pledged to United Overseas Bank.

APEC owns a 6,735 square meter power cable manufacturing facility on a 39,000 square meter land parcel in Brisbane, Australia. Neither the production facility nor the land is mortgaged.

Shanghai Yayang operates a factory that produces enameled wires, located in an area of approximately 27,839 square meters of state-owned land in an industrial district in Fengxian, Shanghai. Assets consisting of buildings with a value of approximately \$1 million are pledged to Industrial and Commercial Bank of China.

PEWS manufactures enameled wire in a facility on 36,000 square meters of state-owned land with a built-up area of 20,367 square meters in Long Gang, Shenzhen, China. A leasehold right of industrial land use for the land has been granted for 49 years. The land and building are pledged to Agricultural Bank of China as security for a \$7.6 million bank loan.

NPC is situated in Ing-Chiang Township in Ningbo City in Zhè Jiāng Province, China. NPC manufactures electronic wire in a facility that occupies 44,000 total square meters, with a land use right expiring July, 2044. The factory and the land use right are pledged to a local financial institution to secure a \$5.3 million loan.

All of the Company's facilities in Thailand, Singapore, Australia and China use production processes and equipment of international standard imported from Europe, the United States, Taiwan, and Japan.

The production capacity and extent of utilization of the Company's facilities varies from time to time and such information is considered to be commercially sensitive and proprietary information.

4.5 Insurance

The Company maintains insurance policies covering certain buildings, machinery and equipment against specified amounts of damage or loss caused by fire, flooding, other natural disasters and burglary and theft. The Company does not carry insurance for consequential loss arising from business interruptions or political disturbances and does not carry product liability insurance. In addition, the availability of insurance in China is limited, and the Company does not have business liability or disruption insurance for our operations in China. The Company believes that it maintains insurance coverage commensurate with the nature of and risks associated with its business. Siam Pacific has insurance coverage which covers fire and theft, but does not provide coverage for flood damage or business interruption, as in Thailand insurance companies are generally unwilling to issue policies covering flood or business interruption.

4.6 Environmental Matters

The Company is subject to a variety of laws and regulations covering the storage, handling, emission and discharge of materials into the environment. The Company believes that all of its operations are in compliance with, and in certain circumstances exceed, all applicable environmental laws and regulations. The Company's operations in Thailand have recovered fully from the property damage and cessation of operations that occurred there in 2011 by reason of the nationwide flooding crisis. The Company has not been subject to any legal, regulatory or other action alleging violations or breaches of environmental standards. While it is difficult to accurately estimate future environmental compliance costs and potential liabilities, if any, the Company does not currently anticipate any material adverse effect on its consolidated results of operations, financial position or cash flows as a result of compliance with these laws.

Item 4A: Unresolved Staff Comments

(Not applicable)

Item 5: Operating and Financial Review and Prospects

The following discussion should be read in conjunction with the information contained in our audited consolidated financial statements and notes thereto (the "Financial Statements") presented in Item 18 of this Annual Report.

5.1 Disclosures of Critical Accounting Policies

Summarized below are our accounting policies that we believe are important to the presentation of our financial results and also involve the need for management to make estimates about the effect of matters that are uncertain in nature. Actual results may differ from these estimates, judgments and assumptions. Certain accounting policies are particularly critical because of their significance to our reported financial results and the possibility that future events may differ significantly from the conditions and assumptions underlying the estimates used and judgments made by our management in preparing our financial statements. The following discussion should be read in conjunction with the consolidated financial statements and related notes, which are included in this annual report.

Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and the estimated cost necessary to make the sale.

Financial Instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of International Accounting Standard 39 Financial Instruments: Recognition and Measurement (“IAS 39”) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, *i.e.*, the date that the Company commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the income statement.

Derivatives not designated as hedging instruments

A derivative is a financial instrument or other contract within the scope of IAS 39 with all of the following characteristics:

- (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');

- (b) it requires no initial net investment, or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- (c) it is settled at a future date.

Fair value is the measurement basis for all financial instruments meeting the definition of a derivative. Change in fair value of non-hedged items is recorded in profit and loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (“EIR”) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the other operating expenses for receivables.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortized cost using the EIR, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income or finance cost in the income statement. The losses arising from impairment are recognized in the income statement in finance costs.

Available-for-sale financial assets

Available-for-sale financial assets include equity investments and debt securities. Equity investments classified as available for sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the income statement in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as finance income using the EIR method.

For a financial asset reclassified out of from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortized cost and any previous gain or loss on the asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

(ii) Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the income statement.

Trade Receivables Impairment:

For a trade receivable, impairment assessment is performed on an individual basis:

A financial asset is impaired (and impairment losses are determined) if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the holder about the following loss events:

- ▶ significant financial difficulty of the issuer or obligor;
- ▶ breach of contract, such as a default or delinquency in interest or principal payments;
- ▶ the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that would not otherwise be considered;
- ▶ it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- ▶ the disappearance of an active market for that asset because of financial difficulties (but not simply because the asset is no longer publicly traded);
or
- ▶ observable data indicating that there is a measurable decrease in the estimated future cash flows from a Company of financial assets since initial recognition, although the decrease cannot yet be identified with the individual assets in the Company, including:

- ▶ adverse changes in the payment status of borrowers in relation to the Company (*e.g.* an increased number of delayed payments); or
- ▶ national or local economic conditions that correlate with defaults on the assets in the Company.

For trade receivables that have been individually assessed, but for which there is no objective evidence of impairment, the review for impairment is performed on a group basis, based on similar credit risk characteristics.

Available for sale financial assets

For available-for-sale financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. The Company's policy considers a significant decline to be one in which the fair value is below the weighted average original cost by more than 20%. A prolonged decline is considered to be one in which the fair value is below the weighted average original cost for a period of more than 12 months. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement – is removed from other comprehensive income and recognized in the income statement. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized directly in other comprehensive income.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

(iii) Financial Liabilities

Financial liabilities initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts and interest bearing loans and borrowings.

Subsequent measurement

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the income statement.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash flows from other assets or groups of assets. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the income statement in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized 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 recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

Taxes

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- ▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- ▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Uncertain tax position

An entity's tax position might be uncertain; for example, where the tax treatment of an item of expense or structured transaction may be challenged by the tax authorities.

Local management should consider each uncertain tax positions individually, by first consider whether each position taken in the tax return is probable of being sustained on examination by the taxing authority. It should recognize a liability for each item that is not probable of being sustained. The liability then is measured using a single best estimate of the most likely outcome. The uncertain tax positions are presented in the current tax liabilities.

The Company's policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

SDI

The Company's supply, delivery and installation services are considered as multiple elements arrangements in accordance with International Accounting Standard 18 Revenue. The sale of cables and the installation service are considered as one single arrangement.

Revenue of SDI is accounted for using the percentage-of-completion method, based on the customer certification of the length of cable laid in proportion to the estimated total length of cable under the contracts in accordance with International Accounting Standard 11 Construction Contracts.

When the current estimates of total contract revenue and contract cost indicate a loss, a provision for the entire loss on the contract shall be made. The recognition of provision for losses shall be in the period in which they become evidenced. On a quarterly basis, the Company should review the budget and forecast whether a loss provision should be recorded.

5.2 Selected Gross Margin Data

This discussion should be read in conjunction with the information contained in our Consolidated Financial Statements presented in Item 18 of this Annual Report.

Results are analyzed and reported along the lines of our three principal business segments, consisting of the North Asia region, the Thailand region, and the ROW region. For the benefit of our shareholders, included in the summary table below are certain results for product lines within our 3 business segments with regard to net sales, gross profit and gross profit margin for the periods covered. The following table sets forth selected summary data for the periods indicated (dollar (\$) amounts in thousands of US\$).

	For the year ended December 31,		
	2015	2014	2013
	(in thousands except for percentage)		
Net Sales:			
North Asia region	\$ 90,237	\$ 114,836	\$ 69,347
Thailand region	165,354	166,864	175,347
ROW region	134,041	169,627	215,982
Total	\$ 389,632	\$ 451,327	\$ 460,676
Gross profit:			
North Asia region	\$ 1,888	\$ 4,441	\$ 3,096
Thailand region	9,488	15,882	26,385
ROW region	12,113	16,421	22,335
Total gross profit	\$ 23,489	\$ 36,744	\$ 51,816
Gross profit margin:			
North Asia region	2.09%	3.87%	4.47%
Thailand region	5.74%	9.52%	15.05%
ROW region	9.04%	9.68%	10.34%
Total gross profit margin	6.03%	8.14%	11.25%

5.3 Operating Results

The Company is 75.4% owned and controlled by PEWC, a Taiwanese company. The remaining 24.6% of the outstanding Common Shares are publicly-traded in the United States and listed on NASDAQ. Based upon a review of Schedule 13D and 13G filings made with the Commission by shareholders, and a review of the share register maintained by the Company's transfer agents in Bermuda and the U.S., the Company is not aware that it has any shareholders resident in the jurisdictions where the Company has business operations. While the Company's operations and results are impacted by economic, fiscal, monetary and political policies of the respective governments in the countries where the Company operates, that impact is not a function of the shareholder base of the Company.

5.3.1 Year Ended December 31, 2015 Compared with Year Ended December 31, 2014

	For the Year Ended December 31,		Changes in \$	Changes in %
	2015	2014		
	(in thousands)			
Income Statement Data:				
Net sales	\$ 389,632	\$ 451,327	(61,695)	(13.7)
Costs of sales	(366,143)	(414,583)	48,440	11.7
Gross profit	23,489	36,744	(13,267)	(36.1)
Other operating income	1,140	1,135	5	0.4
Selling general & administrative expenses	(26,882)	(29,479)	2,597	8.8
Other operating expenses	(332)	(2,168)	1,836	84.7
Operating profit/(loss)	(2,585)	6,232	(8,817)	(141.5)
Finance cost	(1,547)	(1,697)	150	8.8
Finance income	697	1,167	(470)	(40.3)
Share of loss of an associate	(801)	(338)	(463)	(137.0)
Loss on sale of a subsidiary	—	(178)	178	100.0
Exchange loss	(4,640)	(206)	(4,434)	(2,152.4)
Other income	119	104	15	14.4
Other expenses	(180)	(49)	(131)	(267.3)
Income/(loss) from continuing operations before income taxes	(8,937)	5,035	(13,972)	(277.5)
Income taxes expenses	(661)	(2,274)	1,613	70.9
Net income/(loss)	\$ (9,598)	\$ 2,761	(12,359)	(447.6)
Net income/(loss) attributable to non-controlling interests	(1,440)	2,189	(3,629)	(165.8)
Net income/(loss) attributable to APWC	(8,158)	572	(8,730)	(1,526.2)

General

Results of operations are determined primarily by market demand and government infrastructure projects, market selling prices of our products, our ability to manufacture high quality products efficiently in quantities sufficient to meet demand and to control production and operating costs. Our results are also influenced by a number of factors, including currency stability in the countries in which our operations are located, competition and the cost of raw materials, especially copper, which accounted for the majority of our cost of sales in 2015 and 2014.

In order to minimize the impact of copper price fluctuations, we attempt to “peg” the prices of our products to the prevailing market price of copper and pass changes in the cost of copper through to customers as much as possible. In certain circumstances, however, we remain affected by fluctuations in the price of copper. A recent rise or decline in copper prices may not be fully reflected under this pricing scheme for several months.

Average copper prices per metric ton decreased by 19.80% from \$6,860 in 2014 to \$5,502 in 2015 (annual average).

Copper prices indicated in this report are quoted from the LME index. The 2015 and 2014 copper prices were as follows:

		2015	2014
Average LME copper price (\$/Ton)	Q1	5,815	7,038
	Q2	6,054	6,787
	Q3	5,251	6,992
	Q4	4,487	6,621
	Year	5,502	6,860

The average copper price in March 2016 on the LME was \$5,926 per metric ton.

Net Sales

Total sales in the North Asia region decreased by \$24.6 million, or 21.4%, from \$114.8 million in 2014 to \$90.2 million in 2015. The revenue declined primarily because of the economic slowdown in China, which caused a decrease in the sales volume of our products in that market.

Revenue from the Thailand region decreased by \$1.5 million from \$166.9 million in 2014 to \$165.4 million in 2015, or 0.9%. The decrease was primarily the result of the currency depreciation of the Baht against the U.S. dollar.

Revenue decreased by \$35.6 million, or 21.0%, from \$169.6 million in 2014 to \$134.0 million in 2015 in the ROW region. The decrease was due to both the increased market competition, primarily the competition of the products imported from China, as well as the depreciation of each of the Singapore and Australian dollars against the U.S. dollar.

Gross Profit

Gross profit for 2015 was \$23.5 million, representing a decrease of \$13.3 million, or 36.0% down compared to \$36.7 million in 2014.

The gross profit margin of the North Asia region was down from 3.87% in 2014 to 2.09% in 2015. The Company's main product in this region is enameled wire. As the technology required to manufacture the product is rather basic and well known, and the manufacturing process is not sophisticated, the Company's business in the region was adversely affected by greater competition in the local market. In order to maintain the market share without sacrificing the product quality, the Company lowered the selling price to be competitive with the local competitors' prices. The margin was also eroded because of the drop of the copper price by 19.8%.

The gross margin of the Thailand region was 5.74% in 2015, down from 9.52% in 2014. Our major clients in this region include government entities, private sector participants in the infrastructure sector and agents for governmental entities. The unstable political environment adversely affected Thai government's spending on infrastructure. The gross margin of the Thailand region was eroded by the decrease in sales to the public sector, from which our subsidiaries in the Thailand region traditionally enjoyed a higher profit margin. In addition, a portion of orders were outsourced to other wire and cable manufacturers as some of our equipment and machinery was shut down temporarily for upgrading to meet the environmental regulations, which caused an increase in our costs.

The gross profit margin of the ROW region decreased from 9.68% in 2014 to 9.04% in 2015. The decrease of the gross margin was primarily due to the competition in each of the Australia and Singapore markets, where the subsidiaries in this region lowered the selling price to compete with similar products imported from China by other competitors.

Operating Profit

Selling, General & Administrative ("SG&A") expenses were \$26.9 million in 2015, decreased by \$2.6 million, or 8.8%, from \$29.5 million in 2014. The decrease in SG&A was primarily attributable to the decrease in sales-related commissions and remuneration, which resulted from the decrease of government projects. The decrease was also partially attributable to the depreciation of local currencies against the U.S. dollar. For the years ended 2015 and 2014, SG&A expenses accounted for 6.9% and 6.5% of the net sales, respectively.

In addition, other operating expenses decreased by \$1.8 million from \$2.2 million in 2014 to 0.3 million in 2015. The decrease in other operating expenses was primarily attributable to a \$2.2 million provision recorded in 2014 for doubtful accounts.

Finance Income

The finance income was interest earned from bank deposits. Interest income decreased from \$1.2 million in 2014 to \$0.7 million in 2015 by \$0.5 million, or 40.3%, primarily due to tighter cash position in the Thailand region and the depreciation of local currencies against the U.S. dollar.

Share of Loss of an Associate

The increase in the share of loss of an associate by \$0.5 million in 2015, as compared to that of 2014, was primarily due to the loss that the Company recognized according to its ownership percentage in SPRC.

Exchange Gain/(Loss)

The exchange rates at December 31, 2015 and 2014 are listed below, based on the Noon Buying Rate. However, they do not actually reflect the ongoing rates during the year when transactions actually took place.

	As of December 31,	
	2015	2014
Foreign currency to US\$1:		
Thai Baht	36.08	32.90
Singapore \$	1.417	1.324
Australian \$	1.373	1.224
Chinese RMB	6.478	6.205

Other Expense

Other expenses increased by \$0.1 million compared to 2014 primarily due to the write-off of other receivables in 2015.

Income Taxes

Income tax expense was \$0.7 million in 2015 compared to \$2.3 million in 2014. The change was mainly due to the decrease of the income before income tax.

5.3.2 Year Ended December 31, 2014 Compared with Year Ended December 31, 2013

	<u>For the Year Ended December 31,</u>		<u>Changes in \$</u>	<u>Changes in %</u>
	<u>2014</u>	<u>2013</u>		
	(in thousands)			
Income Statement Data:				
Net sales	\$ 451,327	\$ 460,676	(9,349)	(2.0)
Costs of sales	(414,583)	(408,860)	(5,723)	(1.3)
Gross profit	36,744	51,816	(15,072)	(29.1)
Other operating income	1,135	1,525	(390)	(25.6)
Selling general & administrative expenses	(29,479)	(34,559)	5,080	14.7
Other operating expenses	(2,168)	(196)	(1,972)	(1,006.1)
Operating profit	6,232	18,586	(12,354)	(66.5)
Finance cost	(1,697)	(1,734)	37	2.1
Finance income	1,167	1,306	(139)	(10.6)
Share of loss of an associate	(338)	(211)	(127)	(60.2)
Gain on disposal of investment	—	232	(232)	(100.0)
Loss on sale of a subsidiary	(178)	—	(178)	(100.0)
Exchange gain (loss)	(206)	(1,245)	1,039	83.5
Other income	104	110	(6)	(5.5)
Other expenses	(49)	(260)	211	81.2
Income from continuing operations before income taxes	5,035	16,784	(11,749)	(70.0)
Income taxes expenses	(2,274)	(5,518)	3,244	58.7
Net income	\$ 2,761	\$ 11,266	(8,505)	(75.5)
Net income attributable to non-controlling interests	2,189	5,419	(3,230)	(59.6)
Net income attributable to APWC	572	5,847	(5,275)	(90.2)

General

Results of operations are determined primarily by market demand and government infrastructure projects, market selling prices of our products, our ability to manufacture high quality products efficiently in quantities sufficient to meet demand and to control production and operating costs. Our results are also influenced by a number of factors, including currency stability in the countries in which our operations are located, competition and the cost of raw materials, especially copper, which accounted for majority of the cost of sales in 2014 and 2013.

In order to minimize the impact of copper price fluctuations, we attempt to “peg” the prices of our products to the prevailing market price of copper and pass changes in the cost of copper through to customers as much as possible. In certain circumstances, however, we remain affected by fluctuations in the price of copper. A recent rise or decline in copper prices may not be fully reflected under this pricing scheme for several months.

Average copper prices per metric ton decreased by 6.4% from \$7,326 in 2013 to \$6,860 in 2014 (annual average).

Copper prices indicated in this report are quoted from the LME index. The 2014 and 2013 copper prices are as follows:

		<u>2014</u>	<u>2013</u>
Average LME copper price (\$/Ton)	Q1	7,038	7,928
	Q2	6,787	7,146
	Q3	6,992	7,079
	Q4	6,621	7,153
	Year	6,860	7,326

Net Sales

Total sales in the North Asia region increased by \$45.5 million, or 65.6%, from \$69.3 million in 2013 to \$114.8 million in 2014. The increase in sales was primarily due to the fact that starting November 2013, the region's export sales were no longer made through EPAN, and as a result, a substantial portion of the export sales was moved to the North Asia region. The increase in sales was also contributed by the increase in the sales of manufactured products due to a different sales strategy, which increased both domestic and export sales.

Revenue from the Thailand region decreased by \$8.4 million from \$175.3 million in 2013 to \$166.9 million in 2014, or 4.8%. The decrease was primarily attributable to the fact that the volatile political situation adversely impacted the level of infrastructure investment and customer demand for our products.

Revenue decreased by \$46.4 million, or 21.5%, from \$216.0 million in 2013 to \$169.6 million in 2014 in the ROW region. The decrease was primarily because starting November 2013, a substantial portion of the export business was transferred to the North Asia region rather than being conducted through the ROW region. The decrease was also attributable to the decrease in sales in APEC due to stronger competition in the Australia market and the depreciation of the Australian dollar.

Gross Profit

Gross profit for 2014 was \$36.7 million, representing a decrease of \$15.1 million, or 29.1% down compared to \$51.8 million in 2013. The decrease was primarily attributable to the lower margin in the Thailand region and the Company's business in Australia in the ROW region.

The gross profit margin of the North Asia region was down from 4.47% in 2013 to 3.87% in 2014. The Company's main product in this region is enameled wire, as the technology required to manufacture the product is low and the manufacturing process is not sophisticated, the Company's business in the region was adversely affected by competition in the local market. In order to maintain the market share without sacrificing the product quality, the Company lowered the selling price to match competitors' prices.

The gross margin of the Thailand region was 9.52% in 2014, down from 15.05% in 2013, a decrease of 36.7%. Our major clients in this region included government entities, private sector participants in the infrastructure sector and agents for governmental entities. The unstable political environment adversely affected Thai government's spending on infrastructure. The gross margin of the Thailand region was eroded by the decrease in sales to the public sector, from which our subsidiaries in the Thailand region enjoyed a higher profit margin.

The gross profit margin of the ROW region decreased from 10.34% in 2013 to 9.68% in 2014. The decrease of the gross margin was primarily due to the competition in the Australia market, where the Company's Australia subsidiary lowered the selling price to compete with similar products imported from China by other competitors.

Operating Profit

S SG&A expenses were \$29.5 million in 2014, decreased by \$5.1 million, or 14.7%, from \$34.6 million in 2013. The decrease in SG&A was primarily attributable to the decrease in sales-related commissions and remuneration. The decrease was partially due to the depreciation of the Thai Baht and Australian dollar. For the years ended 2014 and 2013, SG&A expenses accounted for 6.5% and 7.5% of the net sales, respectively.

In 2014, we recorded a net provision of allowance for doubtful accounts of \$2.2 million, owing to the fact that some of the major customers of the Company were not able to settle their overdue payments. Our internal controls provide that we perform a detailed review of our outstanding receivables, and make adjustments to our estimate to reflect significant delinquent accounts receivable. The Company is not aware of other significant delinquent accounts receivable that have not already been adequately reserved. The Company has brought actions against some customers who failed to settle their delinquent accounts. The outcome of those actions will not have a material impact on our results of operations or financial condition.

Other operating income decreased by \$0.4 million compared to 2013 primarily due to a non-recurring income in 2013.

Finance Income

The finance income was interest earned from bank deposits. Interest income decreased from \$1.3 million in 2013 to \$1.2 million in 2014 by \$0.1 million, or 10.6%, primarily due to tighter cash position in the North Asia region and the depreciation of the Thai Baht and Australian dollar against the U.S. dollar.

Share of Loss of an Associate

The increase in the share of loss of an associate by \$0.1 million in 2014, as compared to that of 2013, was primarily due to the loss that the Company recognized of \$0.3 million according to its shareholding in SPRC.

Gain on Disposal of Investment

In 2013, a gain of \$0.2 million was recognized from the disposal of the Company's equity investment in Shandong Huayu Pacific Fiber Optics.

Loss on Disposal of a Subsidiary

In August 2014, the Company recognized a loss of \$0.2 million from the disposal of PEWC Hong Kong, a wholly-owned subsidiary of the Company.

Exchange Gain/(Loss)

The exchange rates at December 31, 2014 and 2013 are listed below, based on the Noon Buying Rate. However, they do not actually reflect the ongoing rates during the year when transactions actually took place.

	As of December 31,	
	2014	2013
Foreign currency to US\$1:		
Thai Baht	32.90	32.68
Singapore \$	1.324	1.262
Australian \$	1.224	1.120
Chinese RMB	6.205	6.054

Other Expense

Other expenses decreased by \$0.2 million compared to 2013 primarily due to the net loss on financial instruments in 2013.

Income Taxes

Income tax expense was \$2.3 million in 2014 compared to \$5.5 million in 2013. The change was mainly due to the decrease in pre-tax income. The increase in effective tax rate from 32.88% in 2013 to 45.16% in 2014 was owing to the fact that our future tax benefits resulting from loss carry forwards could not be recognized.

5.4 Liquidity and Capital Resources

As of December 31, 2015 we had \$51.3 million in cash and cash equivalents, primarily in bank accounts and cash on hand. Our current sources of cash are our cash on hand, cash generated by our operations and our credit facilities. Our primary financing needs will continue to be focused on the purchase and replacement of property, plant and equipment, future acquisitions and expenditures for ongoing operations.

We have no direct business operations other than our ownership of the capital stock of our subsidiaries and equity investees. Consequently, our subsidiaries have been and will continue to be the primary source of funds generated by operations. Corporate needs are funded primarily through distributions from our subsidiaries. Although we have no current intention to pay dividends, we would rely upon distributions of dividends from our subsidiaries in order to do so. As noted in our risk factors, our operating subsidiaries and other holdings and investments, from time to time, may be subject to restrictions on their ability to make distributions to us. Such restrictions could result from restrictive covenants contained in our loan agreements, restrictions on the conversion of local currency earnings into U.S. dollars or other currency and other regulatory restrictions. For example, PRC legal restrictions permit payments of dividends by our business entities in the PRC only out of their retained earnings, if any, determined in accordance with relevant PRC accounting standards and regulations. Under PRC law, such entities are also required to set aside a portion of their net income each year to fund certain reserve funds. These reserves are not distributable as cash dividends. The foregoing restrictions may also affect our ability to fund operations of one subsidiary with dividends and other payments received from another subsidiary. We are not aware of any other restrictions in other countries in which we do business other than those discussed in the "Risk Factors" section. Distributions may also be limited from time to time by reason of restrictions protective of the rights of minority shareholders of our subsidiaries and by reason of the current cash requirements of the operating subsidiaries. Consequently, we periodically need to manage our corporate cash needs to align with the permitted timing of distributions.

We maintain several working capital and overdraft credit facilities with various commercial bank groups and financial institutions. Under our line of credit arrangements for short-term debt with our banks, we may borrow up to approximately \$249.7 million, including letters of credit for commodity purchases, on such terms as we and the banks mutually agreed upon. These arrangements do not have termination dates but are reviewed annually for renewal. As of December 31, 2015, the unused portion of the credit lines was approximately \$148.6 million. Letters of credit are issued on our behalf in the ordinary course of business by our banks as required by certain supplier contracts. As of December 31, 2015, the Company had obligations in respect of amounts callable under issued, but undrawn letters of credit totaling \$29.7 million. Liabilities relating to the letters of credit are included in current liabilities. There is no seasonality to the Company's borrowing.

Net cash provided by operating activities in the year ended December 31, 2015 was \$9.2 million, as compared to \$8.1 million of net cash provided by operating activities in the year ended December 31, 2014.

In 2014, net cash provided by operations was \$8.1 million compared to \$20.6 million in 2013. The decrease was primarily the result of a decrease in net income in 2014.

Days of sales outstanding (“DSO”) is a measure of the average collection period of accounts receivable, and although the calculation is influenced by the period used and the timing of sales within that period, it can provide insight into the variances in collections from period to period. Our days of sales outstanding as of December 31, 2015 was 74 days, as compared to 85 days as of December 31, 2014. We have in place rigorous policies across the Company that emphasize the importance of continuous focus on collection efforts.

In 2015, cash used in investing activities was \$7.3 million compared to \$6.3 million in 2014. The increase in net cash used in investing activities was primarily due to the increase in cash used to purchase property, plant and equipment in 2015 comparing to 2014.

In 2014, cash used in investing activities was \$6.3 million compared to \$5.5 million in 2013. The increase in net cash used in investing activities was primarily due to the proceeds from disposal of available-for-sale financial assets and held-for-sale assets in 2013 which was partially offset by the decrease in cash used to purchase property, plant and equipment in 2014 comparing to 2013.

Net cash used in financing activities was \$14.6 million in 2015. In 2015, net cash used in financing activities reflected primarily the repayment of borrowings as the Company managed to reduce the exchange loss caused by the depreciation of local currencies against the U.S. dollar.

Net cash provided by financing activities was \$7.7 million in 2014 compared to \$19.4 million used in financing activities in 2013. Net cash used in financing activities reflected primarily the repayment of borrowings and proceeds from borrowings.

We engage in various transactions with PEWC, including the purchase of certain raw materials and the distribution of PEWC products, mainly in Singapore. The Composite Services Agreement contains provisions that define our relationship and the conduct of our respective businesses and confer certain preferential benefits on us. Under the Composite Services Agreement, the material terms of which are summarized in the "Material Contracts" section, there are no obligations binding on the Company in favor of PEWC, nor are there any pre-established purchase commitments for copper. As such, the Composite Services Agreement should not impact cash flows or liquidity until such time as actual purchases are made in the ordinary course of business such as for the purchase of raw materials. The Composite Service Agreement may, however, impact operations to the extent that PEWC is not able to fulfill its obligations, such as supplying copper, and copper is not otherwise readily available on comparable terms from other market sources. Cash generated by operations and borrowings, when needed, from our credit facilities have been the primary sources of funding purchases under the Composite Services Agreement, and we believe these sources will continue to provide sufficient funds for future purchases under this agreement.

We believe funds generated by our operating activities, our cash on hand and amounts available to us under our credit facilities will provide adequate cash to fund our requirements through at least the next twelve months. We continue to have sufficient liquidity to meet our anticipated working capital, capital expenditures, general corporate requirements, and other short-term and long-term obligations as they come due. We may further enhance our liquidity in the future, as needs arise, by establishing additional lines of credit, with the support of one or more of our principal shareholders if necessary and available. We currently anticipate that we will retain all of our earnings to fund our operations and do not anticipate paying any cash dividends in the foreseeable future.

5.5 Research and Development

The Company does not currently engage in its own research and development. Under the Composite Services Agreement with PEWC described herein, the Company benefits from research and development conducted by PEWC at little or no cost to the Company. Accordingly, the Company has not made material expenditures on or commitments to research and development since formation.

5.6 Trend Information

We are not aware of any trend, commitment, event or uncertainty that can reasonably be expected to have a material effect on our current or future business other than the following, each of which has materially impacted our financial results in the past and may do so in the future:

- *Uncertainty arising from the volatility in the cost of copper, our principal raw material.* In 2015, the copper price went down from \$6,860 (yearly average for 2014) per metric ton to \$5,502 per metric ton (yearly average for 2015). Under our business model, the Company, like other companies in the industry, remains subject to movements in the price of copper, our principal raw material.
- *Fluctuations in the demand for our products in the markets in which we do business,* based upon variations in the level of governmental and private investments in communications, power and industrial projects and programs that utilize our products. We are not an end-user of our products and, therefore, we depend upon the requirements of our customers to generate sales.

See “Quantitative and Qualitative Disclosures About Market Risk.”

5.7 Off-Balance Sheet Arrangements

The Company has not entered into any transactions with unconsolidated entities whereby the Company has financial guarantees, subordinated retained interests, derivative instruments, or other contingent arrangements that expose the Company to material continuing risks, contingent liabilities, or any other obligation in an unconsolidated entity that provides financing, liquidity, market risk, or credit risk support to the Company.

5.8 Contractual Obligations

The following table sets forth our obligations and commitments to make future payments under contracts and other commitments as of December 31, 2015:

Contractual obligations (In thousands of US\$)	Payments due by period				
	Total	Less than 1 year	2-3 years	4-5 years	More than 5 years
Bank loans and overdrafts	\$ 37,701	\$ 37,701	\$ –	\$ –	\$ –
Finance lease obligations (principal amount only)	79	25	43	11	–
Finance charges on finance lease obligations	6	3	2	1	–
Operating lease obligations	3,651	876	908	330	1,537
Capital commitment relating to installation of equipment and acquisition of machinery	2,329	2,329	–	–	–
Capital commitment relating to repair and maintenance consulting service	62	62	–	–	–
Purchase obligations for copper cathodes	171,015	171,015	–	–	–
	<u>\$ 214,843</u>	<u>\$ 212,011</u>	<u>\$ 953</u>	<u>\$ 342</u>	<u>\$ 1,537</u>

The contractual obligation for the purchase of copper cathodes disclosed in the table above was the minimum purchase commitment. For more details on financial commitments and contingencies, please refer to our audited consolidated financial statements and the notes thereto in Item 18: “Financial Statements.”

Item 6: Directors, Senior Management and Employees

6.1 Directors and Senior Management

There is only one class of directorships and no one or more directors possesses any veto power over matters presented to the Board or any other special or enhanced voting rights. The Bye-Laws provide that a quorum consists of a majority of the directors then in office. As of December 31, 2015, there were a total of nine (9) directors on the Board, including three independent directors, Mr. Anson Chan, Dr. Yichin Lee, and Dr. Lambert Ding. By a resolution passed at the Company's most recent annual general meeting of shareholders (the "2015 AGM") held on October 8, 2015, the shareholders determined that the minimum number of directors shall be fixed at two (2), the maximum number of directors be fixed at ten (10) and that one (1) vacancy shall exist on the Board of Directors, which shall be deemed to be a casual vacancy, which may be filled from time to time by the Board of Directors in accordance with the provisions of the Bye-Laws. Each director is entitled to one vote, and approval of any matter requires a simple majority assuming a quorum is present. The following table sets forth certain information concerning the current directors and certain other officers of the Company. All directors are subject to annual election by the shareholders of the Company. Each of the directors was reelected at the Company's 2015 AGM. Officers generally hold office for such period and upon such terms as the Board may determine.

<u>Name</u>	<u>Date of Birth</u>	<u>Position</u>
<i>Appleby Services (Bermuda) Ltd.</i>	<i>N/A</i>	<i>Assistant Resident Secretary</i>
<i>Anson Chan</i>	<i>November 3, 1963</i>	<i>Independent director, Audit Committee Chairman</i>
<i>Andy C.C. Cheng</i>	<i>April 29, 1958</i>	<i>Director and Non-Executive Chairman of the Board</i>
<i>Fang Hsiung Cheng</i>	<i>May 31, 1942</i>	<i>Director</i>
<i>Alex Erskine</i>	<i>September 7, 1963</i>	<i>Resident Secretary in Bermuda</i>
<i>Daphne Hsu</i>	<i>August 12, 1962</i>	<i>Financial Controller</i>
<i>Lambert L. Ding</i>	<i>October 12, 1959</i>	<i>Independent director, Audit Committee Member</i>
<i>Michael C. Lee</i>	<i>September 28, 1951</i>	<i>Director</i>
<i>Yichin Lee</i>	<i>January 4, 1961</i>	<i>Independent director, Audit Committee Member</i>
<i>Alex Chen</i>	<i>December 30, 1957</i>	<i>Director</i>
<i>David Sun</i>	<i>December 22, 1953</i>	<i>Director</i>
<i>Yuan Chun Tang</i>	<i>November 26, 1960</i>	<i>Director, Chief Executive Officer</i>
<i>William Gong Wei</i>	<i>October 31, 1961</i>	<i>Chief Operating Officer</i>
<i>Ivan Hsia</i>	<i>August 14, 1973</i>	<i>Chief Financial Officer</i>

Certain officers and directors of the Company are or were also officers and directors of PEWC and/or PEWC affiliates, as described below. A brief professional summary for each member of the Board of Directors and senior management is as follows:

Mr. Anson Chan has been an independent member of the Company's Board of Directors and a member and Chairman of the Audit Committee and compensation committee since 2007. Mr. Chan is also a Managing Director of the Bonds Group of Companies and was a Senior Advisor to Elliott Associates from 2005 to 2008.

Mr. Andy C.C. Cheng was a member of the Company's Board of Directors from 2004 to 2005 and was re-elected in 2007. Mr. Cheng was appointed as Chairman of the Board in 2009. From 1987 to 2003, Mr. Cheng served as Vice President in charge of procurement at PEWC. Mr. Cheng has been an Executive Vice President at PEWC since 2004 and Chairman of each of the investment divisions of PEWC, Tai Ho Investment Co., Ltd. and You Chi Investment Co., Ltd., since June 2008. Mr. Andy C.C. Cheng is not related to Mr. Fang Hsiung Cheng.

Mr. Fang Hsiung Cheng has been a member of the Company's Board of Directors since 2006. He also serves as Assistant Vice President of PEWC. Mr. Fang Hsiung Cheng is not related to Mr. Andy C.C. Cheng.

Ms. Daphne Hsu has been Financial Controller of the Company since March 2005, prior to which she served as Financial Controller for ten years in Taiwan and China at a Thomson SA joint venture.

Dr. Lambert Ding was appointed March 17, 2011 as an independent member of the Board of Directors. Dr. Ding is the president and CEO of Union Environmental Engineering Services and before that, he was an associate professor at Yuan Ze University. Dr. Ding holds a Doctor of Philosophy degree from the University of Southern California, awarded in 1989. He is also a Registered Environment Assessor and holds several patents. Dr. Ding serves as a member of the audit committee and compensation committee.

Mr. Michael C. Lee has been a member of the Company's Board of Directors since 2004 and is also Chief Executive Officer of PEWC and Chairman of Pacific USA Holdings, Ltd. Mr. Michael C. Lee is not related to Dr. Yichin Lee.

Dr. Yichin Lee has been an independent member of the Company's Board of Directors and served on the Audit Committee since 2007. He is also a member of the compensation committee. Dr. Lee is the Managing Director of FCC partners. Dr. Yichin Lee holds a doctorate degree in Resource Planning and Management from Stanford University. Dr. Yichin Lee is not related to Mr. Michael C. Lee.

Mr. Alex Chen has been appointed as Chief Marketing Officer effective July 1, 2015. Mr. Chen was first assigned to PEWC as Engineer, Assistant to General Manager, and later Manager of Quality Assurance Department from 1983 to 2008. He was appointed as Managing Director of Siam Pacific Electric Wire & Cable Co. Ltd. in Thailand from 2008 to 2015. Mr. Chen also serves as Vice President and General Division Manager of the General Sales Division of PEWC, and as a Director of the Taiwan Electric Research & Testing Center.

Mr. David Sun has been a member of the Company's Board of Directors since 2007. He also serves as President of PEWC and Managing Director of Charoong Thai Wire and Cable Public Company Limited.

Mr. Yuan Chun Tang has been a member of the Company's Board of Directors since 2004 and Chief Executive Officer since 2005. Mr. Yuan served as the Company's Chairman from 2005 to 2009. He has also served as Chairman of PEWC since 2004 and has been the Director of Pacific Construction Corp. Ltd since 2002. Mr. Yuan served as the Director of the Taiwan Co-generation Corp. from 2005 to 2008. Mr. Yuan has also been the Chairman of the Taiwan Electric Wire & Cable Industries Association since 2004. He has served as the Supervisor to the Taipei Importers/Exporters Association as well as the Director of Chinese National Federation of Industries in Taiwan since 1998 and 2004, respectively.

Mr. William Gong Wei has been appointed Chief Operating Officer effective April 1, 2013. He was first assigned to Charoong Thai Wire and Cable Pte. Co. Ltd. as Engineer, Assistant Plant Manager, and later consultant to the high voltage cable division from 1991 to 2000. Thereafter, Mr. Gong Wei left Charoong Thai to pursue other professional activities until he rejoined the Company in 2009. In April 2009 he was appointed as General Manager of Sigma Cable in Singapore. Mr. Gong Wei holds a master's degree from the Asian Institute of Technology in Bangkok, Thailand.

Mr. Ivan Hsia was appointed as Chief Financial Officer effective August 1, 2013. Mr. Hsia previously served as the Deputy CFO of the Company. Prior to that, he served as the Senior Internal Audit Manager of the Company. Before joining APWC, Mr. Hsia was the head of internal audit at Newegg.com in Los Angeles, CA, USA.

The Company's Common Shares are traded on the Global Markets tier of NASDAQ. Notwithstanding that, the Board of Directors is not composed of a majority of independent directors. The Company is relying upon the "controlled company exemption" that is available to issuers under the rules of NASDAQ. In effect, the "controlled company exemption" provides that an issuer is not required to have its Board of Directors consist of a majority of independent directors if a shareholder, or two or more shareholders who constitute a group, have beneficial ownership of more than 50% of the issued and outstanding voting securities of the issuer. PEWC owns and controls, directly or indirectly, 75.4% of the issued and outstanding Common Shares of the Company.

No service contract exists between any director and the Company or any of its subsidiaries providing for benefits upon termination of employment.

The Company has no arrangements or understandings with any major shareholders, customers, suppliers or others, pursuant to which any person referred to above was selected as a director or member of senior management.

6.2 Audit Committee

The Audit Committee of the Board of Directors primarily functions to assist the Board in its oversight of: (i) the reliability and integrity of accounting policies and financial reporting and disclosure practices and (ii) the establishment and maintenance of processes to ensure that there is compliance with all applicable laws, regulations and company policy and an adequate system of internal control, management of business risks and safeguard of assets.

The Audit Committee is composed of Mr. Anson Chan, Dr. Yichin Lee and Dr. Lambert Ding, with Mr. Chan serving as the chairman of the Audit Committee.

The Audit Committee, as currently constituted, complies with the requirements of Regulation 10A-3 of the Exchange Act and the corporate governance requirements of NASDAQ.

6.3 Compensation Committee

The Compensation Committee primarily functions to assist the Company in determining the compensation to be paid to the executive directors and certain members of the senior management of the Company. According to the charter under which it operates, the Compensation Committee is authorized to: (i) review and recommend to the Board, or determine, the annual salary, bonus, stock options, and other benefits, direct and indirect, of the senior management of the Company and its principal operating subsidiaries; (ii) review new executive compensation programs, review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated, establish and periodically review policies for the administration of executive compensation programs, and take steps to modify any executive compensation programs that yield payments and benefits that are not reasonably related to executive performance; (iii) engage outside auditors and consultants to advise on market compensation; and (iv) establish and periodically review policies in the area of management perquisites.

The Compensation Committee is comprised of three independent directors, Mr. Anson Chan, Dr. Yichin Lee, and Dr. Lambert Ding. Mr. Andy Cheng and Mr. Yuan Chun Tang, the Company's Chairman and Chief Executive Officer, respectively, serve in a non-voting advisory capacity to the Compensation Committee.

6.4 Compensation

The aggregate amount of compensation paid by the Company to all of the Company's directors and executive officers, as a group, for services in all capacities during 2015 was approximately \$2.2 million. As of March 31, 2016, our directors and executive officers beneficially owned approximately 103,000 Common Shares representing approximately 0.7% of the issued and outstanding Common Shares. The annual compensation of its executive officers and directors on an individual basis is not a disclosure item under the laws applicable to the Company.

In 2015, the fee payable to each independent director was \$30,000 per year and the fee payable to each director who is a director or an executive officer of the Company or PEWC or any of their respective affiliates was \$20,000 per year, together with, in each case, reimbursement of reasonable travel expenses for attendance at meetings of the Board of Directors or any of its committees.

No funds or provisions have been set aside for providing compensation to directors or management except for government mandated programs.

6.5 Employees

The Company employed a total of 1,409 employees as of December 31, 2015, of which about 18.2% were administrative and management personnel. Approximately 56.9% of employees were located in the Thailand region, 27.6% in the North Asia region and 15.5% in the ROW region. Production workers are usually organized into two 12-hour shifts or three 8-hour shifts to allow continuous factory operations.

The Company offers a range of employee benefits, which it believes are comparable to industry practice in its local markets. Such benefits include performance-based pay incentives, medical benefits, vacation, pension, housing for a small number of workers in Singapore and in Thailand, and a small housing supplement to other workers. The Company also provides training programs for its personnel designated to improve worker productivity and occupational safety.

Presently, there is no group bonus, profit-sharing or stock option plan. However, some of the Company's subsidiaries have bonus or profit-sharing plans based on individual performance and the profitability of the particular subsidiary for the fiscal year, which plans are generally in accordance with the industry practice and market conditions in the respective countries.

The Company has several defined benefit and defined contribution plans covering its employees in Thailand, Australia, the PRC and Singapore. Contributions to the plans are made on an annual basis and totaled \$1.2 million in 2015. Additionally, the Company has several defined benefit plans in accordance with Thailand labor law. In its Thai subsidiaries, the Company must pay a retiring employee from one to twenty-nine times such employee's salary rate during his or her final month, depending on the length of service. During 2015, the Company's total expenses under this labor law were \$0.6 million. These plans are not funded and the amount is recognized and included in Employee Benefit Liabilities in the Company's balance sheet. The Company settles its obligations as and when employees retire. The accumulated benefit obligations under this plan amounted to \$6.3 million as at December 31, 2015.

Approximately 21% of the employees of Sigma Cable are members of the United Workers of Electronics & Electrical Industries, an employees' union in Singapore. Under the terms of a collective agreement signed in June 2003, the Company is required to negotiate salary and wage increases yearly. All other worker benefits and employment terms are included in the collective agreement. The Company believes that approximately 100% and 99% of the employees of PEWS and Shanghai Yayang, respectively, are members of their respective Company Workers' Unions. These unions generally operate in accordance with related labor regulations in China. Approximately 16% of the employees of APEC are members of the Australian Workers' Union. None of the employees of the other operating subsidiaries of the Company are members of a union.

The Company has never experienced a strike or other disruption due to labor disputes. The Company considers its employee relations to be satisfactory and has not experienced difficulties attracting and retaining qualified employees. In Singapore, employee turnover is approximately 24.4% of total employees annually. In Thailand, average employee turnover is approximately 5% of total employees annually.

Item 7: Major Shareholders and Related Party Transactions

7.1 Major Shareholders

On March 27, 2009, PEWC acquired 1,410,739 Common Shares of the Company from a special purpose investment vehicle of a U.S. based private equity fund investor (the "PE Investor"), which amount represented 51% of the Common Shares then held indirectly by the PE Investor. Following that transaction, PEWC and the PE Investor held 65.6% and 9.8% of the issued and outstanding Common Shares of the Company, respectively. Pursuant to a 2012 Share Buy-back Plan, the Company re-purchased 9,300 Common Shares, which are now held by the Company and booked as treasury shares. In a subsequent private transaction in June 2013, the Company repurchased a further 1,800 Common Shares, such that a total of 11,100 Common Shares are now issued but not outstanding and are booked as treasury shares. On August 21, 2015, PEWC and Moon View Ventures Limited, a BVI company and wholly-owned subsidiary of PEWC, acquired 1,355,415 Common Shares that were held indirectly by the PE Investor. In connection with the sale of those Common Shares, the parties terminated the Amended and Restated Shareholders' Agreement, which benefited the Company by reason of the elimination of certain U.S. tax indemnification obligations of the Company (and PEWC) in favor of the PE Investor, and the termination of the Company's obligation to maintain effective a shelf registration statement on Form F-3, covering the Common Shares held by the PE Investor. The remaining approximately 24.6% of the issued and outstanding Common Shares are publicly traded in the U.S. on the NASDAQ Global Markets tier.

The following table sets forth certain information regarding beneficial ownership of the Company's Common Shares as of March 31, 2016 by (i) all persons who are known to the Company to own beneficially more than five percent of the Common Shares of the Company and (ii) the officers and directors of the Company as a group. The information set forth in the following table is derived from public filings made by holders and information obtained from directors and officers. The voting rights attaching to the Common Shares below are the same as those attaching to all other Common Shares.

Identity of Person or Group	Number of Shares	Percent of Class
Pacific Electric Wire & Cable Co., Ltd. ⁽¹⁾	10,430,769	75.417%
Directors and Officers of the Company	102,954	0.744%

⁽¹⁾ PEWC owns 1,410,739 shares directly and owns its remaining shares indirectly, as a result of PEWC's control of its direct wholly-owned subsidiary, Moon View Ventures Limited, a BVI company, which beneficially owns 8,363,363 Common Shares, and as a result of PEWC's control of its indirect wholly-owned subsidiary, Pacific Holdings Group, a Nevada corporation, which beneficially owns 656,667 Common Shares.

The Company has 6,166,154 Common Shares that are registered securities, of which 3,388,900 Common Shares are publicly-traded on the NASDAQ Global Markets tier, which represents approximately 24.6% of the issued and outstanding Common Shares. With regard to the remaining 2,777,254 registered securities, 2,766,154 Common Shares, are held by PEWC and its subsidiaries, and 11,100 Common Shares are held by the Company in treasury, and all of those shares are subject to trading restrictions under Rule 144 promulgated under the Securities Act. Other than the approximately 103,000 Common Shares held by directors or officers who are not resident in the United States and the 2,766,154 registered securities held indirectly by PEWC, the Company believes that substantially all of its registered securities are held by U.S. residents (other than the 11,100 Common Shares held by the Company in treasury). The Company has no means to definitively confirm that belief; however, which is based upon a review of the share registers maintained by the Company's Bermuda transfer agent and U.S. transfer agent and the addresses provided by the record holders. Based upon a review of the records of the Company's U.S. transfer agent, including a list of non-objecting beneficial holders ("NOBOs"), the Company believes there are substantially more than 400 beneficial holders that are resident in the United States, although that constitutes only the Company's best estimate of the number of U.S. beneficial holders.

7.2 Related Party Transactions

The Company incurs ordinary course trade payables with PEWC in connection with copper purchases under the Composite Services Agreement and the sale by the Company of Distributed Products that are manufactured by PEWC.

As of December 31, 2015 the Company, including its subsidiaries, had a net principal balance outstanding of \$6.4 million borrowed from PEWC and subsidiaries of PEWC. This short-term indebtedness is payable on a demand basis and does not accrue interest.

The Company used the proceeds from each of the related party loans described above for working capital and purchases of capital equipment. The terms of borrowing by APWC or any of its subsidiaries from PEWC are on terms at least no less favorable than terms available in arms-length transactions with unaffiliated parties.

Under the terms of the Composite Services Agreement, APWC pays a management fee to PEWC in connection with the secondment, or temporary assignment and relocation, of certain PEWC managers to APWC facilities in Thailand and Shanghai. The assigned managers assist APWC in implementing the results of certain research and development conducted by PEWC and made available by PEWC to the Company under the terms of the Composite Services Agreement. The assigned managers also assist APWC in the procurement of raw materials, primarily copper, which is also provided for under the Composite Services Agreement. The amount of such annual management fee was approximately \$241 thousand as of December 31, 2015.

From time to time we have engaged in a variety of transactions with our affiliates. We generally conduct transactions with our affiliates on an arm's-length basis. The sales and purchase prices with related parties are determined through negotiation, generally based on the quoted copper price on LME plus a certain premium.

Additional details regarding related party balances as of December 31, 2015 and related party transactions, including copper purchases from PEWC, are disclosed in our audited consolidated financial statements in Item 18: Financial Statements.

Item 8: Financial Information

8.1 Legal Proceedings

There are currently no material proceedings in which any director, senior manager, or affiliate is adverse to the Company or has an adverse material interest. There are no actual or pending legal proceedings to which the Company is, or is likely to become, a party which may reasonably be expected to have, or have had in the recent past, a material effect on the Company's condition (financial or otherwise) or results of operations.

8.2 Dividend Policy

To date, the Company, a Bermuda company formed in 1996, has not paid any dividends. While the Company has no present intention to pay dividends, should it decide in the future to do so, as a holding company, the Company's ability to pay dividends, as well as to meet its other obligations, will depend upon the amount of distributions, if any, received from the Company's operating subsidiaries and other holdings and investments. The Company's operating subsidiaries and other holdings and investments, from time to time, may be subject to restrictions on their ability to make distributions to the Company. Those restrictions may also affect the Company's ability to fund operations of one subsidiary with dividends and other payments received from another subsidiary.

8.3 Significant Changes

There have been no material or significant changes in the Company's affairs since the end of the fiscal year ended December 31, 2015 that have not been described herein.

Item 9: The Offer and Listing

9.1 Historical Trading Information

The high and low market prices for Common Shares on the over-the-counter bulletin board (the "OTC BB") (from April 2008 until April 2011), and on the NASDAQ since April 29, 2011, for each period specified are as follows:

	Price per Share (\$)	
	High	Low
Five most recent full financial years:		
2011	7.05	1.92
2012	3.99	2.25
2013	4.34	3.00
2014	3.38	2.27
2015	2.60	1.27
Two most recent full financial years:		
2014		
First quarter	3.38	2.73
Second quarter	2.80	2.46
Third quarter	2.78	2.27
Fourth quarter	2.61	2.49
2015		
First quarter	3.38	2.76
Second quarter	2.80	2.46
Third quarter	2.78	2.27
Fourth quarter	2.61	2.49
2016		
First quarter	1.66	1.20
Most recent six months:		
October 2015	1.88	1.37
November 2015	1.97	1.80
December 2015	1.93	1.50
January 2016	1.66	1.20
February 2016	1.66	1.28
March 2016	1.85	1.54

9.2 Markets

The Company's Common Shares were listed on NASDAQ Capital Markets tier on April 29, 2011 under the symbol "APWC". On February 15, 2013, the Company's Common Shares were elevated to NASDAQ Global Markets tier. Prior to its NASDAQ listing, the Common Shares were traded on the OTC BB since April 2008 under the symbol "AWRCF". See the risk factor entitled "Potential Illiquidity of Common Shares." The Common Shares are not listed on any other exchanges or otherwise publicly traded within or outside the United States. The elevation of the Common Shares to NASDAQ's Global Markets tier was achieved due primarily to an improved trading price of the Common Shares.

Item 10: Additional Information

10.1 Share Capital

As of December 31, 2015 and as of the date of the filing of this Annual Report, the Company has an authorized share capital of 50,000,000 Common Shares, par value \$0.01 per share. During 2012, the Company repurchased 1,900 Common Shares. On December 31, 2012 there were 13,830,769 Common Shares issued and 13,828,869 Common Shares outstanding. During 2013, the Company repurchased a further 7,400 Common Shares, for a total of 9,300 Common Shares that were repurchased under the Company's Share Buy-back Plan during 2012 and 2013, until the Company suspended the Share Buy-back Plan effective as of April 25, 2013. Subsequently in 2013, in a private transaction, the Company purchased a further 1,800 Common Shares that were also booked as treasury shares and are classified as issued but not outstanding. No Common Shares have been purchased by or on behalf of the Company under the share buy-back program that was announced by the Company in 2014, but not yet implemented. As of December 31, 2015, and as of the date of the filing of this Annual Report, there were and there are 13,830,769 Common Shares issued and 13,819,669 Common Shares issued outstanding. No capital of the Company is under option or agreed conditionally or unconditionally to be put under option. The Company does not have any classes of capital stock other than its Common Shares.

10.2 Memorandum of Association and Bye-Laws

10.2.1 General

For a detailed description of the Company's principal activities, see Section 4.1: "History and Development of the Business." Pursuant to the Company's Bye-Laws the Board of Directors consists of a single class of directors, each director has one vote on all matters put to the Board, and a quorum consists of a majority of the members of the Board of Directors then in office. The Company's Bye-Laws were amended on October 7, 2011 to allow the Company to purchase its own shares for cancellation or acquire them to be held as treasury shares.

In 2012, the Company commenced a Share Buy-back Plan, pursuant to which the Company repurchased, in the aggregate, 9,300 issued and outstanding Common Shares, with the most recent purchase under the Share Buy-back Plan having been made on January 10, 2013. Subsequently in 2013, in a private transaction, the Company purchased a further 1,800 Common Shares that were also booked as treasury shares and are classified as issued but not outstanding. Those repurchased Common Shares are booked as treasury shares and may be re-sold to third parties by the Company in the future. In April 2013, the Company announced the suspension of the Share Buy-back Plan, although the Board of Directors may re-implement it in the future if it so determines.

In August 2014, the Company announced that the Board of Directors had authorized a further share buy-back plan of up to \$1 million in Common Shares. The Company has not determined a commencement date for that further buy-back plan, which will depend upon a number of factors including the trading price of the Common Shares and general market conditions.

10.2.2 Description of Shareholder Rights Attaching to Our Common Shares

The Company was incorporated in Bermuda on September 19, 1996 under the Companies Act. The rights of our shareholders are governed by Bermuda law and our memorandum of association and Bye-Laws.

The following discussion of our Common Shares and the laws governing the rights of our shareholders is based upon the advice of Appleby (Bermuda) Limited, our Bermuda counsel.

Our authorized share capital as of December 31, 2015 was \$500,000 consisting of 50,000,000 Common Shares, par value \$0.01 per share, of which, as of December 31, 2015, and as of the date of the filing of this Annual Report, there were and are 13,830,769 Common Shares issued of which 13,819,669 Common Shares are outstanding and eligible to vote. There are 11,100 Common Shares that are issued (but not outstanding and not currently eligible to vote) and held as treasury shares by the Company.

- Holders of the Common Shares have no preemptive, redemption, conversion or sinking fund rights.
- Holders of the Common Shares are entitled to one vote per share on all matters submitted to a poll vote of holders of Common Shares and do not have any cumulative voting rights.
- In the event of our liquidation, dissolution or winding-up and subject to any alternative resolution that may be pursued by our shareholders, the holders of Common Shares are entitled to share ratably in our assets, if any, remaining after the payment of all our debts and liabilities.

- Our outstanding Common Shares are fully paid and non-assessable.
- Additional authorized but unissued Common Shares, and issued shares held in treasury, may be issued or conveyed by the Board without the approval of the shareholders.

The holders of Common Shares will receive such dividends, if any, as may be declared by the Board of Directors out of funds legally available for such purposes. We may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

- we are, or after the payment would be, unable to pay our liabilities as they become due; or
- the realizable value of our assets after such payment or distribution would be less than the aggregate amount of our liabilities and our issued share capital and share premium accounts.

The following is a summary of provisions of Bermuda law and our organizational documents, including our memorandum of association and Bye-Laws. We refer you to our memorandum of association and our Bye-Laws, copies of which have been filed with the SEC. You are urged to read these documents in their entirety for a complete understanding of the terms thereof.

10.2.3 Share Capital

Our authorized capital consists of one class of Common Shares. Under our Bye-Laws, our Board of Directors has the power to issue any authorized and unissued shares on such terms and conditions as it may determine. Any shares or class of shares may be issued with such preferred, deferred, qualified or other special rights or any restrictions with regard to such matters, whether in regard to dividend, voting, return of capital or otherwise, as we may from time to time by resolution of the shareholders prescribe, or in the absence of such shareholder direction, as the Board of Directors may determine. This provision in the Bye-Laws could be used to prevent a takeover attempt, or to make a takeover attempt prohibitively expensive, and thereby preclude shareholders from realizing a potential premium over the market value of their shares.

10.2.4 Voting Rights

Generally, under Bermuda law and our Bye-Laws, questions brought before a general meeting are decided by a simple majority vote of shareholders present or represented by proxy, with no provision for cumulative voting. Matters will be decided by votes cast by way of voting cards, proxy cards or a show of hands unless a poll is demanded.

If a poll is demanded, each shareholder who is entitled to vote and who is present in person or by proxy has one vote for each Common Share entitled to vote on such question. A poll may only be demanded under the Bye-Laws by:

- the chairman of the meeting;
- at least three shareholders present in person or represented by proxy;
- any shareholder or shareholders present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all shareholders having voting rights; or
- a shareholder or shareholders present in person or represented by proxy holding Common Shares conferring the right to vote on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Common Shares.

Unless the Board of Directors otherwise determines, no shareholder shall be entitled to vote at any general meeting unless all calls or other sums presently payable by that shareholder in respect of all shares held by such shareholder have been paid.

10.2.5 Dividend Rights

Under Bermuda law, a company may declare and pay dividends unless there are reasonable grounds for believing that the company is, or would, after the payment, be unable to pay its liabilities as they become due or that the realizable value of the company's assets would thereby be less than the aggregate of its liabilities and issued share capital and share premium accounts.

Under our Bye-Laws, the Board may from time to time declare dividends or distributions out of contributed surplus to be paid to the shareholders according to their rights and interests. With the sanction of a shareholders resolution, the Board of Directors may determine that any dividend may be paid by distribution of specific assets, including paid-up shares or debentures of any other company. The Board of Directors may also pay any fixed cash dividend which is payable on any of our Common Shares half-yearly or on other dates, whenever our position, in the opinion of the Board of Directors, justifies such payment.

Dividends, if any, on our Common Shares will be at the discretion of our Board of Directors, and will depend on our future operations and earnings, capital requirements, surplus and general financial condition as our Board of Directors may deem relevant.

10.2.6 Purchases by the Company of its own Common Shares

Under Bermuda law and as authorized by the Company's memorandum of association, we may purchase our own Common Shares out of the capital paid up on the Common Shares in question or out of funds that would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Common Shares made for the purposes of the purchase. We may not purchase our Common Shares if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

However, to the extent that any premium is payable on the purchase, the premium must be provided out of the funds of the Company that would otherwise be available for dividend or distribution or out of the Company's share premium account.

10.2.7 Preemptive Rights

Our Bye-Laws generally do not provide the holders of our Common Shares preemptive rights in relation to any issues of Common Shares by us or any transfer of our shares.

10.2.8 Variation of Rights

We may issue more than one class of shares and more than one series of shares in each class. The rights attached to any class of shares may be altered or abrogated either:

- with the consent in writing of the holders of more than fifty percent of the issued shares of that class; or
- pursuant to a resolution of the holders of such shares.

The Bye-Laws provide that the necessary quorum shall be two or more persons present in person or by proxy holding shares of the relevant class. The Bye-Laws specify that the creation or issuance of shares ranking pari passu with existing shares will not, subject to any statement to the contrary in the terms of issuance of those shares or rights attached to those shares, vary the special rights attached to existing shares.

10.2.9 Transfer of Common Shares

Subject to the “Transfer Restrictions” section below, a shareholder may transfer title to all or any of his shares by completing an instrument of transfer in the usual common form or in such other form as the Board of Directors may approve. The form of transfer is required to be signed by or on behalf of the transferor and also the transferee where any share is not fully paid. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register of Members.

10.2.10 Transfer Restrictions

The Board of Directors may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which is not a fully paid share. The Board of Directors may also refuse to register an instrument of transfer of a share unless the instrument of transfer:

- is duly stamped, if required by law, and lodged with us;
- is accompanied by the relevant share certificate and such other evidence of the transferor's right to make the transfer as the Board of Directors shall reasonably require;
- is in respect of one class of shares; and
- has obtained, where applicable, permission of the Bermuda Monetary Authority.

Our Common Shares are traded on the NASDAQ Stock Market, Inc. which qualifies as an "appointed stock exchange" for purposes of the Companies Act and the Bermuda Exchange Control Act and regulations made thereunder, in particular a notice to the public dated 1 June 2005. Accordingly, our Common Shares benefit from a general permission for free transferability for all transfers between persons who are not resident in Bermuda for exchange control purposes, for as long as such Common Shares remain listed on an appointed stock exchange.

10.2.11 Transmission of Shares

In the event of the death of a shareholder, the survivor or survivors, where the deceased shareholder was a joint holder, and the estate representative, where the deceased shareholder was sole holder, shall be the only persons recognized by us as having any title to the shares of the deceased. "Estate representative" means the person to whom probate or letters of administration has or have been granted in Bermuda, or failing any such person, such other person as the Board of Directors may in its absolute discretion determine to be the person recognized by us for this purpose.

10.2.12 Disclosure of Interests

Under the Companies Act, a director who has an interest in a material contract or a proposed material contract, or a 10% or more interest (directly or indirectly) in an entity that is interested in a contract or proposed contract or arrangement with us, is obligated to declare the nature of such interest at the first opportunity at a meeting of the Board of Directors, or by writing to the Board of Directors. If the director has complied with the relevant sections of the Companies Act and the Bye-Laws with respect to the disclosure of his interest, the director may vote at a meeting of the Board of Directors or a committee thereof on a contract, transaction or arrangement in which that director is interested, in which case his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.

10.2.13 Rights in Liquidation

Under Bermuda law, in the event of liquidation or winding-up of a company, after satisfaction in full of all claims of creditors and subject to the preferential rights accorded to any series of preferred stock, the proceeds of such liquidation or winding-up are distributed among the holders of shares in accordance with a company's bye-laws.

Under our Bye-Laws, if we are wound up, the liquidator may, pursuant to a resolution of the shareholders and any approval required by the Companies Act, divide among the shareholders in cash or other assets the whole or part of our assets, whether such assets shall consist of property of the same kind or not, and may for such purposes set such values as such liquidator deems fair upon any property to be divided and may determine how such division shall be carried out as between the shareholders.

10.2.14 Meetings of Shareholders

Under Bermuda law, a company, unless it elects to dispense with the holding of annual general meetings, is required to convene at least one general meeting per calendar year. The directors of a company, notwithstanding anything in such company's bye-laws, shall, on the requisition of the shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the company carrying the right of vote, duly convene a special general meeting. Our Bye-Laws provide that the Board of Directors may, whenever it thinks fit, convene a special general meeting.

Bermuda law requires that shareholders be given at least five days' notice of a meeting of the Company. Our Bye-Laws extend this period to provide that not less than 20 days' written notice of a general meeting must be given to those shareholders entitled to receive such notice. The accidental omission to give notice to or non-receipt of a notice of a meeting by any person does not invalidate the proceedings of a meeting.

Our Bye-Laws state that no business can be transacted at a general meeting unless a quorum of at least two shareholders representing a majority of the issued shares of the Company are present in person or by proxy and entitled to vote.

Under our Bye-Laws, notice to any shareholders may be delivered either personally or by sending it through the post, by airmail where applicable, in a pre-paid letter addressed to the shareholder at his address as appearing in the share register or by delivering it to, or leaving it at, such registered address. Any notice sent by post shall be deemed to have been served seven (7) days after dispatch. A notice of a general meeting is deemed to be duly given to the shareholder if it is sent to him by cable, telex or tele-copier or other mode of representing or reproducing words in a legible and non-transitory form and such notice shall be deemed to have been served twenty-four (24) hours after its dispatch.

10.2.15 Access to Books and Records and Dissemination of Information

Under Bermuda law, members of the general public have the right to inspect the public documents of a company available at the office of the Bermuda Registrar of Companies. These documents include the memorandum of association and any amendment to the memorandum of association.

Under Bermuda law, the minutes of shareholder meetings will be open for inspection by any shareholder or director without charge for not less than two hours during business hours each day, subject to any reasonable restrictions that we may impose. The shareholders shall be entitled to receive a copy of every balance sheet and statement of income and expenditure before a general meeting as required under the Bye-Laws.

Under our Bye-Laws, unless the Board otherwise determines, the register of shareholders of the Company is required to be open for inspection between 10:00 a.m. and 12:00 noon each working day without charge to members of the general public. A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Companies Act, establish a branch register outside of Bermuda. We have established a branch register with our transfer agent, Computershare Limited, which is based in Jersey City, New Jersey.

Under Bermuda Law, a company is required to keep at its registered office a register of its directors and officers that is open for inspection for not less than two hours in each day by members of the public without charge. Under our Bye-Laws, the register of directors and officers is available for inspection by the public between 10:00 a.m. and 12:00 noon every working day.

Bermuda law does not provide a general right for shareholders to inspect or obtain copies of any other corporate records, except for the Bye-Laws of the Company.

10.2.16 Election or Removal of Directors

The Bye-Laws provide that the number of directors will be such number, not less than two, as our shareholders by resolution may from time to time determine. A director will serve until re-elected or his successor is appointed at the next annual general meeting or his prior removal in the manner provided by the Companies Act or the Bye-Laws. There is no requirement under Bermuda law, the Company's memorandum of association or its Bye-Laws that a majority of the Company's directors be independent.

The Bye-Laws provide that each director shall have one vote on all matters presented to the Board for a vote. At the Annual General Meeting held on October 8, 2015, all nine directors then in office were re-elected.

The shareholders may by resolution determine that one or more vacancies in the Board of Directors shall be deemed casual vacancies for the purposes of the Bye-Laws. The Board, so long as a quorum of directors remains in office, shall have the power at any time and from time to time to appoint any individual to be a director so as to fill a casual vacancy. The shareholders may approve the appointment of alternate directors or may authorize the Board to appoint them. Directors may also appoint and remove their own alternates. At the Annual General Meeting held on October 8, 2015, the shareholders approved the reservation of one directorship as a casual vacancy.

We may, in a special general meeting called for this purpose, remove a director, provided notice of such meeting is served upon the director concerned not less than fourteen days before the meeting and he shall be entitled to be heard at that meeting.

The office of a director will be vacated in the event of any of the following:

- if he resigns his office by notice in writing to be delivered to our registered office or tendered at a meeting of the Board of Directors;
- if he becomes of unsound mind or a patient for any purpose under any statute or applicable law relating to mental health and the Board of Directors resolves that his office is vacated;
- if he becomes bankrupt or enters into a general settlement with his creditors;
- if he is prohibited by law from being a director; or
- if he ceases to be a director by virtue of the Companies Act or is removed from office pursuant to the Bye-Laws.

10.2.17 Amendment of Memorandum of Association and Bye-Laws

Bermuda law provides that the memorandum of association of a company may be amended by resolution passed at a general meeting of which due notice has been given. An amendment to a memorandum of association does not require the consent of the Minister of Finance save for specific circumstances, for example, the adopting of any authority to carry on restricted business activities.

Under Bermuda law, the holders of:

- an aggregate of not less than twenty percent in par value of a company's issued share capital or any class thereof; or
- not less in the aggregate than twenty percent of the company's debentures entitled to object to amendments to its memorandum of association,
- have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Bermuda Supreme Court. An application for an annulment of an amendment of the memorandum of association must be made within twenty-one days after the date on which the resolution amending the memorandum of association is passed and may be made on behalf of the persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose.

Our Bye-Laws may be amended in the manner provided for in the Companies Act, which provides that the directors may amend the Bye-Laws, provided that any such amendment shall be effective only to the extent approved by the shareholders.

10.2.18 Merger or Amalgamation

The Companies Act provides that two or more Bermuda companies may merge and their undertaking, property and liabilities shall vest in one of such companies as the surviving company (referred to as a “merger” under Bermuda law). The Companies Act also provides that a Bermuda company may amalgamate with another company and continue as an amalgamated company (referred to as an “amalgamation” under Bermuda law). A merger or amalgamation requires a merger or amalgamation agreement which must be approved by the board of directors and at a meeting of the shareholders by seventy-five percent of the shareholders present and entitled to vote at such meeting in respect of which the quorum shall be two persons holding or representing by proxy more than one-third of the issued shares of the company. These provisions do not apply where a holding company is merging or amalgamating with one or more of its wholly-owned subsidiaries or where two or more wholly-owned companies of the same holding company are merging or amalgamating.

Under Bermuda law, in the event of a merger or an amalgamation of a Bermuda company, a shareholder who did not vote in favor of the transaction and who is not satisfied that fair value has been offered for the shares, may apply to the Supreme Court of Bermuda within one month of notice of the meeting of shareholders to appraise the fair value of those shares.

10.2.19 Class Actions and Derivative Actions

Class actions, as they are commonly understood in the United States, are not available to shareholders under Bermuda law. Derivative actions are generally only available to shareholders under Bermuda law in very limited circumstances. A shareholder may commence an action in the name of a company to remedy a wrong done to the company where the wrongdoers are in control of the company and the act complained of is of a fraudulent character, oppressive, beyond the corporate power of the company, illegal or would have required the approval of a greater percentage of the company's shareholders than those that actually approved it. A shareholder may not commence such an action where the wrong complained of is capable of ratification by the company in a general meeting by ordinary resolution.

When one or more shareholders believes the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interest of some of the shareholders, the Supreme Court of Bermuda, upon petition, may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company, and in the case of a purchase of the shares by the company, for the reduction accordingly of the company's capital or otherwise.

10.2.20 Personal Liability of Directors and Indemnity

The Companies Act requires every officer, including directors, of a company in exercising powers and discharging duties, to act honestly in good faith with a view to the best interests of the company, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Companies Act further provides that any provision, whether in the bye-laws of a company or in any contract between the company and any officer or any person employed by the company as auditor, exempting such officer or person from liability, or indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him, in respect of any fraud or dishonesty of which he may be guilty in relation to the company, shall be void.

Every director, officer and committee member shall be indemnified out of our funds against all civil liabilities, loss, damage or expense including liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable, incurred or suffered by him as director, officer or committee member; provided that the indemnity contained in the Bye-Laws will not extend to any matter which would render it void under the Companies Act as discussed above.

10.2.21 Exchange Controls

We have been designated by the Bermuda Monetary Authority as a non-resident under the Exchange Control Act of 1972 (the “Exchange Control Act”). This designation allows us to engage in transactions in currencies other than the Bermuda dollar.

The transfer of Common Shares between persons regarded as resident outside Bermuda for exchange control purposes and the issue of Common Shares to such persons may be effected without specific consent under the Exchange Control Act and regulations thereunder, provided the Common Shares are listed on an appointed stock exchange.

Notwithstanding the recording of any special capacity, we are not bound to investigate or incur any responsibility in respect of the proper administration of any estate or trust.

We will take no notice of any trust applicable to any of our Common Shares whether or not we had notice of such trust.

As an “exempted company,” we are exempt from Bermuda laws which restrict the percentage of share capital that may be held by non-Bermudians. However, as an exempted company we may not participate in certain designated business transactions, which we do not consider relevant to our present or planned business activities.

10.3 Material Contracts

Composite Services Agreement (“CSA”)

The Company engages in transactions in the ordinary course of business with PEWC, including the purchase of certain raw materials and the distribution of PEWC products in various countries in the Asia Pacific region. The Company and PEWC are parties to a composite services agreement dated November 7, 1996 (the “Composite Services Agreement” or “CSA”), which the Company has renewed annually, at its option. The Composite Services Agreement contains provisions that define the relationship and the conduct of the respective businesses of the Company and PEWC and confers certain preferential benefits on the Company. In 2015 there were no material changes to the CSA between APWC and PEWC. Pursuant to the Composite Services Agreement,

- PEWC agrees to (a) sell copper rod to the Company, upon the Company's request, (i) at a price consisting of the spot price of copper on the LME plus an agreed upon premium and (ii) at prices and on terms at least as favorable as PEWC provides copper rod to other purchasers of similar amounts of copper rod in the same markets, and (b) give priority in the supply of copper rod to the Company over other purchasers of copper rod from PEWC.
- The Company has the right to distribute any wire or cable product manufactured by PEWC in all markets in which the Company presently distributes or develops the capability to distribute in the future such products on such terms as have historically been in effect or on terms at least as favorable as PEWC grants to third parties that distribute such products in such markets. However, PEWC is not required to grant to the Company the right to distribute products manufactured by PEWC in the future in markets where the Company does not currently have the capability to distribute unless and until PEWC has no pre-existing contractual rights which would conflict with the grant of such right to the Company.
- Each of PEWC and the Company will notify the other party prior to entering into any negotiations with a third party concerning the establishment of any facility or similar venture to manufacture or distribute any wire or cable product outside of the markets where the Company currently manufactures or distributes, or intends to develop the capability to manufacture or distribute, any wire or cable product. Unless the Company and PEWC mutually agree otherwise, the Company has the right of first refusal to enter into any definitive agreement with such third party. If, however, such third party would not agree to the substitution of the Company for PEWC or such substitution would prevent the successful completion of the facility or venture, PEWC has agreed to arrange for the Company to participate to the extent possible.

- PEWC agrees to make available to the Company, upon the Company's request and on terms to be mutually agreed between PEWC and the Company from time to time, certain services with respect to the design and manufacture of wire and cable products, computerization, inventory control, purchasing, internal auditing, quality control, emergency back-up services, and recruitment and training of personnel; such services may include the training of the Company's employees and managers at PEWC facilities and the secondment of PEWC employees and managers to the Company.
- Without the consent of the Company, PEWC will not compete with respect to the manufacture or distribution of wire and cable products in any market in which the Company is manufacturing or has taken significant steps to commence manufacturing.
- For purposes of the Composite Services Agreement, each province in China is considered the equivalent of a country.

To the extent that transactions occur in the future between the Company and PEWC or affiliates of PEWC other than under the Composite Services Agreement, such transactions will be entered into on an arm's length basis on terms no less favorable than those available from unaffiliated third parties.

10.4 Taxation

The following is a summary of the material tax consequences of the acquisition, ownership and disposition of Common Shares based on the tax laws of the United States and Bermuda, subject to the assumptions, qualifications and limitations in our discussion below. Such summary is subject to changes in United States and Bermuda law, including changes that could have retroactive effect. The following summary does not take into account the individual circumstances of an investor, nor does it purport to be a complete technical analysis or examination of all potential tax effects relevant to a decision to purchase Common Shares, including without limitation, the tax laws of the various states or localities within the United States.

10.4.1 United States Taxation

The following is a summary of the material United States federal income tax consequences of the acquisition, ownership and disposition of Common Shares by a U.S. Holder (as defined below) and a Non-U.S. Holder (as defined below), in each case, subject to the assumptions, qualifications and limitations in our discussion below. Such summary is subject to changes in United States law, including changes that could have retroactive effect. The summary does not purport to be a comprehensive description of all possible tax considerations that may be relevant to a decision to purchase Common Shares. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), regulations promulgated under the Code by the U.S. Treasury Department (the "Treasury") (including proposed and temporary regulations), rulings, current administrative interpretations and official pronouncements of the IRS, and judicial decisions, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. Such change could materially and adversely affect the tax consequences described below. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. Further, this summary does not discuss any foreign, state or local tax consequences.

In particular, this summary deals only with Common Shares held as capital assets and does not address the United States tax treatment of U.S. Holders and Non-U.S. Holders that are subject to special treatment under the Code, such as dealers in stocks, securities, or currencies, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, financial institutions, insurance companies, tax-exempt entities, real estate investment trusts, regulated investment companies, qualified retirement plans, individual retirement accounts, and other tax deferred accounts, expatriates of the United States, persons subject to the alternative minimum tax, persons holding shares as part of a hedging or conversion transaction or a straddle, or other integrated transaction, persons who acquired Common Shares pursuant to the exercise of any employee stock option or otherwise as compensation for services, or persons whose functional currency is not the United States dollar or who own (directly, indirectly or by attribution) 10% or more of the stock of the Company. This discussion is limited to investors who hold their shares as capital assets. No ruling has been or will be sought from the IRS regarding any matter discussed herein. Counsel to the Company has not rendered any legal opinion regarding any tax consequences to the Company or others of an investment in the Company. Consequently, prospective purchasers who are U.S. Holders or Non-U.S. Holders are advised to satisfy themselves as to the overall United States federal, state, local and foreign tax consequences of their acquisition, ownership and disposition of Common Shares by consulting their own tax advisors.

As used herein, the term “U.S. Holder” means a beneficial owner of Common Shares that is (i) a citizen or resident of the United States, (ii) a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or any state (or the District of Columbia), (iii) an estate, the income of which is subject to United States federal income tax regardless of its source, or (iv) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more “United States persons” (as defined in Section 7701(a)(30) of the Code) has the authority to control all substantial decisions of the trust, or, to the extent provided in the Regulations, certain trusts in existence on August 20, 1996, and treated as U.S. Persons prior to such date, that elect to be treated as U.S. Persons.

The term “Non-U.S. Holder” means a beneficial owner of Common Shares that is not a U.S. Holder. As described in “Taxation of Non-U.S. Holders” below, the consequences to a Non-U.S. Holder may differ substantially from the tax consequences to a U.S. Holder.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of Common Shares, the U.S. federal income tax consequences to a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. A holder of Common Shares that is a partnership and the partners in such partnership should consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of Common Shares.

U.S. Federal Income Taxation of the Company

The Company expects that it will be treated as a foreign corporation for U.S. federal income tax purposes, and it will make no election to the contrary. As a foreign corporation, subject to the rules discussed below, the income, gains, losses, deductions and expenses of the Company will not be passed through to the investors, and all distributions by the Company to the investors will be treated as dividends, return of capital, and/or capital gains.

The Company currently does not conduct activities in the United States and expects that it will continue to conduct activities in a manner so as not to constitute the conduct of a trade or business in the United States or, invest in securities the income from which is treated, for U.S. federal income tax purposes, as arising from a U.S. trade or business. As a result, the income of the Company generally should not be subject to U.S. federal income tax on a net income basis. However, gains realized from certain investments in United States real property interests by foreign persons, such as the Company, may be subject to U.S. federal income tax on a net basis, withholding tax and a branch profits tax. Debt instruments with an equity component linked to a United States real property interest and stock in certain United States corporations holding significant real property interests may be considered United States real property interests taxable as described above.

Taxation of U.S. Holders

The discussion in “Taxation of Dividends” and “Taxation of Capital Gains” below assumes that the Company will not be treated as a PFIC for U.S. federal income tax purposes. For a discussion of the rules that apply if the Company is treated as a PFIC, see the discussion in “Passive Foreign Investment Company” below.

Taxation of Dividends

The Company has never declared or paid any cash dividends and does not presently anticipate paying dividends. A U.S. Holder receiving a distribution with respect to Common Shares generally will be required to include such distribution in gross income (as ordinary income subject to regular, and not reduced, tax rates) on the day received as foreign-source dividend income to the extent such distribution is paid from the Company's current or accumulated earnings and profits (as determined under United States federal income tax principles). Such dividends will not be eligible for the dividends received deduction (generally allowed to certain United States corporations in respect of dividends received from United States corporations). U.S. Holders that are corporations and directly own 10% or more of the voting stock of the Company may be entitled to claim a foreign tax credit for United States federal income tax purposes in respect of foreign taxes paid by the Company and certain subsidiaries. However, if a U.S. Holder claims the foreign tax credit, it must "gross-up" the deemed tax payment and treat the grossed-up amount as part of the dividend distribution, so that the amount included in income is equal to the dividend received plus the amount of the foreign tax deemed paid by such U.S. Holder.

Under U.S. federal income tax laws, a dividend paid to an individual U.S. shareholder from either a domestic corporation or a "qualified foreign corporation" is subject to tax at the reduced rates applicable to certain capital gains. A qualified foreign corporation includes certain foreign corporations that are eligible for benefits of a comprehensive income tax treaty with the United States which the Secretary of the Treasury determines is satisfactory for purposes of this provision and which includes an exchange of information program. In addition, a foreign corporation not otherwise treated as a qualified foreign corporation is so treated with respect to any dividend it pays if the stock with respect to which it pays such dividend is readily tradable on an established securities market in the United States.

In the absence of a comprehensive income tax treaty between the United States and Bermuda, the Company will not be treated as a “qualified foreign corporation” under the treaty test. So long as the Company is not a PFIC (as discussed below), dividends paid by the Company to individual shareholders would qualify for these reduced rates if its stock was treated as readily tradable on an established securities market in the United States.

In Notice 2003-71, 2003-2 C.B. 922, the IRS determined that common or ordinary stock, or an American depositary receipt in respect of such stock, is considered readily tradable on an established securities market in the United States if it is listed on a national securities exchange that is registered under Section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) or on the NASDAQ Stock Market. As stated in the SEC’s Annual Report for 2002, registered national exchanges as of September 30, 2002 include the American Stock Exchange (now known as NYSE Amex Equities), the Boston Stock Exchange, the Cincinnati Stock Exchange, the Chicago Stock Exchange, the NYSE, the Philadelphia Stock Exchange, and the Pacific Exchange, Inc.

For so long as the Common Shares continue to be traded on NASDAQ, or are readily tradable on any other established securities market in the United States, any dividends paid by the Company should qualify for the reduced rates referred to above so long as they remain in effect.

To the extent any distribution exceeds the current and accumulated earnings and profits of the Company for a taxable year, the distribution will be treated as a non-taxable return of capital to the extent of the U.S. Holder’s adjusted tax basis in the Common Shares with respect to which the distribution is made, causing a reduction in the adjusted basis of the Common Shares (thereby increasing the amount of gain, or decreasing the amount of loss, to be recognized by the U.S. Holder on a subsequent disposition of the Common Shares). To the extent such distribution exceeds the U.S. Holder’s adjusted tax basis in the Common Shares, such excess will be treated as capital gain.

Taxation of Capital Gains

A U.S. Holder will recognize taxable gain or loss on any sale, exchange or other disposition of Common Shares (including a liquidation, dissolution or as a result of a non-pro rata redemption of Common Shares that qualified for treatment as a sale or exchange for United States federal income tax purposes) in an amount equal to the difference between the amount realized for the Common Shares and the U.S. Holder's adjusted tax basis in the Common Shares. Such gain or loss generally will be treated as capital gain or loss and will be long-term capital gain or loss if the Common Shares have been held for more than one year on the date of the sale, exchange or other disposition thereof, and will be short-term capital gain or loss if the Common Shares have been held for one year or less on the date of the sale or exchange thereof. Any gain recognized by a U.S. Holder generally will be treated as United States source income. In general, an individual's short-term capital gains are taxable as ordinary income and an individual's long-term capital gains are subject to U.S. federal income tax at preferential rates.

Long-term capital gains of corporations generally are subject to the U.S. federal income tax at a current maximum marginal rate of 35%. Short-term capital gain generally is taxable at ordinary income rates. Although capital gains of corporations currently are taxed at the same rates as ordinary income, the distinction between capital gain and ordinary income or loss is relevant for purposes of, among other things, limitations on the deductibility of capital losses. Corporations may deduct capital losses only to the extent of capital gains and generally may carry back capital losses to each of the preceding three years and carry forward capital losses to each of the succeeding five years. Individuals may deduct capital losses to the extent of capital gains plus up to \$3,000 (\$1,500 for married individuals filing separate returns) and may carry forward capital losses indefinitely.

Backup Withholding

In general, information reporting requirements may be applicable to dividend payments (or other taxable distributions) made in respect of Common Shares to non-corporate U.S. Holders, and “backup withholding” at the rate of 28% will apply to such payments (i) if the holder or beneficial owner fails to provide a taxpayer identification number in the manner required by U.S. law and applicable regulations, (ii) if the IRS notifies the payor that the taxpayer identification number furnished by the holder or beneficial owner is incorrect, (iii) if there has been notification from the IRS of a failure by the holder or beneficial owner to report all interest or dividends required to be shown on its United States federal income tax returns or (iv) in certain circumstances, if the holder or beneficial owner fails to comply with applicable certification requirements. In general, payment of the proceeds from a sale of Common Shares to or through a United States office of a broker is subject to both United States backup withholding and information reporting unless the holder or beneficial owner establishes an exemption. U.S. Holders who are required to establish their exempt status generally must provide such certification on IRS Form W-9. Amounts withheld under the backup withholding rules may be credited against a holder’s tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS. Payment of the proceeds from the sale of Common Shares effected outside the United States by a foreign office of certain United States connected brokers will not be subject to backup withholding tax but will be subject to information reporting requirements unless the broker has documentary evidence in its records that the beneficial owner is a non-U.S. Holder and has no actual knowledge to the contrary, or the beneficial owner otherwise establishes an exemption.

Passive Foreign Investment Company

In general, the Company will be treated as a PFIC for United States federal income tax purposes for any taxable year if either (i) at least 75% of the gross income of the Company is passive income or (ii) at least 50% of the value (determined on the basis of a quarterly average) of the Company's assets is attributable to assets that produce or are held for the production of passive income. The Company believes, based on its current operations and assets, that it is not a PFIC and does not expect to become a PFIC in the future. This conclusion is a factual determination based on, among other things, a valuation of the Company's assets, which will likely change from time to time.

If the Company were a PFIC for any taxable year during which a U.S. Holder held Common Shares, the U.S. Holder would be subject to special tax rules with respect to (i) any "excess distribution" by the Company to the U.S. Holder (generally any distribution received by the U.S. Holder in a taxable year that is greater than 125% of the average annual distribution received by the U.S. Holder in the three preceding taxable years, or the U.S. Holder's holding period for the Common Shares, if shorter) and (ii) any gain realized on the sale or other disposition (including a pledge) of Common Shares.

Under these special tax rules, (i) the excess distribution or gain would be allocated ratably over the U.S. Holder's holding period for the Common Shares, (ii) the amount allocated to the U.S. Holder's current taxable year and to any period prior to the first taxable year in which the Company was a PFIC would be includible as ordinary income in the U.S. Holder's current taxable year and (iii) the amount allocated to a prior year during which the Company was a PFIC would be subject to tax at the highest tax rate in effect for that year, and an interest charge would also be imposed with respect to the resulting tax attributable to each such prior year. The interest charge is computed using the applicable rates imposed on underpayments of United States federal income tax for the relevant periods.

The above rules will not apply if a "mark-to-market" election is available and a U.S. Holder validly makes such an election by filing a properly completed IRS Form 8621. If such election were made, a U.S. Holder generally would be required to take into account the difference, if any, between the fair market value and its adjusted tax basis in the Common Shares at the end of each taxable year as ordinary income or ordinary loss (to the extent of any net mark-to-market gains previously included in income). Thus, the U.S. Holder may recognize taxable income without receiving any cash to pay its tax liability with respect to such income. A U.S. Holder's tax basis in the Common Shares would be adjusted to reflect any such income or loss amount. In addition, any gain from a sale, exchange or other disposition of the Common Shares would be treated as ordinary income, and any loss would be treated as ordinary loss (to the extent of any net mark-to-market gains previously included in income). A mark-to-market election is available to a U.S. Holder only if the Common Shares are considered "marketable stock" for these purposes. Generally, shares of a PFIC will be considered marketable stock if they are "regularly traded" on a "qualified exchange" within the meaning of applicable U.S. Treasury regulations. A class of shares is regularly traded during any calendar year during which such class of shares is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. A "qualified exchange" is defined to include a national securities exchange registered with the SEC or certain foreign exchanges. As the Common Shares of the Company commenced trading on the NASDAQ beginning on April 29, 2011, the mark-to-market election under the rules discussed above is available if the Company were otherwise classified as a PFIC, for so long as the Common Shares continue to be regularly traded on NASDAQ or another qualified exchange.

The special tax rules described above will also not apply to a U.S. Holder if the U.S. Holder elects to have the Company treated as a “qualified electing fund” (a “QEF election”) and the Company provides certain information to U.S. Holders. If the Company is treated as a PFIC, it will notify the U.S. Holders and provide such holders with the information necessary to make an effective QEF election, including information as to the procedures for making such an election. The QEF election is made on a shareholder-by-shareholder basis and can ordinarily be revoked only with the consent of the IRS.

A U.S. Holder that makes a valid QEF election will be currently taxable on its pro rata share of the Company’s ordinary earnings and net capital gain (at ordinary income and capital gains rates, respectively) for each taxable year that the Company is classified as a PFIC, regardless of whether distributions are received. Thus, the U.S. Holder may recognize taxable income without receiving any cash to pay its tax liability with respect to such income. The U.S. Holder’s basis in the Common Shares will be increased to reflect taxed but undistributed income. Distributions of income that have been previously taxed will result in a corresponding reduction of basis in the Common Shares and will not be taxed again as a distribution to the U.S. Holder.

A U.S. Holder owning Common Shares during any year that the Company is a PFIC must file IRS Form 8621. U.S. Holders should consult their tax advisors concerning the United States federal income tax consequences of holding Common Shares and of making a mark-to-market or QEF election if the Company is treated as a PFIC in the future.

Controlled Foreign Corporation

A non-U.S. corporation generally will be a CFC for U.S. tax purposes if United States shareholders collectively own more than 50 percent of the total combined voting power or total value of the corporation's stock on any day during any taxable year. For this purpose, United States shareholders are limited to those U.S. persons who own, directly, indirectly or constructively, 10 percent or more of the total combined voting power of all classes of stock of the non-U.S. corporation. If a corporation is a CFC for an uninterrupted period of 30-days in any tax year, every United States shareholder that owns stock on the last day of the CFC's tax year, must include in gross income such shareholder's pro rata share of the CFC's "subpart F income" and income from investments in certain types of U.S. property (*i.e.*, tangible personal property located in the United States, stock of a United States corporation, an obligation of a United States person, or a right to use patents, copyrights, and other similar property in the United States) even if the income has not been distributed to the shareholders in the form of dividends or otherwise. Subpart F income consists of certain specified categories of income including, among others, dividends, interest, rents, royalties, net gains from the sale of property giving rise to such income and income from certain types of transactions involving "related persons" as defined for U.S. federal income tax purposes.

Taxation of Non-U.S. Holders

Taxation of Dividends

Subject to the discussion in “Backup Withholding” below, Non-U.S. Holders generally will not be subject to U.S. federal income tax, including withholding tax, on distributions received on Common Shares, unless the distributions are effectively connected with a trade or business conducted in the United States (and, if an applicable income tax treaty so requires, attributable to a permanent establishment maintained in the United States).

If distributions are effectively connected with a U.S. trade or business (and, if applicable, attributable to a U.S. permanent establishment), Non-U.S. Holders generally will be subject to tax on such distributions in the same manner as U.S. Holders, as described in “Taxation of U.S. Holders — Taxation of Dividends” above. In addition, any such distributions received by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Taxation of Capital Gains

Gain realized by Non-U.S. Holders upon the sale or exchange or complete redemption of Common Shares held as a capital asset generally should not be subject to United States federal income tax provided that the gain is not effectively connected with a trade or business conducted in the United States (and, if an applicable tax treaty so requires, attributable to a permanent establishment maintained in the United States). However, in the case of nonresident alien individuals, such gain will be subject to the 30% (or lower tax treaty rate) U.S. flat tax if (i) such person is present in the United States for 183 days or more during the taxable year (on a calendar year basis unless the nonresident alien individual has previously established a different taxable year) and certain other conditions are met; and (ii) such gain is derived from U.S. sources.

Generally, the source of gain upon the sale or exchange or complete redemption of Common Shares is determined by the place of residence of the shareholder. For purposes of determining the source of gain, the Code defines residency in a manner that may result in an individual who is otherwise a nonresident alien with respect to the United States being treated as a United States resident for purposes of determining the source of income only. Each potential individual investor who anticipates being present in the United States for 183 days or more (in any taxable year) should consult a separate, outside tax advisor with respect to the possible application of this rule.

Special rules may apply in the case of shareholders (i) that have an office or fixed place of business in the United States to which a distribution or gain in respect of the Common Shares is attributable; or (ii) that are former citizens or residents of the United States, CFCs, foreign personal holding companies or corporations that accumulate earnings to avoid United States federal income tax. Such persons in particular are urged to consult their United States tax advisors before investing in the Company.

Backup Withholding

In the case of Common Shares held by a Non-U.S. Holder, or held in the United States by a custodian or nominee for a Non-U.S. Holder, U.S. back-up withholding taxes may apply to distributions in respect of such Common Shares unless such Non-U.S. Holder properly certifies as to its non-U.S. status using IRS Form W-8.

Backup withholding is not an additional tax. Amounts withheld as backup withholding from a payment to a Non-U.S. Holder may be credited against his U.S. federal income tax liability and a Non-U.S. Holder may obtain a refund of any excess amounts withheld by filing the appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

Future Tax Legislation

Future amendments to the Code, other legislation, new or amended U. S. Treasury Regulations, administrative rulings or guidance by the IRS, or judicial decisions may adversely affect the federal income tax aspects of an investment in the Company, with or without advance notice, and retroactively or prospectively.

U.S. Treasury Circular 230 Notice

Any United States federal tax advice included in this Annual Report (a) was not intended to be used, and cannot be used, for the purpose of avoiding United States federal tax penalties, and (b) was not written to support the promotion or marketing of the Company, its Common Shares or any transaction(s) or matter(s) addressed in the written advice. The taxpayer should seek advice based upon the taxpayer's particular circumstances from an independent tax adviser.

10.4.2 Bermuda Taxation

In the opinion of Appleby, the following discussion correctly describes the material tax consequences of the ownership of Common Shares under Bermuda law, subject to the assumptions, qualifications and limitations in the discussion below. Such summary is subject to changes in Bermuda law, including changes that could have retroactive effect.

Under current Bermuda law, there are no taxes on profits, income or dividends nor is there any capital gains tax. Furthermore, the Company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act of 1966, as amended, an undertaking that, in the event that Bermuda enacts any legislation imposing tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not be applicable to the Company or to any of its operations, or the shares, debentures or other obligations of the Company, until March 31, 2035. This undertaking does not, however, prevent the imposition of any such tax or duty on such persons as are ordinarily resident in Bermuda and holding such shares, debentures or obligations of the Company or of property taxes on Company-owned real property or leasehold interests in Bermuda.

As an exempted company, the Company must pay to the Bermuda government an annual government fee calculated on a sliding-scale basis by reference to its assessable capital, that is, its authorized share capital plus any share premium.

There is no stamp duty or other transfer tax payable upon the transfer of shares in the Company by shareholders.

The United States does not have a comprehensive income tax treaty with Bermuda.

10.5 Documents on Display

We are required to comply with the reporting requirements of the Exchange Act, applicable to a foreign private issuer. We are currently required to file annually a Form 20-F no later than four months after the close of our fiscal year, which is December 31. Any time the Company is delinquent in filing timely any periodic reports, including an Annual Report on Form 20-F, with the SEC, that delinquency may adversely affect the Company's status on any exchange or quotation service on which its shares are listed or quoted and the Company may not be entitled to use certain abbreviated registration statements with the SEC in connection with the registration of any of its securities. We have not been delinquent in filing our annual reports in any of the past five years.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

Our reports and other information, when so filed, may be inspected and copied (at prescribed rates) at the public reference facilities maintained by the SEC at Judiciary Plaza, 100 F Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information. In addition, the SEC maintains a web site that contains information filed electronically with the SEC, which can be accessed over the Internet at <http://www.sec.gov>. We have filed all our reports electronically since November 4, 2002. Such reports can be accessed over the Internet at <http://www.sec.gov>.

In addition, we post certain information regarding the Company and its operations on our website located at www.apwcc.com. Summary information regarding the Company posted on our website should not be considered to be a substitute for, or a restatement of, the more complete information regarding the Company, its results of operations and financial condition set forth in this Annual Report or other documents or information which we may file with the SEC.

Item 11: Quantitative and Qualitative Disclosures About Market Risks

The Company has exposure to several quantitative market risks, including fluctuations in interest rates, foreign currency exchange rates and the pricing of commodities, principally copper, the Company's main raw material. Risk management measures undertaken by the Company include entering into derivative agreements covering foreign exchange rates and copper pricing, as well as copper forward pricing agreements. The Company does not purchase or sell derivative instruments for trading purposes. The Company does not engage in trading activities involving copper contracts for which a lack of marketplace quotations would necessitate the use of fair value estimation techniques.

11.1 Interest Rate Risk

The Company is not currently a party to any derivative instruments to manage interest rate exposure. In the current interest rate environment, the Company does not believe that the limited potential loss limitation protection available through the purchase of interest rate swaps or other derivative instruments against its exposure under floating rate finance facilities merits the cost that would be incurred in those transactions.

11.2 Foreign Currency Risk

The Company has exposure to fluctuations in currency exchange rates. The Company's revenues are generated primarily in the local currency or currencies in its principal operating regions, North Asia, Thailand, and the ROW, which are also its reporting segments. However, nearly all of the costs associated with the purchase of the Company's raw materials, including copper, and its capital expenditures, including ongoing equipment upgrade and maintenance programs, are in U.S. dollars.

As the Company's operating subsidiaries incur operating costs in the local currency where they operate, the Company believes it is prudent that those operating subsidiaries incur indebtedness in the local currency when debt financing is necessary. The amount of indebtedness incurred by our operating subsidiaries from time to time is a function of our business strategy, the attractiveness of borrowing as opposed to other methods of financing operations and tax implications, among other considerations. The Company has exposure to currency exchange risk when the results of its operating subsidiaries are translated from the local currency into the U.S. dollar. At December 31, 2014 and 2015, the other comprehensive income in the total equity section of the consolidated balance sheets included currency translation adjustments of \$(4.3) million and \$(9.7) million, respectively.

11.3 Market Risks Relating to Copper

Copper is the principal raw material we use, accounting for a majority portion of the cost of sales in 2015. We purchase copper at prices based on the average prevailing international spot market prices on the LME for copper for the one month prior to purchase. The price of copper is influenced heavily by global supply and demand as well as speculative trading. As with other costs of production, changes in the price of copper may affect our cost of sales. Whether this has a material impact on our operating margins and financial results depends primarily on our ability to adjust our selling prices to our customers, such that increases and decreases in the price of copper are reflected in those selling prices. The purchase price of our products is based in part on the cost of copper used to manufacture those products. In addition, in the ordinary course of business we maintain inventories of raw materials and finished products reasonably necessary for the conduct of our business. These inventories typically reflect the cost of copper prevailing in the market at the time we purchase. Most of our sales of Manufactured Products reflect copper prices prevailing at the time the products are ordered. A long-term decrease in the price of copper would require the Company to revalue the value of its inventory at periodic intervals to the then market value, which could be below cost. Copper prices have been subject to considerable volatility and it is not always possible to manage our copper purchases and inventory so as to neutralize the impact of copper price volatility. Accordingly, significant volatility in copper prices could have an adverse effect on our operations. No assurance can be given that such volatility will not recur.

11.4 Equity Price Risk

The Company is exposed to equity price risk as a result of our unlisted available-for-sale equity securities. The carrying value of these investments in private companies is subject to fluctuations and their fair market value may be significantly different from the carrying value.

11.5 Fair Value of Designated Market-Sensitive Derivative Contracts

(Not applicable)

Item 12: Description of Securities Other Than Equity Securities

(Not applicable)

Part II

Item 13: Defaults, Dividend Arrearages and Delinquencies

The Company has not experienced any material default in the payment of principal, interest, a sinking or purchase fund installment, or incurred any other material default, not cured within 30 days relating to the Company's or any of its consolidated subsidiaries' indebtedness.

Item 14: Material Modifications to the Rights of Security Holders and Use of Proceeds

(Not applicable)

Item 15: Controls and Procedures

Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of our management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of our disclosure controls and procedures in accordance with the provisions of Rule 13a-15 promulgated under the Securities Exchange Act of 1934, as amended. Based upon that evaluation and for the reasons stated in the management's report on internal control over financial reporting below, our management concluded that our disclosure controls and procedures were effective as of December 31, 2015.

Management's report on Internal Control over Financial Reporting

The Company's management, including our CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. We do not expect that our internal control will prevent all errors and all fraud, or eliminate the possibility of fraudulent conduct. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

The Company's management, including its CEO and CFO, has assessed the effectiveness of our internal control over financial reporting as of December 31, 2015 (the "Assessment Date"). In making its assessment, management used the criteria set forth in Internal Control — Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission. These criteria include the control environment, risk assessment, control activities, information and communication and monitoring of each of the above criteria. Based on this assessment, the Company's management, including its CEO and CFO, concluded that the Company's internal control over financial reporting was effective as of the Assessment Date.

In 2014, our independent registered public accounting firm identified a material weakness in the financial statement closing process. Deficiencies were noted in our controls over complex and non-routine transactions in our financial statement closing process. These deficiencies were attributable to the lack of experience and knowledge of our accounting personnel at the subsidiary in relevant financial accounting and reporting requirements for financial instruments as well as the lack of oversight by senior management. The aggregate effect of these deficiencies represented a material weakness. Based on this assessment, the Company's management, including its CEO and CFO, concluded that the Company's internal control over financial reporting was ineffective as of December 31, 2014.

To remediate the material weakness identified in 2014, we have undertaken the following measures in 2015 to improve our internal controls in the financial statement closing process:

- 1) A new policy titled Regulations Governing the Acquisition and Disposal of Assets was implemented in 2015. The policy stipulates the procedures the Company should follow for dealing with the acquisition and disposal of assets including financial derivatives.
- 2) Strengthened the communication with each subsidiary, with a focus on the identification and accounting of financial derivatives transactions and to make clear the required approval process before entering into a derivatives transaction with a financial institution.
- 3) A review process was implemented for any relevant credit reports to ensure all off balance sheet financial derivatives transactions entered into with a financial institution have been captured by the Company.
- 4) The Company implemented a new accounting system to replace the manual consolidation process. The system will help to accelerate the financial closing process and reduce human error when preparing the Company's consolidated financial statements.

Changes in internal control over financial reporting

Except for the remedial measures described above, there were no changes in our internal control over financial reporting, identified in connection with the evaluation of such internal control that occurred during the last fiscal year, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16A. Audit Committee Financial Expert

During 2010 and until April 29, 2011, the Common Shares of the Company were traded on the over-the-counter bulletin board (“OTCBB”). As of April 29, 2011, the Common Shares of the Company began trading on NASDAQ. While the Company’s Common Shares were traded on the OTCBB, the Company was not required to have an audit committee that met the requirements of, nor was it required to have an audit committee financial expert as contemplated by, Regulation 10A-3 under the Exchange Act. During those periods of time when the Company did not have any independent directors, our full Board of Directors fulfilled the functions of an audit committee pursuant to Section 3(a)(58)(B) of the Exchange Act. For all of 2014 and 2015, our audit committee has consisted of our three independent directors, Mr. Anson Chan, Dr. Yichin Lee and Dr. Lambert L. Ding, with Mr. Chan serving as the Audit Committee’s chairman and financial expert. The Audit Committee of the Company’s Board of Directors meets the requirements set forth in Regulation 10A-3 under the Exchange Act and under the rules of NASDAQ.

Item 16B. Code of Ethics

On April 26, 2005, the Company adopted a code of ethics applicable to its Chief Executive Officer and senior financial officers. A copy of the Company's code of ethics for senior executives is on file with the SEC.

Item 16C. Principal Accountant Fees and Services

Audit Fees

The aggregate fees for fiscal years 2015 and 2014 for professional services rendered by the principal accountant for the audit of the Company's annual financial statements totaled \$0.7 million and \$0.8 million, respectively.

Tax Fees

The aggregate fees for fiscal years 2015 and 2014 for professional services rendered by the principal accountant for tax compliance, tax advice and tax planning totaled approximately \$98 thousand and \$95 thousand, respectively.

All Other Fees

(None)

Audit Committee Approval

The engagement of the accountant to render audit, audit-related and non-audit services is entered into pursuant to pre-approval policies and procedures established in the Charter of the Audit Committee of the Company. Each of the services described in this Item 16C was approved by the Audit Committee.

Item 16D. Exemptions from the Listing Standards for the Audit Committees

The Audit Committee of the Company's Board of Directors consists of three directors, each of whom is independent, as such term is defined in Regulation 10A-3 promulgated under the Exchange Act, and one of whom is a financial expert.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On August 17, 2015, PEWC and its wholly-owned BVI subsidiary, Moon View Ventures Limited ("MVV" and collectively with PEWC, the "Purchasers") acquired from MSD Credit Opportunity Master Fund, L.P., a Cayman Islands partnership ("MSDC"), a total of 1,355,415 Common Shares (the "Purchased Shares") pursuant to a stock purchase agreement (the "Stock Purchase Agreement") among the parties thereto. The Purchased Shares were recorded in the name of, and are beneficially held by, MVV. Other than the transaction consummated pursuant to the Stock Purchase Agreement during 2015, neither the Company nor an "affiliated purchaser" engaged in any purchase of Common Shares or any other securities of the Company.

Item 16F. Change in Registrant's Certifying Accountant

(Not applicable)

Item 16G. Corporate Governance

The Common Shares of the Company are traded on the NASDAQ Global Markets tier. However, as the Company has a more than fifty percent (50%) shareholder, the Company is entitled to rely upon a “controlled company exemption” that exempts it from having a board of directors comprised of a majority of independent directors. At present, a majority of the board of directors of the Company is affiliated with PEWC. The Company also relies on the NASDAQ’s allowance for foreign private issuers to follow home country practices in lieu of the requirement that listed companies have regularly scheduled meetings at which only independent directors are present (“executive sessions”). The independent directors of the Company meet periodically in executive session in their capacity as members of the Audit Committee of the Board of Directors of the Company without other Directors present, but on occasion meet with the independent auditors of the Company present in such executive session, and on occasion meet with members of management present in order to understand more fully management’s analysis of the Company’s financial performance and compliance with relevant corporate governance requirements. These are the only material differences between the Company’s corporate governance practices and the corporate governance practices set forth for domestic companies under the NASDAQ rules on the subject matter.

Item 16H. Mine Safety Disclosure

(Not applicable)

Part III

Item 17: Financial Statements

The Company has elected to provide the financial statements and related information specified in Item 18 in lieu of Item 17.

Item 18: Financial Statements

See pages F-1 – F-80.

Item 19: Exhibits

19.1 Index to Audited Financial Statements

Reports of independent registered accounting firms
Consolidated income statements for the years ended December 31, 2015 and 2014
Consolidated statements of comprehensive income for the years ended December 31, 2015 and 2014
Consolidated balance sheets as of December 31, 2015, December 31, 2014 and December 31, 2013
Consolidated statements of shareholder's equity for the years ended December 31, 2015 and 2014
Consolidated statements of cash flows for the years ended December 31, 2015 and 2014
Notes to consolidated financial statements

19.2 Index to Exhibits

- 1.1 Memorandum of Association of Asia Pacific Wire & Cable Corporation Limited (incorporated by reference to Exhibit 1.1 of the Company's annual report on Form 20-F filed with the Securities and Exchange Commission on June 21, 2001).
- 1.2 Third Amended and Restated Bye-Laws of Asia Pacific Wire & Cable Corporation Limited (incorporated by reference to Exhibit 3.2 of the Company's annual report on Form 20-F filed with the Securities and Exchange Commission on April 30, 2012).
- 4.1 Amended and Restated Shareholders' Agreement dated March 27, 2009 (incorporated by reference to Exhibit 3.4 of the Company's Post-Effective Amendment No. 1 to Form F-1 filed with the Securities and Exchange Commission on April 2, 2009).
- 4.2 Shareholders' Agreement Joinder dated as of July 1, 2011 (incorporated by reference to Exhibit 3.5 of the Company's Post-Effective Amendment No. 8 to Form F-1 on Form F-3 filed with the Securities and Exchange Commission on August 31, 2011).
- 4.3 Composite Services Agreement (incorporated by reference to Exhibit 10.1 of the Company's Form F-1 filed with the Securities and Exchange Commission on November 13, 1996).
- 4.4 Amended and Restated summaries of Joint Venture Agreements (incorporated by reference to Exhibit 4.6 of the Company's annual report on Form 20-F filed with the Securities and Exchange Commission on April 30, 2013).

- 4.5 Loan Facility Agreement between Crown Century Holdings Limited and Bangkok Bank Public Company Limited dated March 17, 2011 (incorporated by reference to Exhibit 10.8 of the Company's Post-Effective Amendment No. 8 to Form F-1 on Form F-3 filed with the Securities and Exchange Commission on August 31, 2011).
- 4.6 Rule 10b5-1 Issuer Purchase Plan (incorporated by reference to the Company's report on Form 6-K filed with the Securities and Exchange Commission on April 25, 2013).
- 4.7 Stock Purchase Agreement dated as of August 17, 2015, by and between Pacific Electric Wire & Cable Co. Ltd., Moon View Ventures Limited and MSD Credit Opportunity Master Fund, L.P. (filed herewith).
- 8 List of significant subsidiaries (see Note 1 to the consolidated financial statements).
- 11 Code of Ethics (incorporated by reference to Exhibit 11 of the Company's annual report on Form 20-F filed with the Securities and Exchange Commission on November 9, 2007).
- 12.1 Certification of Chief Executive Officer of the Company, pursuant to Section 302 of the Sarbanes-Oxley Act (filed herewith).
- 12.2 Certification of Chief Financial Officer of the Company, pursuant to Section 302 of the Sarbanes-Oxley Act (filed herewith).
- 13.1 Certification by Chief Executive Officer of periodic financial report pursuant to 18 U.S.C. Section 1350, as mandated by Section 906 of the Sarbanes-Oxley Act (filed herewith).

- 13.2 Certification by Chief Financial Officer of periodic financial report pursuant to 18 U.S.C. Section 1350, as mandated by Section 906 of the Sarbanes-Oxley Act (filed herewith).
- 15(a) Amended and Restated Audit Committee Charter (incorporated by reference to Exhibit 16.G of the Company's Annual Report on Form 20-F filed with the Securities and Exchange Commission on May 13, 2011).

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

**ASIA PACIFIC WIRE & CABLE
CORPORATION LIMITED**

April 30, 2016

/s/ Yuan Chun Tang
Name: Yuan Chun Tang
Title: Chief Executive Officer

ASIA PACIFIC WIRE & CABLE CORPORATION LIMITED

Audited Consolidated Financial Statements

As of December 31, 2015 and 2014
Years ended December 31, 2015, 2014 and 2013

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Asia Pacific Wire & Cable Corporation Limited:

We have audited the accompanying consolidated balance sheets of Asia Pacific Wire & Cable Corporation Limited (the "Company") as of December 31, 2015 and 2014, and the related consolidated income statements, statements of comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Asia Pacific Wire & Cable Corporation Limited at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ Ernst & Young
Taipei, Taiwan

April 30, 2016

ASIA PACIFIC WIRE & CABLE CORPORATION LIMITED

CONSOLIDATED INCOME STATEMENTS

For the years ended December 31, 2015, 2014 and 2013

	Note	2015 US\$'000	2014 US\$'000	2013 US\$'000
Sales of goods / services	3.14	389,632	451,327	460,676
Cost of sales	7,13	(366,143)	(414,583)	(408,860)
Gross profit		23,489	36,744	51,816
Other operating income	7	1,140	1,135	1,525
Selling, general and administrative expenses	7	(26,882)	(29,479)	(34,559)
Other operating expenses	7	(332)	(2,168)	(196)
Operating profit/(loss)		(2,585)	6,232	18,586
Finance costs	7	(1,547)	(1,697)	(1,734)
Finance income	7	697	1,167	1,306
Share of loss of associates	19	(801)	(338)	(211)
Gain on disposal of investment – held for sale		-	-	232
Loss on disposal of a subsidiary		-	(178)	-
Exchange loss		(4,640)	(206)	(1,245)
Other income	7	119	104	110
Other expense	7	(180)	(49)	(260)
Profit/(Loss) before tax		(8,937)	5,035	16,784
Income tax expense	8	(661)	(2,274)	(5,518)
Profit/(Loss) for the year		(9,598)	2,761	11,266
Attributable to:				
Equity holders of the parent		(8,158)	572	5,847
Non-controlling interests		(1,440)	2,189	5,419
		(9,598)	2,761	11,266
Earnings per share				
► Basic and diluted profit/(loss) for the year attributable to equity holders of the parent	9	\$ (0.59)	\$ 0.04	\$ 0.42

The accompanying notes are an integral part of these consolidated financial statements.

ASIA PACIFIC WIRE & CABLE CORPORATION LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2015, 2014 and 2013

	Note	2015 US\$'000	2014 US\$'000	2013 US\$'000
Profit/(Loss) for the year		(9,598)	2,761	11,266
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations, net of tax of \$0	22	(15,847)	(4,521)	(15,418)
Net gain/(loss) on available-for-sale financial assets		444	(713)	(1,338)
Income tax effect	8	99	214	402
	22	543	(499)	(936)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Re-measuring losses on defined benefit plans	21	(154)	(712)	(51)
Income tax effect	8	(52)	213	15
Defined benefit pension plan, net of tax	22	(206)	(499)	(36)
Other comprehensive loss for the year, net of tax		(15,510)	(5,519)	(16,390)
Total comprehensive loss for the year, net of tax		(25,108)	(2,758)	(5,124)
Attributable to:				
Equity holders of the parent		(17,702)	(4,216)	(5,822)
Non-controlling interests		(7,406)	1,458	698
		(25,108)	(2,758)	(5,124)

The accompanying notes are an integral part of these consolidated financial statements.

ASIA PACIFIC WIRE & CABLE CORPORATION LIMITED
CONSOLIDATED BALANCE SHEETS

	Note	As of December 31,	
		2015	2014
		US\$'000	US\$'000
Assets			
Current assets			
Cash and cash equivalents	10	51,303	68,863
Other current financial assets – at fair value through profit or loss	11	19	-
Trade receivables	12	69,991	88,194
Other receivables	12	17,563	23,024
Due from related parties	23	18,180	24,711
Inventories	13	83,137	107,408
Gross amounts due from customers for contract work-in-progress	14	1,071	1,931
Prepayments		2,258	1,279
Assets classified as held for sale	15	224	-
Other current assets		3,776	2,582
		<u>247,522</u>	<u>317,992</u>
Non-current assets			
Other non-current financial assets – available for sale	11,25	2,862	2,479
Other non-current financial assets – held to maturity	11	306	336
Property, plant and equipment	15	45,898	47,929
Prepaid land lease payments	16	1,737	1,859
Investment properties	17,25	667	757
Intangible assets	18	93	110
Investments in associates	19	1,633	2,571
Other non-current assets		203	88
Deferred tax assets	8	4,481	4,551
		<u>57,880</u>	<u>60,680</u>
Total assets		<u>305,402</u>	<u>378,672</u>

ASIA PACIFIC WIRE & CABLE CORPORATION LIMITED
CONSOLIDATED BALANCE SHEETS

	Note	As of December 31,	
		2015	2014
		US\$'000	US\$'000
Current liabilities			
Interest-bearing loans and borrowings	11	37,701	53,863
Trade and other payables	20	31,690	36,467
Due to related parties	23	8,547	22,208
Due to immediate holding company	23	1,537	1,537
Accruals		10,527	12,060
Current tax liabilities	8	6,031	7,752
Employee benefit liability	21	446	665
Financial lease liabilities	24	22	31
Provisions for employee benefit	21	442	413
Onerous contracts provisions	3.14	79	41
Dividend payable		417	428
Other current liabilities		5,130	12,994
		<u>102,569</u>	<u>148,459</u>
Non-current liabilities			
Employee benefit liability	21	5,859	6,073
Financial lease liabilities	24	51	38
Provisions for employee benefit	21	116	171
Other non-current liabilities		5	-
Deferred tax liabilities	8	2,734	2,720
		<u>8,765</u>	<u>9,002</u>
Total liabilities		<u>111,334</u>	<u>157,461</u>
Equity			
Equity	22		
Issued capital		138	138
Additional paid-in capital		110,608	110,608
Treasury shares		(38)	(38)
Retained earnings		44,180	52,338
Other components of equity		(19,558)	(10,014)
		<u>135,330</u>	<u>153,032</u>
Equity attributable to equity holders of the parent		<u>135,330</u>	<u>153,032</u>
Non-controlling interests	6	58,738	68,179
		<u>194,068</u>	<u>221,211</u>
Total equity		<u>194,068</u>	<u>221,211</u>
Total liabilities and equity		<u>305,402</u>	<u>378,672</u>

The accompanying notes are an integral part of these consolidated financial statements.

ASIA PACIFIC WIRE & CABLE CORPORATION LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2015, 2014 and 2013

	Attributable to the equity holders of the parent									
	Issued capital	Additional paid-in capital	Treasury shares	Retained earnings	Actuarial losses on defined benefit plans	Available-for-sale reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at January 1, 2013	138	110,608	(6)	45,919	(54)	1,402	5,095	163,102	74,058	237,160
Purchase of treasury shares	-	-	(32)	-	-	-	-	(32)	-	(32)
Net income	-	-	-	5,847	-	-	-	5,847	5,419	11,266
Other comprehensive loss	-	-	-	-	(19)	(476)	(11,174)	(11,669)	(4,721)	(16,390)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	(3,877)	(3,877)
Balance at December 31, 2013	138	110,608	(38)	51,766	(73)	926	(6,079)	157,248	70,879	228,127
Net income	-	-	-	572	-	-	-	572	2,189	2,761
Other comprehensive loss	-	-	-	-	(254)	(254)	(4,280)	(4,788)	(731)	(5,519)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	(4,158)	(4,158)
Balance at December 31, 2014	138	110,608	(38)	52,338	(327)	672	(10,359)	153,032	68,179	221,211
Net loss	-	-	-	(8,158)	-	-	-	(8,158)	(1,440)	(9,598)
Other comprehensive loss	-	-	-	-	(109)	277	(9,712)	(9,544)	(5,966)	(15,510)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	(2,035)	(2,035)
Balance at December 31, 2015	138	110,608	(38)	44,180	(436)	949	(20,071)	135,330	58,738	194,068

The accompanying notes are an integral part of these consolidated financial statements.

ASIA PACIFIC WIRE & CABLE CORPORATION LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2015, 2014 and 2013

	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Operating activities:			
Profit/(Loss) before tax	(8,937)	5,035	16,784
Adjustments to reconcile profit/(loss) before tax to net cash provided by operating activities:			
Depreciation	5,598	6,015	5,590
Reversal of impairment loss of investment properties	(12)	(26)	(68)
Amortization of prepaid land lease payments	59	59	59
Gain on disposal of investment property	(32)	-	-
Amortization of intangible assets	36	31	69
Gain on disposal of property, plant and equipment	(41)	(63)	(113)
Gain on disposal of investment - held for sale	-	-	(232)
Loss on disposal of a subsidiary	-	178	-
Noncash other income	-	-	(324)
Adjustment for gain on fair value of derivatives	(20)	-	-
Dividend income	(99)	(104)	(110)
Finance income	(697)	(1,167)	(1,306)
Finance costs	1,547	1,697	1,734
Share of loss of associates	801	338	211
Impairment for trade receivables	332	2,151	196
Impairment (reversal of impairment) for trade receivables for related parties	(16)	17	-
Impairment (write-back of impairment) of inventories	1,481	2,394	(1,046)
Unrealized foreign exchange difference, net	1,430	405	687
Changes in operating assets and liabilities			
Trade and other receivable, net	15,660	7,589	2,999
Inventories	16,020	(15,521)	(5,350)
Prepayment and other current assets	(2,317)	(1,788)	877
Amounts due to/from related parties	(7,589)	4,305	1,696
Other non-current assets	(124)	363	349
Trade and other payables, accruals, other current liabilities and other non-current liabilities	(10,545)	178	3,704
Cash flows provided by operating activities	12,535	12,086	26,406
Dividend received	99	104	110
Interest received	688	1,249	1,334
Interest paid	(1,371)	(699)	(1,420)
Income tax paid	(2,747)	(4,598)	(5,818)
Net cash provided by operating activities	9,204	8,142	20,612
Investing activities:			
Proceeds from disposal of available-for-sale financial assets	-	-	2,378
Purchases of property, plant and equipment	(7,417)	(5,951)	(9,494)
Purchases of intangible assets	(27)	(39)	(15)
Proceeds from disposal of held for sale assets	-	-	1,512
Net cash outflow on disposal of subsidiaries	-	(327)	-
Proceeds from disposal of property, plant and equipment	70	65	157
Proceeds from disposal of investment property	53	-	-
Net cash used in investing activities	(7,321)	(6,252)	(5,462)
Financing activities:			
Dividend paid to non-controlling shareholders of subsidiaries	(2,035)	(4,158)	(3,877)
Repayments of borrowings	(41,553)	(14,535)	(40,818)
Proceeds from borrowings	28,986	26,392	25,521
Share buy-back	-	-	(32)
Change in financial lease liabilities	(31)	(41)	(165)
Net cash provided by (used in) financing activities	(14,633)	7,658	(19,371)
Effect of exchange rate changes on cash and cash equivalents	(4,810)	(3,194)	(6,086)
Net increase (decrease) in cash and cash equivalents	(17,560)	6,354	(10,307)
Cash and cash equivalents at beginning of year	68,863	62,509	72,816
Cash and cash equivalents at end of year	51,303	68,863	62,509

The accompanying notes are an integral part of these consolidated financial statements.

1. PRINCIPAL ACTIVITIES AND CORPORATE INFORMATION

Asia Pacific Wire & Cable Corporation Limited (“APWC” or the “Company”), which is a subsidiary of Pacific Electric Wire & Cable Co., Ltd. (“PEWC”), a Taiwanese company, was incorporated as an exempted company in Bermuda on September 19, 1996 under the Companies Act 1981 of Bermuda (as amended) for the purpose of acting as a holding company. The Company is principally engaged in owning operating companies engaged in the power cable, telecommunication cable, enameled wire and electronic cable industry. The Company’s registered office is located at Canon’s Court, 22 Victoria Street, Hamilton HM EX, Bermuda. The Company’s executive business office is presently located in Taipei, Taiwan.

The Company’s operating subsidiaries (the “Operating Subsidiaries”) are engaged in the manufacturing and distribution of telecommunications, power cable and enameled wire products in Singapore, Thailand, Australia, the People’s Republic of China (“PRC”) and other markets in the Asia Pacific region. Major customers of the Operating Subsidiaries include government organizations, electric contracting firms, electrical dealers, and wire and cable factories. The Company’s Operating Subsidiaries also engage in the distribution of certain wire and cable products manufactured by PEWC and third parties. The Company also provides project engineering services in supply, delivery and installation (the “SDI”) of power cable to certain of its customers.

Since 1997, the Company has been a U.S. public company with its common shares registered with the Securities and Exchange Commission (the “SEC” or the “Commission”). On April 29, 2011, the Company’s common shares commenced trading on NASDAQ Capital Market tier.

On February 15, 2013, the Company’s common shares started trading on the NASDAQ Global Market tier.

In 2007, a U.S. private equity firm (the “PE Investor”) acquired, indirectly through a special purpose investment vehicle, 20% of the issued and outstanding common shares from a foreign private equity firm. In 2009, the PE Investor caused a sale of a portion of its indirect ownership interest in the Company such that the PE Investor then held indirectly, on a post-sale basis, 9.8% of the issued and outstanding common shares of the Company.

On August 17, 2015, the PE Investor caused its special investment vehicle to sell its remaining 9.8% of the issued and outstanding shares of the Company to PEWC. PEWC is currently holding 75.4% of the equity of the Company. As of December 31, 2015, there are no contracts, arrangements, understandings or relationships (legal or otherwise) between PEWC and any person with respect to any securities of the Company, including, but not limited to, transfer or voting of any the securities, finder’s fees, joint ventures, loan or option agreements, puts or calls, guarantees of profits, divisions of profits or loss, or the giving or withholding of proxies.

Share Capital

On September 8, 2008, the Company’s shareholders approved an increase to the authorized share capital from 20,000,000 common shares, par value \$0.01 per share, to 50,000,000 common shares, par value \$0.01 per share.

Share Capital Repurchase Program

The Company’s board of directors authorized a share capital repurchase program for its common shares on August 28, 2012, up to \$2 million worth of its common shares over the next twelve months. During 2012 and 2013, the Company repurchased 11,100 shares with total considerations of \$38 until the Company suspended the share capital repurchase program as of June 30, 2013. The Company records the value of its common shares held in the treasury at cost.

1. PRINCIPAL ACTIVITIES AND CORPORATE INFORMATION (continued)

On August 13, 2014, the Company announced that its Board of Directors had authorized the future implementation of a share repurchase program of up to \$1 million worth of its Common Shares. The Company did not announce a commencement date for that future share repurchase program and, to date, it has not yet been implemented.

2. BASIS OF PREPARATION

2.1 The consolidated financial statements are prepared in accordance with International Financial Reporting Standard (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements for the year ended December 31, 2013 were the first the Company has prepared in accordance with IFRS as issued by IASB.

The financial statements have been prepared on a historical basis except where otherwise disclosed in the accounting policies. The consolidated financial statements are presented in U.S. Dollars and all values are rounded to the nearest thousand (US\$'000), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2015 and 2014, and the results of operations of the Company and all subsidiaries for the years ended December 31, 2015, 2014 and 2013.

Subsidiaries are fully consolidated from the date of acquisition (the date on which the Company obtains control), and continue to be consolidated until the date that such control ceases. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statements, statements of comprehensive income, statements of changes in equity and balance sheets respectively. Total comprehensive income (loss) within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

- ▶ Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- ▶ Derecognizes the carrying amount of any non-controlling interest
- ▶ Derecognizes the cumulative transaction differences recorded in equity
- ▶ Recognizes the fair value of the consideration received
- ▶ Recognizes the fair value of any investment retained
- ▶ Recognizes any surplus or deficit in profit or loss
- ▶ Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liability.

2. BASIS OF PREPARATION (continued)

2.2 Basis of consolidation (continued)

The subsidiaries of the Company are set out below:

Place of incorporation and operations	Percentage of equity interest	
	As of December 31,	
	2015	2014
The British Virgin Islands		
APWC General Holdings Limited	100%	100%
PRC (APWC) Holding Ltd.	100%	100%
Samray Inc.	100%	100%
Siam (APWC) Holdings Ltd.	100%	100%
Moon View Ltd.	100%	100%
Trigent Investment Holdings Limited	100%	100%
Crown Century Holdings Ltd.	100%	100%
Singapore		
Sigma Cable Company (Private) Limited (“Sigma Cable”)	98.30%	98.30%
Sigma-Epan International Pte Ltd. (“Sigma-Epan”) (under liquidation)	100%	100%
Epan Industries Pte Ltd.	98.30%	98.30%
Singvale Pte Ltd.	100%	100%
Malaysia		
Sigma-Epan Malaysia Sdn. Bhd. (under liquidation)	100%	100%
The People’s Republic of China (“PRC”)		
Ningbo Pacific Cable Co., Ltd. (“Ningbo Pacific”)	100%	100%
Shanghai Yayang Electric Co., Ltd. (“SYE”)	66.35%	66.35%
Pacific Electric Wire & Cable (Shenzhen) Co., Ltd. (“PEWS”)	100%	100%
Hong Kong		
Crown Century Holdings Limited (“CCH (HK)”)	100%	100%
Australia		
Australia Pacific Electric Cable Pty Limited (“APEC”)	99.40%	99.40%

2. BASIS OF PREPARATION (continued)**2.2 Basis of consolidation (continued)**

Place of incorporation and operations	Percentage of equity interest	
	As of December 31,	
	2015	2014
Thailand		
Charoong Thai Wire and Cable Public Company Limited (“Charoong Thai”)	50.93%	50.93%
Siam Pacific Electric Wire & Cable Company Limited (“Siam Pacific”)	50.93%	50.93%
Double D Cable Company Limited (“Double D”)	50.93%	50.93%
Hard Lek Limited.	73.98%	73.98%
APWC (Thailand) Co., Ltd.	99.48%	99.48%
PEWC (Thailand) Co., Ltd.	99.48%	99.48%
CTW Beta Co. Ltd.	50.89%	50.89%
Siam Fiber Optics Co. Ltd.	30.56%	30.56%

* Charoong Thai is listed on the Stock Exchange of Thailand and is engaged in the manufacturing of wire and cable products for the power and telecommunications industries in Thailand.

Changes in ownerships in subsidiaries during the years ended December 31, 2015 and 2014 included the following:

- (a) On January 13, 2014, Sigma-Epan sold its 100% interest in the Epan Industries to Sigma Cable for a total cash consideration of S\$1. APWC effective interest in Epan Industries decreased from 100% to 98.30%.

Sigma-Epan has gone into voluntary liquidation process after disposal of Epan Industries.

- (b) On August 5, 2014, CCH (HK) sold its 100% interest of Pacific Electric Wire & Cable (Hong Kong) Limited (“PEWC (HK)”) to Dragon Conqueror Ltd. (a PEWC subsidiary) for a total consideration of US\$220,154. PEWC (HK) became an affiliated company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheets based on current and non-current classification. An asset is current when it is:

- ▶ Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- ▶ Held primarily for the purpose of trading;
- ▶ Expected to be realized within twelve months after the reporting period; or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in a normal operating cycle;
- ▶ It is held primarily for the purpose of trading;
- ▶ It is due to be settled within twelve months after the reporting period; or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.2 Operating profit

The operating profit is the profit earned from core business operations, and does not include any profit earned from investment and the effects of interest and taxes.

3.3 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. In addition, fair values of financial instruments measured at amortized cost are disclosed in Note 11.4.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Fair value measurement (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.4 Cash and Cash Equivalents

Cash and cash equivalents in the consolidated balance sheet comprise of cash at banks and highly liquid investments with purchased maturities of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents are net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.5 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads based on the normal operating capacity. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and the estimated cost necessary to make the sale.

3.6 Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Spare parts and servicing equipment are usually carried as inventory and recognized in profit or loss as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them for more than one year.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. A provision shall be recognized when:

- (a) an entity has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Property, Plant and Equipment (continued)

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

▶ Buildings	20-30 years
▶ Building improvement	5-20 years
▶ Machinery and equipment	5-15 years
▶ Motor vehicles	3-10 years
▶ Office equipment	3-10 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The assets' residual values (presumably nil), useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Impairment

If circumstances arise which indicate assets might be impaired, a review should be undertaken of their cash generating abilities through either use or sales. This review will produce an amount, which should be compared with the asset's carrying value, and if the carrying value is higher, the difference must be written off as an impairment adjustment in the income statement. Further detailed methodology used for an impairment test is given in Note 3.11 - Impairment of non-financial assets.

3.7 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Company, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases

Operating lease payments are recognized as an operating expense in the income statement on a straight-line basis over the lease term.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognized on the straight-line basis over the lease terms. The prepaid land lease payments are presented as current or non-current assets on the face of balance sheet, depending on the amount to be recognized less or more than twelve months after the reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Borrowing Costs

Borrowing costs are required to be capitalized as part of the cost of the asset if they are directly attributable to the acquisition, construction or productions of a qualifying asset (whether or not the funds have been borrowed specifically). All other borrowing costs are recognized as an expense in the period in which they are incurred.

A qualifying asset is an asset that necessarily takes a substantial period to get ready for its intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs include:

- ▶ interest expense calculated using the effective interest method;
- ▶ finance charges in respect of finance leases; and
- ▶ exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Exchange differences are generally regarded as borrowing costs only to the extent that the combined borrowing costs, including exchange differences, approximate the amount of borrowing costs on functional currency equivalent borrowings.

For specific borrowings, the borrowing costs eligible for capitalization are the actual borrowing costs incurred related to funds that are borrowed specifically to obtain a qualifying asset less any investment income earned on the temporary investment of those borrowings.

For general borrowings, the capitalization rate applied to borrowing costs on the consolidation level will be based on cash management strategy, which might be the weighted average of the group borrowings outstanding during the period.

3.9 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at historical cost less provisions for depreciation and impairment. Additional costs incurred subsequent to the acquisition of an asset increase the carrying amount of the asset or recognized as a separate asset if it is probable that future economic benefits associated with the assets will flow into the Company and the cost of an asset can be measured reliably. Routine maintenance and repairs are expensed as incurred. While land is not depreciated, all other investment property is depreciated based on the respective assets estimated useful lives ranging from 20 to 30 years using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income or loss in the period in which the property is derecognized.

International Accounting Standards ("IAS") 40 requires disclosures about the fair value of any investment property recorded at cost. See Note 17 – Investment Properties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial Instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the income statement.

Derivatives not designated as hedging instruments

A derivative is a financial instrument or other contract within the scope of IAS 39 with all of the following characteristics:

- (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');
- (b) it requires no initial net investment, or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- (c) it is settled at a future date.

Fair value is the measurement basis for all financial instruments meeting the definition of a derivative. Change in fair value of non-hedged item is recorded in profit and loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial Instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (“EIR”) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the other operating expenses for receivables.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortized cost using the EIR, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income or finance cost in the income statement. The losses arising from impairment are recognized in the income statement as finance costs.

Available-for-sale financial assets

Available-for-sale financial assets include equity investments and debt securities. Equity investments classified as available for sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the income statement in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as finance income using the EIR method.

For a financial asset reclassified out of the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortized cost and any previous gain or loss on the asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is recognized in the income statement.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial Instruments (continued)

Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(ii) Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial Instruments (continued)

(ii) Impairment of financial assets (continued)

Trade receivables impairment

For trade receivables, impairment assessment is performed firstly on an individual basis:

A financial asset is impaired (and impairment losses are determined) if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the holder about the following loss events:

- ▶ significant financial difficulty of the issuer or obligor;
- ▶ breach of contract, such as a default or delinquency in interest or principal payments;
- ▶ the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that would not otherwise be considered;
- ▶ it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- ▶ the disappearance of an active market for that asset because of financial difficulties (but not simply because the asset is no longer publicly traded); or
- ▶ observable data indicating that there is a measurable decrease in the estimated future cash flows from a Company of financial assets since initial recognition, although the decrease cannot yet be identified with the individual assets in the Company, including:
 - adverse changes in the payment status of borrowers in the Company (e.g. an increased number of delayed payments); or
 - national or local economic conditions that correlate with defaults on the assets in the Company.

For trade receivables that have been individually assessed, but for which there is no objective evidence of impairment, the review for impairment is performed on a group basis, based on similar credit risk characteristics.

Available-for-sale financial assets

For available-for-sale financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. The Company's policy considers a significant decline to be one in which the fair value is below the weighted average original cost by more than 20%. A prolonged decline is considered to be one in which the fair value is below the weighted average original cost for a period of more than 12 months. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement – is removed from other comprehensive income and recognized in the income statement. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized directly in other comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial Instruments (continued)

Available for sale financial assets (continued)

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

(iii) Financial liabilities

Financial liabilities initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts and interest-bearing loans and borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the income statement.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial Instruments (continued)

(v) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- ▶ Using recent arm's length market transactions
- ▶ Reference to the current fair value of another instrument that is substantially the same
- ▶ A discounted cash flow analysis or other valuation models

3.11 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash flows from other assets or groups of assets. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the income statement in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized 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 recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Intangible assets

Computer software

The costs of acquiring software is capitalized separately as an intangible asset on the basis of the costs incurred to acquire and bring to use the specific software. Acquired software (licenses) is stated at cost less accumulated amortization and impairment losses.

Amortization of software applications is charged to operating expenses and/or cost on a straight-line basis over their estimated useful lives, from the date they are available for use.

The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

3.13 Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- ▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- ▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Taxes (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Uncertain tax position

An entity's tax position might be uncertain; for example, where the tax treatment of an item of expense or structured transaction may be challenged by the tax authorities.

The Company considers each uncertain tax positions individually, by first considering whether each position taken in the tax return is probable of being sustained on examination by the taxing authority, and recognizing a liability for each item that is not probable of being sustained. The liability then is measured using a single best estimate of the most likely outcome. The uncertain tax positions are presented in the current tax liabilities.

The Company's policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense.

3.14 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of manufactured goods and distributed products

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

SDI

The Company's supply, delivery and installation services are considered as multiple elements arrangements and are accounted for in accordance with IAS 18. The sale of cables and the installation service are considered as one single arrangement.

Revenue of SDI is accounted for using the percentage-of-completion method, based on the customer certification of the length of cable laid with respect to the estimated total length of cable under the contract in accordance with IAS 11.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Revenue recognition (continued)

When the current estimates of total contract revenue and contract cost indicate a loss, a provision for the entire loss on the contract is made. Provision for losses is recognized in the period in which they become evident. On a quarterly basis, the Company reviews the budget and forecast whether a loss provision should be recorded.

Onerous operating contracts

Onerous contract is a type of contract in which the costs of meeting the obligations under the contract are higher than the economic benefits received under the contract.

The Company has contracts to supply products that cost more to produce than originally determined in the contracts due to a rise in raw material costs. The Company established the unavoidable costs of meeting the obligations under the contract as a liability for the contractual responsibilities. The liability has been calculated based on the difference between the copper price on the London Metal Exchange (the "LME") at reporting date and the prices determined in the contracts. As of December 31, 2015 and 2014 the amount of onerous contracts were \$79 and \$41, respectively.

Bill and hold transaction

For a 'bill and hold' sales transaction, where delivery is delayed at the buyer's request, but the buyer takes title and accepts billing, the Company's policy is not to recognize revenue until the delivery is made.

Payment received on the revenue of undelivered goods under bill and hold arrangements are recorded on the balance sheet as other current liabilities, as of December 31, 2015 and 2014 amounted to \$3,677 and \$11,202, respectively.

Rebates

Based on IAS 18, the amount of revenue arising on a transaction is usually determined by agreement between the entity and the buyer or user of the asset. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity. Consequently, where an entity provides sales incentives to a customer when entering into a contract these are usually treated as rebates and will be included in the measurement of (i.e. deducted from) revenue when the goods are delivered or services provided.

Provisions for rebates based on attainment of sales targets are estimated and accrued as each of the underlying sales transactions is recognized.

Provision for rebate should only be recorded when there is a contractually formal signed rebate contract exists.

At interim dates, if no reliable estimate can be made, the revenue recognized on the transaction should not exceed the consideration that would be received if the maximum rebates were taken. Therefore, the Company assumes that the customers will achieve the necessary sales volume target to earn the maximum rebate. The provisions are subject to continuous review and adjustment as appropriate based on the most recent information available to management.

As of the balance sheet date, the Company recalculates and adjusts the provision for rebate based on the actual sales.

Interest income

For all financial assets measured at amortized cost, interest income is recorded using EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature.

Dividends

Dividend revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Foreign currencies

The Company's consolidated financial statements are presented in USD, which is also the parent company's functional currency. For each entity the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

Translation to the presentation currency

The results and financial position of an entity whose functional currency are translated into a different presentation currency using the following procedures:

- a. assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- b. income and expenses for each statement presenting profit or loss and other comprehensive income (ie including comparatives) are translated at exchange rates at the dates of the transactions;
- c. all resulting exchange differences shall be recognized in other comprehensive income; and
- d. for equity items, the historical rate is used; therefore, these equity items are not retranslated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Employee benefits

The Company has both defined contribution and defined benefit obligation. The liabilities of the Company arising from defined benefit obligations, and the related current service cost, are determined using the projected unit credit method.

For defined benefit plans, the cost charged to the income statement consists of current service cost, net interest cost and past service cost. Re-measurements, comprising of actuarial gains and losses but excluding net interest are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Contributions to defined contribution plans are charged to the income statement as incurred. All past service costs are recognized at the earlier of when the amendment occurs.

Compensated absence

The cost of accumulating paid absences is recognized when employees render the service that increases their entitlement to future paid absences.

The cost of accumulating paid absences is measured as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

3.17 Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the net income attributable to shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held.

In calculating diluted EPS, the number of shares should be that used in calculating the basic EPS, plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential common shares into common shares. The earnings figure should be that used for basic EPS adjusted to reflect any post-tax effects from changes that would arise if the potential shares outstanding in the period were actually issued.

3.18 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified and no dividends are allocated to them.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Investments in an associate

The Company's investment in its associates are accounted for using the equity method. An associate is an entity in which the Company has significant influence. Under the equity method, the investment is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the Company's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. When there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The Company's share of profit or loss of an associate is shown on the face of the income statement and represents profits or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. The Company determines at each reporting date whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in share of losses of associates in the income statement.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

3.20 Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other income on a systematic basis over the periods that the related costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as an liability in equal amounts over the expected useful life of the related asset.

3.21 Non-current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale/distribution to owners if their carrying amounts will be recovered principally through a sale/distribution rather than through continuing use. Non-current assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortized.

When equity method investments are classified as held for sale, the investor discontinues the use of the equity method from the date that the investment (or the portion of it) is classified as held for sale; instead, the associate or joint venture is then measured at the lower of its carrying amount and fair value less cost to sell.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Significant accounting judgements, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Bill and hold transaction

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer, usually on delivery of the goods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

At each reporting date or whenever events indicate that the asset's value has declined or significant changes in the market with an adverse effect have taken place, the Company assesses whether there is an indication that an asset in the scope of IAS 36 may be impaired. If any indication exists, the Company completes impairment testing for the CGU to which the individual assets belong. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount of an individual asset or CGU is the higher of fair value less costs to sell and its value in use. The fair value less costs of disposal calculation is based on available data from binding sale arrangements, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposal of the assets. The value in use is measured at the net present value of the future cash flows the entity expects to derive from the asset or CGU. Cash flow projection involves subjective judgments and estimates which include the estimated useful lives of property, plant and equipment, capacity that generates future cash flows, capacity of physical output, potential fluctuations of economic cycle in the industry and the Company's operating situation.

Fair value disclosure of investment properties

The Company carries its investment properties at cost, and discloses the fair value of the investment properties in footnotes. The Company engaged an independent valuation specialist to assess fair value. The valuation has been made on the assumption to sell the property interests on the open market in the neighborhood without the benefit of any deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property interests. The method of valuation used to determine the fair value of the investment properties is provided in Note 17.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Significant accounting judgements, estimates and assumptions (continued)

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including income approach (for example, the discounted cash flows model) or the market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 11 for more details.

Impairment of trade receivables

The Company maintains an allowance for estimated loss arising from the inability of its customers to make the required payments. The Company makes its estimates based on the ageing of its trade receivable balances, customers' creditworthiness, historical write-off experience and recovery of collateral. If the financial condition of its customers was to deteriorate so that the actual impairment loss might be higher than expected, the Company would be required to revise the basis of making the allowance and its future result would be affected.

Refer to Note 12 and Note 26 for more information regarding the impairment of trade receivables and the related credit risks.

Net realizable value of inventory

Net realized value is the estimated selling price in the ordinary course of business less estimated costs to completion and the estimated costs necessary to make the sale. Management makes reference to actual sales prices after reporting date when making their estimate of net realizable value.

Refer to Note 13 for more information regarding the net realizable value of inventory.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Company companies.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

As of December 31, 2015, the Company has \$15,110 (2014: \$7,730) of tax losses carried forward. These losses related to subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Company except for \$892 (2014: \$40) that will be realized. The subsidiaries do not have any tax planning opportunities available that could support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward.

If the Company was able to recognize all unrecognized deferred tax assets, profit and equity would have increased by \$3,327 (2014: \$2,815; 2013: \$1,566). Further details on taxes are disclosed in Note 8.

Post-employment benefits under defined benefit plans

In accordance with the Thailand labor law, Charoong Thai and its subsidiaries are obliged to make payment to retiring employees, at rate of 1 to 10 times of their monthly salary rate, depending on the length of service. In addition, Charoong Thai also has the extra benefit plan to make payment to qualified retiring employees 29 times of their final monthly salary.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Significant accounting judgements, estimates and assumptions (continued)

Post-employment benefits under defined benefit plans (continued)

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the limited corporate bond in Thailand, taken into account the yields on Thai Government Bonds and extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on most recent mortality investigation on policyholders of life insurance companies in Thailand. Future salary increases and pension increases are based on expected future inflation rates derived from external economic data and together with historical experience of Charoong Thai.

Further details about the assumptions used, including a sensitivity analysis, are given in Note 21.

Revenue recognition of SDI projects

Changes in percentage of completion would result in changes in contract revenue and costs recognized in the statement of comprehensive income during the year. Significant estimation by management is also required in assessing the recoverability of the contracts based on estimated total contract revenue and contract costs. In making the estimation, management's evaluation is based on the actual level of work performed and past experience.

The carrying amount of the Company's gross amounts due from customers for contract work-in-progress is disclosed in Note 14.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 15 Revenue from contracts with customers

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*. According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to the entity expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, this is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment. In addition, the new standard requires a set of quantitative and qualitative disclosures to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts with customers. IFRS 15 supersedes IAS 11, *Construction Contracts* and IAS 18, *Revenue* as well as related interpretations. On September 11, 2015, the IASB issued an amendment formalizing the deferral of the effective date by one year to January 1, 2018. Earlier application is permitted. The Company is currently assessing the impact of the standard on its consolidated financial statements.

Accounting for Acquisitions of interests in Joint Operations-Amendments to IFRS 11

In May 2014, the IASB issued an amendment to IFRS 11, *Joint Arrangements*, entitled *Accounting for Acquisitions of Interest in Joint Operations*. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and requires the application of IFRS 3, *Business Combinations*, for such acquisitions. The amendment is effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The Company does not expect the amendments to have an impact on its consolidated financial statements.

Clarification of Acceptable Methods of Depreciation and Amortization- Amendments to IAS 16 and IAS 38

In May 2014, the IASB issued amendments to IAS 16, *Property, Plant and Equipment*, and IAS 38, *Intangible Assets*, entitled *Clarification of Acceptable Methods of Depreciation and Amortization*. Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate, because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. These amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The Company does not expect these amendments to have an impact on its consolidated financial statements.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, which replaces the guidance in IAS 39, *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. This final version includes requirements on: (1) classification and measurement of financial assets and liabilities; (2) impairment; and (3) hedge accounting. IFRS 9 introduces a single approach for the classification and measurement of financial assets according to their cash flow characteristic and the business model they are managed in, and provides a new impairment model based on expected credit losses. IFRS 9 also includes new regulations regarding the application of hedge accounting to better reflect an entity's risk management activities especially with regard to managing non-financial risks. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company is currently assessing the impact of the standard on its consolidated financial statements.

Sales or Contribution of Assets between an investor and its Associate or Joint Venture-Amendments to IFRS 10 and IAS 28

In September 2014, the IASB issued amendments to IFRS 10, *Consolidated Financial Statements* and IAS 28, *Investments in Associates and Joint Ventures*, entitled *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*. These narrow scope amendments clarify, that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not), and a partial gain or loss is recognized when a transaction involves assets that do not constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The Company does not expect the amendments to have an impact on its consolidated financial statements.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Investment Entities: Applying the Consolidated Exception-Amendments to IFRS 10, IFRS 12 and IAS 28

In December 2014, IASB issued narrow scope amendments to IFRS 10, *Consolidated Financial Statements*, IFRS 12, *Disclosure of Interests in Other Entities* and IAS 28, *Investments in Associates and Joint Ventures*. These amendments introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The Company does not expect the amendments to have an impact on its consolidated financial statements.

Disclosure Initiative – Amendments to IAS 1

In December 2014, IASB issued the amendments to IAS 1, *Presentation of Financial Statements*. The amendments mark the completion of the five narrow-focus improvements to disclosure requirements include (1) amended guidance on materiality in IAS 1 to clarify that immaterial information can detract from useful information, materiality applies to the whole of the financial statements and materiality applies to each disclosure requirement in an IFRS; and (2) amended guidance on the order of the notes, including accounting policies to remove language from IAS 1 that has been interpreted as prescribing the order of notes to the financial statements and clarify that entities have flexibility about where they disclose accounting policies in the financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The Company does not expect the amendments to have a material impact on its consolidated financial statements.

IFRS 16 Lease

In January 2016, IASB issued IFRS 16 Leases which will replace IAS 17 Leases. The new standard specifies how to recognize, measure, present and disclose leases. The standard provides for a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting will still use the dual classification approach to classify each lease as an operating lease or a finance lease. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted if IFRS 15 is also applied. The Company is currently assessing the impact of the standard on its consolidated financial statements.

Disclosure Initiative – Amendment to IAS 7

In January 2016, IASB issued the amendments to IAS 7, *Statement of Cash Flows*. The amendments relate to changes in liabilities arising from financial activities and to require a reconciliation of the carrying amount of liabilities at the beginning and end of the annual period. The amendment is effective for annual periods beginning on or after January 1 2017 and is expected to increase the disclosures for the consolidated financial statements.

5. SEGMENT INFORMATION

For management purposes, the Company organizes its business segments along regional lines and has three operating segments, consisting of the North Asia region, the Thailand region and the Rest of the World (“ROW”) region.

Each segment engages in business activities generating revenues and incurring expenses. Each segment generates a management report which contains its own financial information and submits to the Company’s chief operating decision maker (“CODM”) for review on a monthly basis. The Company’s Chief Executive Officer (“CEO”) and Chief Operating Officer (“COO”) are the ones who review all the management reports provided by each segment, makes the decisions on how the resources are to be allocated and assesses the operating performances based on the reports. Each reporting segment has a segment manager who is in charge of the business operations in such region and regularly contacts the Company’s CEO and COO to discuss operational-related matters.

As the three operating segments exceed the quantitative thresholds, they are also reportable segments.

In 2014, the Company changed the structure of its internal organization, which caused the composition of its operating segments to change. The segment information was restated retroactively to reflect the change.

5. SEGMENT INFORMATION (continued)

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The accounting policies for segment information, including transactions entered between segments are generally the same as those described in the summary of significant accounting policies.

Inter-segment revenues are eliminated upon consolidation and reflected in the “adjustments and eliminations” column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Year ended December 31, 2015	North Asia	Thailand	ROW	Total segments	Corporate expense adjustments and eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sales of goods / services						
External customers	90,237	165,354	134,041	389,632	-	389,632
Inter-segment	2,381	1,502	-	3,883	(3,883)	-
Segment net loss	(2,364)	(1,148)	(673)	(4,185)	(5,413)	(9,598)
Depreciation and amortization	(1,511)	(2,699)	(1,480)	(5,690)	(3)	(5,693)
Interest income	15	621	77	713	(16)	697
Interest expense	(804)	(467)	(40)	(1,311)	7	(1,304)
Income tax (expense)/benefit	524	(703)	(300)	(479)	(182)	(661)
Other disclosures						
Capital expenditure	594	6,409	427	7,430	14	7,444
Year ended December 31, 2014	North Asia	Thailand	ROW	Total segments	Corporate expense adjustments and eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sales of goods / services						
External customers	114,836	166,864	169,627	451,327	-	451,327
Inter-segment	1,665	53	-	1,718	(1,718)	-
Segment net income (loss)	(2,181)	6,338	7,571	11,728	(8,967)	2,761
Depreciation and amortization	(1,385)	(3,068)	(1,646)	(6,099)	(6)	(6,105)
Interest income	38	1,036	90	1,164	3	1,167
Interest expense	(846)	(427)	(91)	(1,364)	(9)	(1,373)
Income tax expense	583	(1,834)	(552)	(1,803)	(471)	(2,274)
Other disclosures						
Capital expenditure	2,154	3,159	677	5,990	-	5,990

5. SEGMENT INFORMATION (continued)

Year ended December 31, 2013	North Asia	Thailand	ROW	Total segments	Corporate expense adjustments and eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sales of goods / services						
External customers	69,347	175,347	215,982	460,676	-	460,676
Inter-segment	43,136	117	38,724	81,977	(81,977)	-
Segment net income (loss)	(2,000)	10,969	5,851	14,820	(3,554)	11,266
Depreciation and amortization						
Depreciation and amortization	(1,063)	(2,947)	(1,675)	(5,685)	(33)	(5,718)
Interest income	67	1,101	135	1,303	3	1,306
Interest expense	(735)	(517)	(95)	(1,347)	(11)	(1,358)
Income tax expense	(328)	(2,969)	(1,726)	(5,023)	(495)	(5,518)
Other disclosures						
Capital expenditure	3,817	4,606	1,086	9,509	-	9,509

Adjustments and eliminations

Corporate expenses, gain on disposal of investment, and share of gain (loss) of associates are not allocated to individual segments as the underlying instruments are managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, and intangible assets.

Reconciliation of profit

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Segment net income (loss)	(4,185)	11,728	14,820
Corporate expense	(4,182)	(4,103)	(3,136)
Gain on disposal of investment held for sale	-	-	232
Loss on disposal of a subsidiary	-	(178)	-
Share of net loss of associates	(801)	(338)	(211)
Net gain on financial instruments	20	-	-
Inter-segment profit (elimination)	(268)	(3,877)	56
Tax expenses	(182)	(471)	(495)
Profit (Loss) after tax	(9,598)	2,761	11,266

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5. SEGMENT INFORMATION (continued)

	North Asia	Thailand	ROW	Total segments	Corporate expense adjustments and eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As of December 31, 2015						
Total assets	64,087	146,031	91,511	301,629	3,773	305,402
Total liabilities	35,860	43,582	29,988	109,430	1,904	111,334
As of December 31, 2014						
Total assets	74,686	194,231	98,517	367,434	11,238	378,672
Total liabilities	41,917	75,590	33,254	150,761	6,700	157,461

Reconciliation of assets:

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Segment operating assets	301,629	367,434
Corporate and other assets	3,382	4,828
Investment in associates	1,633	2,571
Deferred tax assets	4,481	4,551
Inter-segment elimination	(5,723)	(712)
Total assets	305,402	378,672

Reconciliation of liabilities:

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Segment operating liabilities	109,430	150,761
Corporate liabilities	4,487	4,877
Deferred tax liabilities	2,734	2,720
Inter-segment elimination	(5,317)	(897)
Total liabilities	111,334	157,461

5. SEGMENT INFORMATION (continued)

Revenue from external customers is attributed to individual countries based on the customer's country of domicile and is summarized as follows:

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Revenues from external customers			
Thailand	128,213	141,661	154,646
Singapore	90,960	115,399	109,790
Australia	36,731	48,706	61,463
PRC	93,718	125,131	116,497
Vietnam	6,170	8,037	6,436
Southeast Asia	33,831	12,393	11,844
Northeast Asia	9	-	-
	389,632	451,327	460,676

Countries in the Southeast Asia region include Cambodia, Indonesia, India, Laos, Malaysia and Myanmar.

Countries in the Northeast Asia region include Japan and South Korea.

Major customer information

Revenue from one customer amounted to \$42,279 (2014: \$47,175; 2013: \$58,984) represent 10.9% (2014: 10.5%; 2013: 12.8%), arising from sales in the ROW segment.

Long-lived assets by the country of domicile are summarized as follow:

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Long-lived assets by area:		
Thailand	24,953	23,574
North Asia	12,370	14,029
ROW	11,059	13,050
Corporate	13	2
Total long-lived assets	48,395	50,655

6. MATERIAL PARTLY-OWNED SUBSIDIARIES

The Company has a subsidiary with material non-controlling interests (“NCI”). Information regarding the subsidiary is as follows:

Proportion of equity interest held by NCI:

Name	Country of incorporation and operation	As of December 31,	
		2015	2014
Charoong Thai and its subsidiaries (“CTW Consolidated”)	Thailand	49.07%	49.07%
SYE	China	33.65%	33.65%

From APWC group perspective, SYE is considered an entity with material non-controlling interests and should be separated from Charoong Thai group.

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Accumulated balances of material NCI:		
CTW Consolidated	54,800	62,479
SYE	1,724	2,192

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Profit / (loss) of material NCI:			
CTW Consolidated	(5,647)	2,874	1,029
SYE	(364)	(953)	(254)

6. MATERIAL PARTLY-OWNED SUBSIDIARIES (continued)

The summarized financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations:

Summarized income statements for 2015:

	CTW consolidated	SYE
	US\$'000	US\$'000
Revenues	167,462	30,120
Cost of sales	(158,037)	(29,171)
Administrative expenses	(6,744)	(1,422)
Finance costs	(653)	(555)
Others	(2,981)	(54)
Profit/(loss) before tax	(953)	(1,082)
Income tax	(703)	-
Profit/(loss) for the year	(1,656)	(1,082)
Total comprehensive income/(loss)	(11,509)	(1,082)
Profit/(loss) attributable to non-controlling interests	(5,647)	(364)
Dividends paid to non-controlling interests	2,035	-

Summarized income statements for 2014:

	CTW consolidated	SYE
	US\$'000	US\$'000
Revenues	166,917	40,372
Cost of sales	(151,021)	(38,783)
Administrative expenses	(7,063)	(3,665)
Finance costs	(651)	(767)
Others	128	11
Profit/(loss) before tax	8,310	(2,832)
Income tax	(1,834)	-
Profit/(loss) for the year	6,476	(2,832)
Total comprehensive income/(loss)	5,856	(2,832)
Profit/(loss) attributable to non-controlling interests	2,874	(953)
Dividends paid to non-controlling interests	4,158	-

Summarized income statements for 2013:

	CTW consolidated	SYE
	US\$'000	US\$'000
Revenues	175,464	41,251
Cost of sales	(148,861)	(39,699)
Administrative expenses	(12,117)	(1,475)
Finance costs	(770)	(747)
Others	(564)	(85)
Profit/(loss) before tax	13,152	(755)
Income tax	(2,968)	-
Profit/(loss) for the year	10,184	(755)
Total comprehensive income/(loss)	2,098	(755)
Profit/(loss) attributable to non-controlling interests	1,029	(254)
Dividends paid to non-controlling interests	3,877	-

6. MATERIAL PARTLY-OWNED SUBSIDIARIES (continued)

Summarized balance sheets as of December 31, 2015:

	CTW consolidated	SYE
	US\$'000	US\$'000
Cash, inventory and other current assets	117,913	12,246
Property, plant and equipment and other non-current assets	39,885	1,799
Trade and other payable (current)	(37,717)	(8,922)
Other non-current liabilities	(5,867)	-
Non-controlling interest	(2,537)	-
Total equity	111,677	5,123
Equity attributable to equity holders of the parent	56,877	3,399
Non-controlling interests	54,800	1,724

Summarized balance sheets as of December 31, 2014:

	CTW consolidated	SYE
	US\$'000	US\$'000
Cash, inventory and other current assets	167,785	14,903
Property, plant and equipment and other non-current assets	38,193	2,170
Trade and other payable (current)	(69,516)	(10,558)
Other non-current liabilities	(6,073)	-
Non-controlling interest	(3,062)	-
Total equity	127,327	6,515
Equity attributable to equity holders of the parent	64,848	4,323
Non-controlling interests	62,479	2,192

Summarized cash flow information for the year ended December 31, 2015:

	CTW consolidated	SYE
	US\$'000	US\$'000
Operating	907	2,046
Investing	585	(68)
Financing	(19,043)	(2,619)
Effect of changes in exchange rate on cash	(3,384)	(64)
Net decrease in cash and cash equivalents	(20,935)	(705)

Summarized cash flow information for the year ended December 31, 2014:

	CTW consolidated	SYE
	US\$'000	US\$'000
Operating	7,985	1,544
Investing	(13,881)	(97)
Financing	7,443	(1,189)
Effect of changes in exchange rate on cash	90	(18)
Net increase in cash and cash equivalents	1,637	240

Summarized cash flow information for the year ended December 31, 2013:

	CTW consolidated	SYE
	US\$'000	US\$'000
Operating	15,644	(1,715)
Investing	771	(72)
Financing	(11,772)	1,819
Effect of changes in exchange rate on cash	511	(3)
Net increase in cash and cash equivalents	5,154	29

7. OTHER INCOME/EXPENSES AND ADJUSTMENTS**7.1 Other operating income**

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Reversal of allowance for related parties	16	-	-
Reversal of allowance for investment properties	12	26	68
Gain on disposal of property, plant, and equipment	41	63	113
Gain on disposal of investment property	32	-	-
Sales of scrap copper	607	493	392
Others	432	553	952
Total other operating income	1,140	1,135	1,525

7.2 Other operating expenses

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Allowance for trade receivables for related parties	-	17	-
Allowance for trade receivables	332	2,151	196
Total other operating expenses	332	2,168	196

7.3 Finance costs

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Interest on debts and borrowings	1,300	1,368	1,339
Finance charges payable under finance leases and hire purchase contracts	4	5	19
Total interest expenses	1,304	1,373	1,358
Banking charges	243	324	376
Total finance costs	1,547	1,697	1,734

7.4 Finance income

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Interest income	697	1,167	1,306
Total finance income	697	1,167	1,306

7.5 Other income

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Net gain on financial instruments	20	-	-
Dividend income	99	104	110
Total other income	119	104	110

7. OTHER INCOME/EXPENSES AND ADJUSTMENTS (continued)

7.6 Other expenses

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Net loss on financial instruments	-	-	207
Others	180	49	53
Total other expenses	180	49	260

7.7 Depreciation, amortization and lease expense included in the consolidated income statements

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Included in cost of sales:			
Depreciation – tangible assets	4,720	4,986	4,582
Amortization – intangible assets	5	2	-
Included in selling expenses:			
Depreciation – tangible assets	167	188	223
Included in general and administrative expenses:			
Depreciation – tangible assets	695	823	767
Amortization – intangible assets	31	29	69
Amortization – prepaid land lease payment	59	59	59
Depreciation – investment property	16	18	18
Minimum lease payments recognised as an operating lease expense	876	1,100	1,301
	6,569	7,205	7,019

7.8 Employee benefits expenses

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Included in cost of sales:			
Wages and salaries	12,575	14,183	14,469
Labor and health insurance costs	151	67	53
Pension costs	854	927	917
Other employment benefits	691	788	838
Included in selling expenses:			
Wages and salaries	3,381	3,784	3,774
Labor and health insurance costs	14	10	9
Pension costs	291	324	318
Other employment benefits	37	51	84
Included in general and administrative expenses:			
Wages and salaries	8,140	9,569	9,746
Labor and health insurance costs	247	204	215
Pension costs	578	576	599
Director fees	745	907	2,120
Other employment benefits	257	366	386
Total employee benefits expenses	27,961	31,756	33,528

8. INCOME TAX

Under current Bermuda law, the Company is not subject to tax on income or capital gains, nor is withholding tax of Bermuda imposed upon payments of dividends by the Company to its shareholders.

The Company's investments in the Operating Subsidiaries are held through subsidiaries incorporated in the British Virgin Islands ("BVI"). Under current BVI law, dividends from the BVI subsidiaries' investments are not subject to income taxes and no withholding tax is imposed on payments of dividends by the BVI subsidiaries to the Company.

The Operating Subsidiaries and equity investees are governed by the income tax laws of Singapore, Thailand, Australia and the PRC. The corporate income tax rate in Singapore was 17% for each of the three years ended December 31, 2015, and there is no withholding tax on dividends applicable to the Company. For Thailand, the statutory corporate income tax rate was 30% and a withholding tax of 10% is levied on dividends received by the Company. Charoong Thai is listed on Stock Exchange of Thailand ("SET"). As a part of an initiative to promote Thailand's competitiveness, the Thai Government announced in Royal Decree (No. 530) to provide for a reduction of corporate income tax from 30% to: (1) 23% for any accounting periods commencing between January 1, 2012 and December 31, 2012; (2) 20% from any accounting periods commencing between January 1, 2013 and December 31, 2014. Thai Government announced in Royal Decree (No. 577) the corporate income tax continues at 20% on or after January 1, 2015, but not exceeding December 31, 2015. On 13 October 2015, the Thai Cabinet approved the draft of Revenue Code Amendment Act to permanently reduce the corporate income tax rate to 20% from the accounting period beginning on or after 1 January 2016. Currently is undergoing the legislation process. In Australia, the corporate income tax rate was 30% for 2012/2013, 2013/2014 and 2014/2015 tax years. The applicable corporate income tax rate for the subsidiaries in the PRC was 25% for each of the three years ended December 31, 2015.

Under the Corporate Income Tax Law (the "CIT Law") of the PRC, dividend distributions of profits earned prior to January 1, 2008 to foreign investor(s) are exempt from withholding tax; distribution of the profits earned after January 1, 2008 is subject to withholding tax of 10%, reduced to 5% under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income provided that the Hong Kong holding company, CCH (HK) qualified as the "beneficial owner" of the dividend income under Guoshuifa [2009] No.601. As the management of APWC decided to simplify the CCH (HK) to have the sole function of controlling and directing its subsidiaries. CCH (HK) does not carry on substantive business activities effective early 2013. This may lead it not qualify as the "beneficial owner" of the dividend income under Circular 601 to be applicable to withholding tax of 5%. As such, from 2013 onwards, the withholding tax are calculated based on 10% tax rate.

8. INCOME TAX (continued)

The major components of income tax expenses for the years ended December 31, 2015, 2014 and 2013 are:

	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Consolidated income statements			
Current income tax:			
Current income tax charge	942	2,462	4,725
Deferred tax expenses/(benefits):			
Relating to origination and reversal of temporary differences	(777)	(188)	793
Relating to change in tax rate	496	-	-
Income tax expense reported in the income statement	661	2,274	5,518
Consolidated statements of comprehensive income			
Deferred tax related to items recognized in other comprehensive income during the year:			
Unrealized gain/(loss) on available-for-sale financial assets			
Recognized during the year	72	(214)	(402)
Effect of change in tax rate	(171)	-	-
Net loss on actuarial gains and losses			
Recognized during the year	(31)	(213)	(15)
Effect of change in tax rate	83	-	-
Income tax benefits charged to other comprehensive (loss) income	(47)	(427)	(417)

The parent company's tax is filed in Bermuda, which does not have a statutory tax rate. The provision for income taxes differs based on the tax incurred by the Operating Subsidiaries, in their respective jurisdiction. The Company determines its statutory tax rate based on its major commercial domicile that is its subsidiaries in Thailand. The reconciliation of the statutory tax rate and the Company's effective tax rate is as follows:

	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Profit before tax	(8,937)	5,035	16,784
Tax at statutory rate of 20% (2014: 20%; 2013: 20%)	(1,788)	1,007	3,356
Foreign income taxed at different rate	621	868	930
Expenses not deductible/(solely deductible) for tax purpose	463	(358)	100
Utilization of previously unrecognized tax losses	-	-	(10)
Net deferred tax asset not recognized	1,006	1,196	656
Tax exempt on income	(45)	(187)	(43)
Uncertain tax position	(265)	(984)	82
Return to provision adjustment	(6)	12	(151)
Deferred tax liability arising from undistributed earnings	(72)	85	239
Effect of changes in temporary differences to be realized in different periods with different enacted tax rates	496	14	(36)
Withholding tax on dividends	206	558	584
Others	45	63	(189)
Income tax expense reported in income statement	661	2,274	5,518

At the effective income tax rate of -7.40% (2014: 45.16%; 2013: 32.88%)

8. INCOME TAX (continued)**Deferred tax**

Deferred tax relates to the following:

	Consolidated balance sheet		Consolidated income statement		
	As of December 31,		For the year ended Decembers 31,		
	2015	2014	2015	2014	2013
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Outside basis differences	(2,703)	(2,775)	(72)	85	239
Revaluations of available-for-sale investment to fair value	(466)	(565)	-	-	-
Book over tax basis in subsidiary	(41)	(36)	9	6	1
Accrued interest income	(79)	(77)	2	9	10
Unutilized building allowance (net)	(92)	63	151	(286)	231
Unused tax losses	892	40	(856)	146	(197)
Allowance for doubtful accounts	122	102	(29)	27	143
Inventory impairment	941	750	(249)	(470)	137
Allowance for impairment in investments	380	411	-	-	33
Rebates and other accrued liabilities	563	701	60	4	417
Unpaid retirement benefits	1,047	1,680	485	(14)	(115)
Charges related to flooding in Thailand	-	-	-	-	8
Deferred revenue and cost of sales	310	416	70	277	(118)
Actuarial loss	214	275	-	-	-
Unabsorbed depreciation	663	842	140	21	19
Allowance for investment property impairment	-	4	4	7	(15)
Mark-to-Market value of forward contract	(4)	-	4	-	-
Deferred tax expenses / (benefits)			(281)	(188)	793
Net deferred tax assets	1,747	1,831			

Reflected in the balance sheet as follows:

Deferred tax assets	4,481	4,551
Deferred tax liabilities	(2,734)	(2,720)
Deferred tax assets, net	1,747	1,831

Reconciliation of deferred tax assets, net

	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Opening balance as of January 1	1,831	1,302	2,096
Tax benefit/(expenses) during the period recognized in profit or loss	281	188	(793)
Tax benefit/(expenses) during the period recognized in other comprehensive income	47	427	417
Exchange difference on translation foreign operations	(412)	(86)	(418)
Closing balance as of December 31	1,747	1,831	1,302

The Company offset tax assets and liabilities if and only if it has legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

8. INCOME TAX (continued)

The Company has available unused net operating losses which arose in Thailand and China as of December 31, 2015, and arose in Thailand, China and Singapore as of December 31, 2014, that may be applied against future taxable income and that expire as follows respectively:

<u>Year of expiration</u>	<u>As of December 31,</u>	
	<u>2015</u>	<u>2014</u>
	<u>US\$'000</u>	<u>US\$'000</u>
2015	-	355
2016	778	836
2017	1,471	1,577
2018	2,599	2,774
2019	2,049	2,188
2020	8,180	-
No expiration	33	-
	15,110	7,730

Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits elsewhere in the Company, as they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognize all unrecognized deferred tax assets, the profit would increase by \$3,327 for the year ended December 31, 2015 (2014: \$2,815; 2013: \$1,566).

There are no income tax consequences attached to the payment of dividends in either 2015 or 2014 by the Company to its shareholders.

As of December 31, 2015 and 2014, the Company is subject to taxation in PRC, Australia, Thailand, and Singapore. The Company's tax years from 2010 and forward are still subject to examination by the tax authorities in various tax jurisdictions.

8. INCOME TAX (continued)

A reconciliation of the beginning and ending amounts of uncertain tax position is as follows:

Change in Uncertain Tax Positions

	<u>2015</u>	<u>2014</u>	<u>2013</u>
	US\$'000	US\$'000	US\$'000
Balance as of January 1	1,891	2,266	2,302
Additions based on tax positions related to the current year	-	-	72
Decrease due to lapses in statute of limitations	(158)	(375)	(108)
Balance as of December 31	<u>1,733</u>	<u>1,891</u>	<u>2,266</u>

The Company is not expecting there would be any reasonably possible change in the total amounts of uncertain tax position within twelve months of the reporting date. As of December 31, 2015, 2014 and 2013 the amount of uncertain tax position (excluding interest and penalties) included in the consolidated balance sheets that would, if recognized, affect the effective tax rate is \$1,733, \$1,891 and \$2,266 respectively.

The Company recognized interest expense and penalties related to income tax matters as a component of income tax expense. The amount of related interest and penalties the Company has provided as of the dates listed below were:

	<u>As of December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
	US\$'000	US\$'000	US\$'000
Accrued interest on uncertain tax position	2,167	2,116	2,368
Accrued penalties on uncertain tax position	1,660	1,818	2,176
Total accrued interest and penalties on uncertain tax position	<u>3,827</u>	<u>3,934</u>	<u>4,544</u>

For the years ended December 31, 2015, 2014 and 2013, the Company recognized \$299, \$327 and \$395 in interest and \$nil, \$nil and \$nil in penalty, respectively. For the years ended December 31, 2015, 2014 and 2013, the Company reversed \$248, \$579 and \$170 in interest and \$158, \$358 and \$108 in penalties, respectively, due to lapses in statute of limitations.

The Company considers each uncertain tax position individually, by first considering whether each position taken in the tax return is probable of being sustained on examination by the taxing authority. It should recognize a liability for each item that is not probable of being sustained. The liability then is measured using a single best estimate of the most likely outcome. The uncertain tax positions presented in the current tax liability is the total liability for uncertain tax positions.

9. EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit attributable to equity holders of the parent by the weighted average number of shares outstanding during the year. The Company does not have any dilutive securities beyond the treasury shares disclosed in Note 22. The treasury shares transaction resulted in an immediate reduction in outstanding shares used to calculate the weighted-average common shares outstanding for both basic and diluted earnings per share.

The following table sets forth the computation of basic and diluted earnings attributable to common shareholders per share:

	For the year ended December 31,		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
	(except for number of shares and earnings per share)		
Numerator:			
Net profit/(loss) attributable to APWC from continuing operations	(8,158)	572	5,847
Net profit/(loss) attributable to APWC	(8,158)	572	5,847
Denominator:			
Weighted-average common shares outstanding – basic and diluted	13,819,669	13,819,669	13,820,200
Earnings per share – basic and diluted			
Continuing operations	(0.59)	0.04	0.42
Total earnings per share – basic and diluted	(0.59)	0.04	0.42

Income from continuing operations attributable to non-controlling interests are \$(1,440), \$2,189 and \$5,419 for the years ended December 31, 2015, 2014 and 2013, respectively.

10. CASH AND CASH EQUIVALENTS

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Cash on hand and cash at banks	51,303	68,863

Cash at banks earns interest at floating rates based on daily bank deposit rates. Cash equivalents include short-term deposits which are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. As of December 31, 2015 and 2014, the Company had no cash equivalents.

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES**11.1 Other financial assets**

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Financial instruments at fair value through profit or loss		
Foreign exchange forward contracts (Note 11.3)	19	-
Total financial instruments at fair value through profit or loss	19	-
Assets held-to-maturity		
Quoted debt securities	306	336
Total assets held-to-maturity	306	336
Available for sale investments		
Unquoted equity shares	2,862	2,479
Total available for sale investments	2,862	2,479
Total other financial assets	3,187	2,815
Total current	19	-
Total non-current	3,168	2,815

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are intended to reduce the level of foreign currency risk for expected sales and purchases.

Assets held-to-maturity – quoted debt securities

A Thai subsidiary invested \$306 (Baht 11 million) in subordinated debentures of Bangkok Bank Public Company Limited. The debentures bear a fixed interest rate of 4.375% per annum with a maturity of ten years callable at the option of the issuer after five years. As the call option is clearly and closely related to the debt host contract, no bifurcation of embedded call option is required. The debentures are marketable and rated AA- by Fitch Rating (Thailand) Ltd.

The market yield is close to coupon rate. The fair value approximated its amortized cost as of December 31, 2015 and 2014.

Available-for-sale investments - unquoted equity shares

The investments in shares of a non-listed company, which are recognized initially at fair value plus transaction costs. After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognized as the other comprehensive income. Available-for-sale investments – unquoted equity share consist of the investments in Thai Metal Processing Co., Ltd, (“TMP”) which is engaged in the fabrication of copper rods. During the years ended December 31, 2015, 2014 and 2013, the Company received dividends of \$99, \$104 and \$110 from TMP, respectively, which were recorded in other income in the consolidated income statements.

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**11.2 Interest-bearing loans and borrowings**

Under the line of credit arrangements for short-term debt with the Company's banks, the Company may borrow up to approximately \$249,658 and \$278,370 as of December 31, 2015 and 2014, respectively, on such terms as the Company and the banks may mutually agree upon. These arrangements do not have termination dates but are reviewed annually for renewal. As of December 31, 2015 and 2014, the unused portion of the credit lines was approximately \$148,556 and \$168,241, respectively, which included unused letters of credit amounting to \$83,980 and \$85,943, respectively. Letters of credit are issued by the Company in the ordinary course of business through major financial institutions as required by certain vendor contracts. As of December 31, 2015 and 2014, the Company had open letters of credit totaling \$29,698 and \$49,042, respectively. Liabilities relating to the letters of credit are included in current liabilities.

	As of December 31,							
	2015				2014			
	Interest rate %	Maturity	Local currency '000	US\$'000	Interest rate %	Maturity	Local currency '000	US\$'000
Current interest-bearing loans and borrowings								
Bank loans	3.10 ~ 3.29	Apr. 2016	USD\$5,000	5,000	-	-	-	-
		Mar. 2016 ~ Oct. 2016				Mar. 2015 ~ Dec. 2015		
Bank loans	4.65 ~ 5.82		RMB\$51,920	7,900	5.88 ~ 6.45		RMB\$78,250	12,589
		Jan. 2016 ~ Jun. 2016				Jan. 2015 ~ Jun. 2015		
Trust receipt	1.00 ~ 1.30		THB\$822,153	22,905	1.20 ~ 1.60		THB\$1,291,811	39,469
Trust receipt	2.96	Dec. 2016	SGD\$2,677	1,896	1.97 ~ 1.98	Dec. 2015	SGD\$2,386	1,805
Total current interest-bearing loans and borrowings				37,701				53,863

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**11.3 Hedging activities and derivatives***Commodity price risk*

The Company purchases copper on an ongoing basis as its operating activities require a continuous supply of copper for the manufactured products. The Company exercises rigorous controls through the commodity forward contracts to reduce its exposure to the fluctuations in market prices for copper for selected operating units. The majority of these transactions take the form of contracts that are entered into and continue to be held for the purpose of receipt or delivery of the copper in accordance with the Company's expected sales or production timing or usage requirements. Such contracts are not within the scope of hedging accounting, or derivatives. To date, these contract positions have not had a material effect on the Company's financial position, results of operations or cash flow.

Foreign currency risk

The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchased, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss. These contracts are entered into the periods consistent with foreign currency exposure of the underlying transactions, generally from one to 12 months.

As of December 31, 2015 and 2014, the Company had outstanding forward contracts with notional amounts of \$11.5 million and \$nil respectively. The outstanding forward contracts mature between January 5, 2016 and June 20, 2016. The Company recognized gains amounted to \$20 and \$nil for the years ended December 31, 2015 and 2014, respectively, in the consolidated income statements.

The forward contract balance varies with the expected foreign currency transactions and changes in foreign exchange rate.

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
	US\$'000	US\$'000	US\$'000	US\$'000
Foreign currency forward contracts				
Fair value	19	-	-	-

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**11.4 Fair values**

Set out below is a comparison of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements:

	Carrying amount		Fair value	
	As of December 31,		As of December 31,	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets-current				
Cash and cash equivalents	51,303	68,863	51,303	68,863
Other current financial assets – at fair value through profit or loss	19	-	19	-
Trade receivables	69,991	88,194	69,991	88,194
Other receivables	17,563	23,024	17,563	23,024
Due from related parties	18,180	24,711	18,180	24,711
Financial assets-non-current				
Other non-current financial assets – available for sale	2,862	2,479	2,862	2,479
Other non-current financial assets – held to maturity	306	336	306	336
Total	160,224	207,607	160,224	207,607
Financial liabilities-current				
Interest-bearing loans and borrowings	37,701	53,863	37,701	53,863
Trade and other payables	31,690	36,467	31,690	36,467
Due to related parties	8,547	22,208	8,547	22,208
Due to immediate holding company	1,537	1,537	1,537	1,537
Financial lease liabilities	22	31	22	31
Financial liabilities-non-current				
Financial lease liabilities	51	38	51	38
Total	79,548	114,144	79,548	114,144

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- ▶ Cash and cash equivalents, trade receivables, other receivables, due from related parties, trade and other payables, due to related parties, due to immediate holding company and financial lease liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ▶ Fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances were provided to account for the expected losses of these receivables. As of December 31, 2015, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**11.4 Fair value (continued)**

- ▶ Fair value of other current financial assets - derivatives are derived from quoted market prices.
- ▶ Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques.
- ▶ Fair value of interest-bearing borrowings and loans and other non-current financial assets – held to maturity are determined by using discounted cash flow method using discount rate that reflects the issuer’s borrowing rate as of the end of the reporting period. The non-performance risk as of December 31, 2015 was assessed to be insignificant.

Description of significant unobservable inputs to valuation

Financial asset	Valuation technique	Significant unobservable inputs	Liquidity discount (2015 and 2014)	Sensitivity of the input to fair value	
				2015	2014
Available-for-sale financial assets in unquoted equity instruments	Market Approach Method	Liquidity Discount	30%	5% decrease in the discount would increase in fair value by \$211	5% decrease in the discount would increase in fair value by \$183

The Company estimates the fair value of available-for-sale financial investments in unquoted equity shares by using the market approach (market comparatives approach). The key in this method is the selection of quoted comparable companies and accommodate adjustments to bring the accounts of different companies into a broadly consistent framework for analysis. Then, select appropriate Indicators of Value. The followings should be taken into account:

- ▶ Enterprise Value (EV) versus Market Capitalization;
- ▶ Earnings-based: EBITDA +/- EBIT versus Net Earnings +/- Net Cash Flow
- ▶ Balance Sheet based: Net Total Assets versus Shareholders Funds

Discount for the lack of liquidity to reflect the lesser liquidity of unquoted equity instruments compared with those of its comparable public company peers. The Company assessed the discount for the lack of liquidity to be 30 percent on the basis of relevant studies applicable in the region and industry as well as on the specific facts and circumstances of the unquoted equity shares. The unquoted equity shares’ finance performance is characterized by stable, consistent growth and profitability. The Company believes the liquidity discount of 30% would be appropriate.

The Company carries unquoted equity shares as available-for-sale financial instruments classified as level 3 within the fair value hierarchy. A reconciliation of the beginning and closing balances is summarized below:

	Total
	US\$'000
At January 1, 2014	3,189
Re-measurement recognized in other comprehensive income (loss)	(713)
Exchange difference	3
At December 31, 2014	2,479
Re-measurement recognized in other comprehensive income (loss)	444
Exchange difference	(61)
At December 31, 2015	2,862

12. TRADE AND OTHER RECEIVABLES

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Trade receivables	73,280	91,899
Less: Provision for impairment	(3,289)	(3,705)
Trade receivable, net	69,991	88,194
Other receivable	17,563	23,024

As of December 31, 2015 and 2014 trade receivables of an initial value of \$3,289 and \$3,705, respectively, were fully impaired. See below for the movement in the provision for impairment of trade receivables.

	Individually impaired	Collectively impaired	Total
	US\$'000	US\$'000	US\$'000
At January 1, 2014	1,541	147	1,688
Charge for the year	2,359	73	2,432
Write-off	(46)	(31)	(77)
Unused amounts reversed	(253)	(28)	(281)
Currency translation adjustment	(53)	(4)	(57)
At December 31, 2014	3,548	157	3,705
Charge for the year	104	347	451
Write-off	(486)	(40)	(526)
Unused amounts reversed	13	(132)	(119)
Currency translation adjustment	(50)	(172)	(222)
At December 31, 2015	3,129	160	3,289

The ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			Past due 1-3 months	Past due 3-6 months	Past due 6-12 months	Past due over 12 months
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
December 31, 2015	69,991	50,959	15,737	549	197	2,549
December 31, 2014	88,194	73,552	12,502	578	840	722

The Company maintains provision for impairment of trade receivables for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer credit-worthiness, customer financial condition, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. The impairment losses assessed individually as of December 31, 2015 and 2014 primarily resulted from the financial difficulties of the counter trading parties and the amounts recognized were the difference between the carrying amount of the accounts receivable and the present value of expected collectable amounts.

The Company obtained collateral in respect of customer doubtful accounts. The collateral takes the form of a lien over the customer's assets and gives the Company a claim on these assets for the doubtful accounts. The Company has the first lien for the collateral. The collateral is in general, not recorded on the balance sheet. The fair value of the collateral has been determined based on the valuation performed by independent appraisers. As of December 31, 2015 and 2014, the fair values of the collateral were \$836 and \$917, respectively, which were higher than the amounts of the associated delinquent accounts, as a result, no impairments were recognized.

See Note 26(b) credit risk of trade receivables, which discusses how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

13. INVENTORIES

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Raw materials and supplies	25,812	37,535
Work in progress	16,446	13,790
Finished goods	32,167	42,896
Distributed products	13,578	16,957
	<u>88,003</u>	<u>111,178</u>
Allowance for inventories	(4,866)	(3,770)
Total inventories at the lower of cost and net realizable value	<u>83,137</u>	<u>107,408</u>

For the year ended December 31, 2015 and 2014, the Company recognized allowance for inventory of \$1,481 and \$2,394 as an expense in cost of sales for inventories carried at net realizable value.

For the year ended December 31, 2013, the amount of \$1,046 was credited to cost of sales when the circumstances that caused the net realizable value of inventory to be lower than its cost no longer existed.

14. GROSS AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK-IN-PROGRESS

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Construction contract work-in-progress		
Construction costs	40,604	36,976
Attributable loss	284	141
	<u>40,888</u>	<u>37,117</u>
Less: Progress billing received and receivable	(39,817)	(35,186)
Total gross amounts due from customers for contract work	<u>1,071</u>	<u>1,931</u>

Revenues recognized in excess of amounts billed are classified as current assets under contract work-in-progress. Amounts billed to clients in excess of revenues recognized to date are classified as current liabilities under advance billings on contracts.

15. PROPERTY, PLANT AND EQUIPMENT

	<u>Land</u>	<u>Buildings</u>	<u>Building</u>	<u>Machinery</u>	<u>Motor</u>	<u>Office</u>	<u>Construction</u>	<u>Total</u>
	US\$'000	US\$'000	improvement	and	vehicle	equipment	in progress	US\$'000
			US\$'000	equipment	and	US\$'000	US\$'000	US\$'000
				US\$'000	other			US\$'000
					asset			
					and			
					assets			
					under			
					finance			
					lease			
					US\$'000			
Cost								
At January 1, 2014	5,083	50,725	3,623	100,712	4,730	6,303	5,070	176,246
Additions	-	-	16	1,003	564	331	4,083	5,997
Disposals	-	-	-	(1,941)	(364)	(145)	-	(2,450)
Transfer	-	1,636	425	4,164	-	44	(6,269)	-
Exchange differences	(39)	(886)	(2)	(816)	(99)	(103)	(21)	(1,966)
At December 31, 2014	<u>5,044</u>	<u>51,475</u>	<u>4,062</u>	<u>103,122</u>	<u>4,831</u>	<u>6,430</u>	<u>2,863</u>	<u>177,827</u>
Additions	-	30	262	425	404	295	6,045	7,461
Disposals	-	-	-	(5,999)	(224)	(209)	-	(6,432)
Transfer	-	40	588	1,952	19	43	(2,709)	(67)
Classified as held for sales	-	-	-	(306)	-	(2)	-	(308)
Exchange differences	(627)	(4,174)	(365)	(9,586)	(388)	(445)	(389)	(15,974)
At December 31, 2015	<u>4,417</u>	<u>47,371</u>	<u>4,547</u>	<u>89,608</u>	<u>4,642</u>	<u>6,112</u>	<u>5,810</u>	<u>162,507</u>
Depreciation								
At January 1, 2014	-	(29,758)	(2,346)	(86,841)	(3,337)	(5,255)	-	(127,537)
Depreciation charge for the year	-	(1,932)	(163)	(2,923)	(593)	(386)	-	(5,997)
Depreciation on disposals	-	-	-	1,941	364	138	-	2,443
Transfer	-	-	-	-	-	-	-	-
Exchange differences	-	468	(6)	570	71	90	-	1,193
At December 31, 2014	<u>-</u>	<u>(31,222)</u>	<u>(2,515)</u>	<u>(87,253)</u>	<u>(3,495)</u>	<u>(5,413)</u>	<u>-</u>	<u>(129,898)</u>

ASIA PACIFIC WIRE & CABLE CORPORATION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	<u>Land</u>	<u>Buildings</u>	<u>Building</u>	<u>Machinery</u>	<u>Motor</u>	<u>Office</u>	<u>Construction</u>	<u>Total</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>improvement</u>	<u>and</u>	<u>vehicle</u>	<u>equipment</u>	<u>in progress</u>	<u>US\$'000</u>
			<u>US\$'000</u>	<u>equipment</u>	<u>and</u>			
				<u>US\$'000</u>	<u>other</u>			
					<u>asset</u>			
					<u>and</u>			
					<u>assets</u>			
					<u>under</u>			
					<u>finance</u>			
					<u>lease</u>			
					<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
At December 31, 2014	-	(31,222)	(2,515)	(87,253)	(3,495)	(5,413)	-	(129,898)
Depreciation charge for the year	-	(1,786)	(179)	(2,721)	(518)	(378)	-	(5,582)
Depreciation on disposals	-	-	-	5,974	221	208	-	6,403
Transfer	-	-	-	-	-	-	-	-
Classified as held for sales	-	-	-	84	-	-	-	84
Exchange differences	-	3,058	219	8,433	294	380	-	12,384
At December 31, 2015	-	(29,950)	(2,475)	(75,483)	(3,498)	(5,203)	-	(116,609)
Net book value								
At December 31, 2015	4,417	17,421	2,072	14,125	1,144	909	5,810	45,898
At December 31, 2014	5,044	20,253	1,547	15,869	1,336	1,017	2,863	47,929
At January 1, 2014	5,083	20,967	1,277	13,871	1,393	1,048	5,070	48,709

Assets classified as held for sale:

	<u>2015</u>
	<u>US\$'000</u>
Carrying value of assets held for sale previously classified under Property, plant and equipment:	
Machinery and equipment	222
Office equipment	2
	<u>224</u>

The above represent the assets held for sale as result of the changing of production process of a subsidiary.

15. PROPERTY, PLANT AND EQUIPMENT (continued)**Capitalized borrowing costs**

Capitalized interest on construction in progress is added to the cost of the underlying asset and is depreciated over the estimated useful life of the asset in the same manner as the underlying asset. The capitalized interest was related to and has been included as part of the cost of Ningbo Pacific's construction in progress.

There was no borrowing cost capitalized for the year ended December 31, 2015. The amount of borrowing costs capitalized during the years ended December 31, 2014 and 2013 were \$43 and \$30, respectively. The rate used to determine the amount of borrowing costs eligible for capitalization was in the range of 1.15% to 6.30% and 1.5% to 6.23%, during each of 2014 and 2013, respectively.

Financial leases under property, plant and equipment

The carrying value of motor vehicles under financial leases as of December 31, 2015 and 2014 were \$64 and \$43, respectively.

Pledge

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 26.

16. PREPAID LAND LEASE PAYMENTS

	2015	2014
	US\$'000	US\$'000
Carrying amount as of January 1,	1,918	1,999
Recognized lease expense during the year	(59)	(59)
Exchange difference	(65)	(22)
Carrying amount as of December 31,	1,794	1,918
Current portion included in prepayments	57	59
Non-current portion included in prepaid land lease payments	1,737	1,859

The property land is situated in Mainland China and is held under a long-term operating lease for 33 – 50 years.

17. INVESTMENT PROPERTIES

The net book value of investment properties as of December 31, 2015 and 2014 was as follow:

	Land not being used for operation	Office buildings for rent	Total
	US\$'000	US\$'000	US\$'000
As of December 31, 2015			
Cost	532	278	810
Less: Accumulated depreciation	-	(143)	(143)
Net book value	532	135	667
As of December 31, 2014			
Cost	583	346	929
Less: Accumulated depreciation	-	(160)	(160)
Less: Accumulated impairment	(12)	-	(12)
Net book value	571	186	757

A reconciliation of the net book value of investment properties was as follow:

	2015	2014
	US\$'000	US\$'000
Net book value at January 1	757	746
Depreciation (included in administrative expenses)	(16)	(18)
Disposals	(21)	-
Reversal of impairment loss	12	26
Exchange difference	(65)	3
Net book value at December 31	667	757

Investment properties are carried at historical cost less accumulated depreciation and impairment. Land is not depreciated and office buildings are depreciated on a straight-line basis over the estimated useful lives from 20 to 30 years.

17. INVESTMENT PROPERTIES (continued)

The amount recognized in profit arising from the investment properties for the years ended December 31, 2015, 2014 and 2013 was as follow:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
	US\$'000	US\$'000	US\$'000
Rental income derived from investment properties	16	11	21
Direct operating expenses (including repairs and maintenance) generating rental income	(1)	(1)	(1)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(1)	(1)	(1)
Net profit arising from investment properties carried at cost	<u>14</u>	<u>9</u>	<u>19</u>

The fair value of the investment properties are stated below:

	<u>As of December 31,</u>	
	<u>2015</u>	<u>2014</u>
	US\$'000	US\$'000
Land not being used for operation	10,565	11,509
Office building for rent	513	647

The fair value of aforementioned investment properties have been determined based on the valuation performed by independent appraisers and is considered a level 3 measurement. The valuation has been made on the assumption to sell the property interests in the open market in the neighborhood without the benefit of any deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to increase the value of the property interests. The valuation adopted market comparison approach to estimate the fair market value of the properties. Under the market comparison approach, the appraisal is based on recent sales and listings of comparable property. Adjustments were made for differences between the subject property and those actual sales and listings regarded as comparable. The factors which used for considering the property valuation include the significant unobservable inputs, such as location, transportation, land uses, facilities, neighboring area, land characteristics, potential, regulations and liquidity.

18. INTANGIBLE ASSETS*Computer software*

	<u>2015</u>	<u>2014</u>
	US\$'000	US\$'000
Cost		
At January 1	381	346
Addition	27	39
Exchange difference	(21)	(4)
At December 31	<u>387</u>	<u>381</u>
Accumulated amortization		
At January 1	(271)	(242)
Amortization	(36)	(31)
Exchange difference	13	2
At December 31	<u>(294)</u>	<u>(271)</u>
Net book value		
At December 31	<u>93</u>	<u>110</u>

The cost of acquiring software is capitalized separately as an intangible asset on the basis of the costs incurred to acquire and bring to use the specific software. Intangible assets are stated at cost less accumulated amortization. Amortization of intangible assets are charged to operating expenses and cost on a straight-line basis over 5 years from the date they are available for use.

19. INVESTMENTS IN ASSOCIATES

The associates of the Company are set out below:

Company Name	Nature of business	Country of incorporation	Percentage of equity interest	
			As of December 31	
			2015	2014
Shandong Pacific Rubber Cable Co., Ltd. ("SPRC")	Manufacturing of rubber cable	PRC	25.00%	25.00%
Siam Pacific Holding Company Limited ("SPHC")	Investment & holding company	Thailand	49.00%	49.00%
Loxpac (Thailand) Company Limited ("Loxpac") (Formerly known as "Loxley Pacific Co., Ltd.)	Providing telecommunication service	Thailand	21.39%	21.39%
Loxpac Hong Kong Co., Limited ("Loxpac HK") (Formerly known as "Loxley Pacific Hong Kong Co., Limited")	Investment & holding company	Hong Kong	23.10%	28.06%
			As of December 31,	
			2015	2014
			US\$'000	US\$'000
Balance at January 1			2,571	2,937
Additions			-	-
Capital return			-	-
Share of loss of associates			(801)	(338)
Exchange difference			(137)	(28)
Balance at December 31			1,633	2,571

The investments in Loxpac and Loxpac HK have been fully impaired.

19. INVESTMENTS IN ASSOCIATES (continued)

The Company's investments in associates are accounted for using the equity method in the consolidated financial statements.

The following table summarized financial information of the Company's investments in associates:

	As of December 31, 2015		
	SPRC	SPHC	Total
	US\$'000	US\$'000	US\$'000
Current assets	102,529	23	102,552
Non-current assets	3,217	1,741	4,958
Current liabilities	(102,345)	(3)	(102,348)
Non-current liabilities	-	(163)	(163)
Equity	3,401	1,598	4,999
Reconciliation to the Company's investments in associates:			
Percentage of equity interest	25%	49%	
Carrying amount of the investment	850	783	1,633
Revenue	28,989	-	28,989
Profit	(3,194)	(6)	(3,200)
Share of the associates' profit for the year:	(798)	(3)	(801)
	As of December 31, 2014		
	SPRC	SPHC	Total
	US\$'000	US\$'000	US\$'000
Current assets	102,168	1,941	104,109
Non-current assets	3,863	-	3,863
Current liabilities	(99,194)	(182)	(99,376)
Non-current liabilities	-	-	-
Equity	6,837	1,759	8,596

19. INVESTMENTS IN ASSOCIATES (continued)

	As of December 31, 2014		
	SPRC	SPHC	Total
	US\$'000	US\$'000	US\$'000
Reconciliation to the Company's investments in associates:			
Percentage of equity interest	25%	49%	
Carrying amount of the investment	1,709	862	2,571
Revenue	47,391	-	47,391
Profit	(1,339)	(6)	(1,345)
Share of the associates' profit for the year:	(335)	(3)	(338)

	As of December 31, 2013		
	SPRC	SPHC	Total
	US\$'000	US\$'000	US\$'000
Revenue	48,950	-	48,950
Profit	(825)	(10)	(835)
Share of the associates' profit for the year:	(206)	(5)	(211)

As of December 31, 2015 and 2014, the Company's associates had no contingent liabilities or capital commitments.

20. TRADE AND OTHER PAYABLES

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Trade payables	27,343	30,411
Other payables	4,347	6,056
	31,690	36,467

Terms and conditions of the above financial liabilities:

- ▶ Trade payables are non-interest bearing and are normally settled on 60-day terms.
- ▶ Other payables are non-interest bearing and have an average term of 60 days.
- ▶ For terms and conditions relating to other related parties, refer to Note 23.

21. EMPLOYEE BENEFIT*Pension – Defined contribution plans*

The Company has several defined contribution plans covering its employees in Australia, PRC and Singapore. Contributions to the plan are made annually. Total charges for the years ended December 31, 2015, 2014 and 2013, were \$1,172, \$1,283 and \$1,285, respectively.

Pension – Defined benefit plans

The defined benefit liability recognized in the consolidated balance sheet in respect to defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for past service costs and actuarial losses. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using future actuarial assumptions about demographic and financial variables that affect the determination of the amount of such benefits.

In accordance with the Thailand labor law, Charoong Thai and its subsidiaries are obliged to make payment to retiring employees, at rates of 1 to 10 times of their final month's salary rate, depending on the length of service. In addition, Charoong Thai also has the extra benefit plan to make payment to qualified retiring employees, at rates of 1 to 29 times of final month's salary. The Company's net benefit cost was \$551, \$544 and \$549 for the years ended December 31, 2015, 2014 and 2013, respectively. The plan is not funded. As of December 31, 2015 and 2014, the amount recognized were \$446 and \$665 in current liabilities, \$5,859 and \$6,073 in non-current liabilities, respectively. The Company pays to settle the obligations as and when employees retire.

The following tables summaries the components of net benefit expense recognized in the income statement and the funded status and amounts recognized in the consolidated balance sheet for the plan:

	For the year ended December 31,		
	2015	2014	2013
Net benefit cost	US\$'000	US\$'000	US\$'000
Current service cost	362	305	322
Interest cost on benefit obligation	189	239	227
Net benefit cost	551	544	549

	For the year ended December 31,		
	2015	2014	2013
Other comprehensive income	US\$'000	US\$'000	US\$'000
Actuarial (gain) / loss – experience	(15)	(1)	185
Actuarial (gain) / loss – demographic assumption	(2)	-	23
Actuarial (gain) / loss – financial assumption	171	713	(157)
Actuarial loss	154	712	51

	For the year ended December 31,		
	2015	2014	2013
Change in the defined obligation	US\$'000	US\$'000	US\$'000
Defined benefit obligation at January 1	6,738	5,874	5,840
Current service cost	362	305	322
Interest cost on benefit obligation	189	239	227

21. EMPLOYEE BENEFIT (continued)

Net benefit cost for the current period	7,289	6,418	6,389
Benefits paid directly by the Company	(597)	(408)	(138)
Actuarial loss in other comprehensive income	154	712	51
Exchange differences	(541)	16	(428)
Defined benefit obligation at December 31	6,305	6,738	5,874

Actuarial assumptions

The significant assumptions used in determining the actuarial present value of the defined benefit obligations for the year ended December 31, 2015 and 2014 are as follows:

	2015	2014
	%	%
Discount rate	2.9 ~ 3.0	3.2
Rate of salary increase	6.0	6.0

Maturity profile of defined benefit obligation

The following pension benefit payments are expected payments to be made in the future years out of the defined benefit plan obligation:

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Within the next 12 months (next annual reporting period)	446	665
Between 2 and 5 years	1,482	1,322
Between 5 and 10 years	2,232	2,535
Beyond 10 years	13,891	15,583
Total expected payments	18,051	20,105
Weight average duration of defined benefit obligation	12 - 14 years	13 years

Sensitivity analysis

A one-percentage point change in the assumed rates would have yielded the following effects:

	2015	2014
	US\$'000	US\$'000
Discount rate – 1% increase	(625)	(655)
Discount rate – 1% decrease	735	771
Rate of salary increase – 1% increase	705	741
Rate of salary increase – 1% decrease	(614)	(644)

The sensitivity result above determines their individual impact on the plan's year-end defined benefit obligation. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

Long service leave

The liability for long service leave is recognized in the provision for employee benefits and measured as present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departure, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match as closely as possible, the estimated future cash outflows. As of December 31, 2015 and 2014, the amounts of long service leave was \$558 and \$584, respectively.

22. EQUITY

<i>Authorized shares</i>	As of December 31,	
	2015	2014
Common shares of US\$0.01 each	Number of shares 50,000,000	Number of shares 50,000,000
<i>Common shares issued and fully paid</i>	Number of shares	US\$'000
At December 31, 2015	13,830,769	138
At December 31, 2014	13,830,769	138
At January 1, 2014	13,830,769	138
<i>Outstanding shares</i>		Number of shares
At January 1, 2013		13,828,869
Purchase of treasury shares		(9,200)
At December 31, 2013		13,819,669
Purchase of treasury shares		-
At December 31, 2014		13,819,669
Purchase of treasury shares		-
At December 31, 2015		13,819,669
<i>Additional paid-in-capital</i>		US\$,000
At January 1, 2013		110,608
Increase in shareholding in a subsidiary		-
At December 31, 2013		110,608
Increase in shareholding in a subsidiary		-
At December 31, 2014		110,608
Increase in shareholding in a subsidiary		-
At December 31, 2015		110,608

22. EQUITY (continued)**Other comprehensive income – net of tax**

The disaggregation of changes of other comprehensive income by each type of reserve in equity is shown below:

	For the year ended December 31, 2015			
	Available-for-sale reserve	Foreign currency translation reserve	Actuarial losses on defined benefit plans	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Exchange difference on translation of foreign operations	-	(15,847)	-	(15,847)
Re-measuring losses on defined benefit plans	-	-	(206)	(206)
Net loss on available-for-sale financial assets	543	-	-	543
	543	(15,847)	(206)	(15,510)

	For the year ended December 31, 2014			
	Available-for-sale reserve	Foreign currency translation reserve	Actuarial losses on defined benefit plans	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Exchange difference on translation of foreign operations	-	(4,521)	-	(4,521)
Re-measuring losses on defined benefit plans	-	-	(499)	(499)
Net gain on available-for-sale financial assets	(499)	-	-	(499)
	(499)	(4,521)	(499)	(5,519)

	For the year ended December 31, 2013			
	Available-for-sale reserve	Foreign currency translation reserve	Actuarial losses on defined benefit plans	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Exchange difference on translation of foreign operations	-	(15,418)	-	(15,418)
Re-measuring losses on defined benefit plans	-	-	(36)	(36)
Net gain on available-for-sale financial assets	(936)	-	-	(936)
	(936)	(15,418)	(36)	(16,390)

23. RELATED PARTY TRANSACTIONS

The related parties are defined as affiliates of the Company; entities for which investments are accounted for by the equity method by the Company; the principal owners of the Company; its management; members of the immediate families of the principal owners of the Company and its management.

Moon View Venture Limited (“Moon View”), PEWC, Singapore Branch, PEWC Singapore Co. (Pte) Ltd., Dragon Conqueror Ltd. and PEWC (HK) are controlled by PEWC. Moon View is the immediate holding company of the Company. Italian-Thai Development Public Company Limited (“Italian-Thai”) is the non-controlling shareholder of one of the Company’s operating subsidiaries in Thailand. SPHC is one of the Company’s equity investees. Fujikura Limited is a non-controlling shareholder of one of the Company’s operating subsidiaries in Thailand.

(a) Outstanding balance with related parties:

The following table provided the total amount of outstanding balance at December 31, 2015 and 2014.

	<u>Amounts due from related parties</u>		<u>Amounts due to related parties</u>	
	<u>As of December 31,</u>		<u>As of December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	US\$'000	US\$'000	US\$'000	US\$'000
<i>The ultimate parent company</i>				
PEWC	742	639	424	4,288
PEWC, Singapore Branch	11	-	-	-
PEWC Singapore Co. (Pte) Ltd.	-	-	982	973
PEWC (HK)	14,653	21,141	4,989	14,938
Dragon Conqueror Limited	-	220	-	-
<i>The immediate holding company</i>				
Moon View	-	-	1,537	1,537
<i>Associate</i>				
SPHC	163	178	1,362	1,362
<i>Non-controlling shareholder of subsidiary</i>				
Italian-Thai and its affiliates	2,611	2,532	406	450
Fujikura Limited	-	-	338	104
Others	-	-	46	93
Total	18,180	24,711	10,084	23,745

As of December 31, 2015 and 2014, the interest rates on the balance due to PEWC Singapore Co., (Pte) Ltd. range from 1.26% to 1.32% and 1.23% to 1.24%, respectively, and the payables are repayable upon demand. All balances with related parties are unsecured.

23. RELATED PARTY TRANSACTIONS (continued)**(b) Transactions with related parties:**

The transactions undertaken with related parties are summarized as follows:

		For the year ended December 31,		
		2015	2014	2013
		US\$'000	US\$'000	US\$'000
<i>The ultimate parent company</i>				
PEWC	Purchases of materials	3,706	16,036	15,505
	Purchases of products	3,592	4,782	-
	Sales	111	410	287
	Management fee received	17	19	19
	Management fee paid	241	256	252
	Information technology service fee paid	97	115	118
PEWC, Singapore Branch	Management fee received	14	-	-
<i>PEWC Singapore Co. (Pte) Ltd.</i>				
	Interest expenses paid	9	9	11
PEWC (HK)	Purchases of materials	32,440	23,132	-
	Sales	29,634	19,789	-
<i>Non-controlling shareholder of subsidiary</i>				
Italian Thai and its affiliates	Sales	3,030	2,418	2,192
	Construction of factory building expenses and acquisition of assets	2,605	-	-
Fujikura Limited	Purchases of products	917	1,179	1,412

Terms and condition of transactions with related parties

The sales to and purchases from related parties are based on negotiation by the entities. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2015, 2014 and 2013, the Company did not record any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Copper is the major raw material of the Company's wire and cable products. The Company purchases copper in the form of copper rods and copper cathode. Copper cathode is purchased by Siam Pacific to avoid the high import tariffs levied on copper rods. Copper cathode needs to be processed into copper rods prior to the manufacturing of wire and cable products.

Substantially all of the Company's copper rods are supplied by PEWC while copper cathodes are supplied by unrelated third parties. The price of copper rods purchased from PEWC is determined by reference to the quoted copper prices on the London Metal Exchange (the "LME") plus a certain premium.

23. RELATED PARTY TRANSACTIONS (continued)*Terms and condition of transactions with related parties (continued)*

In addition to copper rods, the Company purchases high voltage power cable from PEWC for distribution purposes. The purchase price of power cable from PEWC is determined by reference to the quoted copper prices on the LME. No sales commission was received from PEWC during the years ended December 31, 2015, 2014 and 2013.

Pursuant to the composite services agreement:

- (a) PEWC will sell copper rod to the Company, upon the Company's request, (i) at a price consisting of the average spot price of copper on the LME for the one month prior to purchase plus an agreed upon premium, (ii) at prices and on terms at least as favorable as it provides copper rod to other purchasers of similar amounts of copper rod in the same markets as PEWC and (iii) will give priority in the supply of copper rod to the Company over other purchasers of copper rod from PEWC.
- (b) PEWC grants to the Company the right to distribute any wire or cable product manufactured by PEWC in all markets in which the Company presently distributes or develops the capability to distribute in the future, such products on such terms as have historically been in effect or on terms at least as favorable as PEWC grants to third parties that distribute such products in such markets. However, PEWC shall not be required to grant to the Company the right to distribute products manufactured by PEWC in the future in markets where the Company does not currently have the capability to distribute unless and until PEWC has no pre-existing contractual rights which would conflict with the grant of such right to the Company.
- (c) PEWC will make available to the Company, upon the Company's request and on terms to be mutually agreed between PEWC and the Company from time to time, access to certain of PEWC's technology (and PEWC personnel necessary to use such technology) with respect to the design and manufacture of wire and cable products, including, without limitation, certain fiber optic technology.
- (d) PEWC will make available to the Company, upon the Company's request and on terms to be mutually agreed between PEWC and the Company from time to time, certain services with respect to the design and manufacture of wire and cable products, computerization, inventory control, purchasing, internal auditing, quality control, emergency back-up services, and recruitment and training of personnel; such services may include the training of the Company's employees and managers at PEWC facilities and the secondment of PEWC employees and managers to the Company.
- (e) Each of PEWC and the Company will offer the other party the right to participate in any negotiations with a third party concerning the establishment of any facility or similar venture to manufacture or distribute any wire or cable product outside of the markets where the Company currently manufactures or distributes, or intends to develop the capability to manufacture or distribute, any wire or cable product. Unless the Company and PEWC mutually agree otherwise, the Company shall have the right of first refusal to enter into any definitive agreement with such third party. If, however, such third party would not agree to the substitution of the Company for PEWC or such substitution would prevent the successful completion of the facility or venture, PEWC will arrange for the Company to participate to the extent possible.

(c) Compensation of key management personnel of the Company

	For the years ended December, 31		
	2015	2014	2013
	US\$'000	US\$'000	US\$'000
Short-term employee benefits	3,382	4,853	6,432
Post-employment benefits	87	92	95
Termination benefits	80	126	182
Total compensation paid to key management personnel	3,549	5,071	6,079

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

24. COMMITMENTS AND CONTINGENCIES**(a) Operating lease commitments – the Company as lessee**

The Company leases a piece of land in Singapore and certain buildings under non-cancellable operating lease arrangements for terms from 5 to 30 years.

Future minimum rental payable under non-cancellable operating leases with initial terms of one year or more consisted of the following:

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Within one year	876	1,680
After one year but not more than five years	1,238	1,440
More than five years	1,537	1,665
	3,651	4,785

(b) Finance lease and hire purchase commitments

The Company leases certain machinery and equipment under finance leases.

Future minimum payments under finance leases with initial terms of one year or more consisted of the following as of December 31:

	2015		2014	
	Minimum payments	Present value of payments (Note 15)	Minimum payments	Present value of payments (Note 15)
	US\$'000	US\$'000	US\$'000	US\$'000
Within one year	25	22	34	31
After one year but not more than five years	54	51	42	38
More than five years	-	-	-	-
Total minimum lease payments	79	73	76	69
Less: amount representing finance charges	(6)	-	(6)	-
Present value of minimum lease payment	73	73	69	69

As of December 31, 2015 and 2014, the finance lease liabilities are secured by the leased machinery and equipment at cost of \$154 and \$149, respectively. The accumulated depreciation of these leased assets as of December 31, 2015 and 2014 amounted to \$90 and \$106, respectively. The depreciation of machinery and equipment under finance leases are included in the depreciation expenses under costs of sales. The average discount interest rate implicit in the lease is in the range of 6.72% and 7.84%, for 2015 and 2014, respectively.

24. COMMITMENTS AND CONTINGENCIES (continued)

(c) Purchase commitments

As of December 31, 2015 and 2014, the Company and its subsidiaries had commitments to purchase raw materials totaling \$104 million to \$171 million and \$160 million to 213 million (21,650 to 35,664 metric tons and 24,500 to 32,590 metric tons), respectively, from third parties at the prices stipulated in the contracts.

(d) Capital commitments

As of December 31, 2015 and 2014, the Company and its subsidiaries had capital commitment relating to the construction of factory building improvement and acquisition of machinery, totaling \$2.3 million and \$4.6 million, respectively.

(e) Guarantees

As of December 31, 2015 and 2014, Charoong Thai and its subsidiaries had given continuing corporate guarantee of \$2.9 million and \$6.9 million, respectively, in respect of banking facilities extended to two operating subsidiaries.

As of December 31, 2015 and 2014, the Company provided a corporate guarantee not exceeding the sum of \$31.2 million and \$31.2 million, respectively, for the bond performance and banking facility of Sigma Cable.

As of December 31, 2015 and 2014, there were outstanding bank guarantees of \$30.5 million and \$31.5 million, respectively, issued by the banks on behalf of Charoong Thai and its subsidiaries in respect of certain performance bonds as required in the normal course of business of the companies. These guarantees generally expire within 1 year.

(f) Service commitments

As of December 31, 2015 and 2014, the Company and its subsidiaries had commitments in respect of repair and maintenance consulting services with related parties totaling \$0.1 million and \$0.1 million, respectively.

25. FAIR VALUE MEASUREMENT**Quantitative disclosures fair value measurement hierarchy for assets as of December 31, 2015:**

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		US\$'000	US\$'000	US\$'000	US\$'000
Fair value information:					
Available-for-sale financial assets (Note 11.1)					
Unquoted equity shares					
Thai Metal Processing Co., Ltd.	December 31, 2015	2,862	-	-	2,862
Other current financial assets-derivatives (Note 11.1)					
Foreign exchange forward contract	December 31, 2015	19	-	19	-
Assets for which fair values are disclosed:					
Investment properties (Note 17)					
Land	December 31, 2015	10,565	-	-	10,565
Office buildings	December 31, 2015	513	-	-	513

There have been no transfers between Level 1 and Level 2 during the year.

25. FAIR VALUE MEASUREMENT (continued)

Quantitative disclosures fair value measurement hierarchy for assets as of December 31, 2014:

	Date of valuation	Fair value measurement using			Significant unobservable inputs (Level 3) US\$'000
		Total US\$'000	Quoted prices inactive markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	
Fair value information:					
Available-for-sale financial assets (Note 11.1)					
Unquoted equity shares					
Thai Metal Processing Co., Ltd.	December 31, 2014	2,479	-	-	2,479
Assets for which fair values are disclosed:					
Investment properties (Note 17)					
Land	December 31, 2014	11,509	-	-	11,509
Office buildings	December 31, 2014	647	-	-	647

There have been no transfers between Level 1 and Level 2 during the year.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES

Financial risks are those derived from financial instruments the Company is exposed to during or at the closing of each fiscal year. The objective of the Company's financial risk management is to minimize its risk exposure against various financial risks, which include market risk, credit risk and liquidity risk. The Company uses derivative instruments to cover certain risks when it considers them necessary. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Company manages its exposure to key financial risks, as described in the succeeding paragraphs.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, equity price risk, foreign currency risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, available-for-sale investments and derivative financial instruments.

The sensitivity analysis in the following sections relates to the position as of December 31, 2015 and 2014.

The analysis excludes the impact of movements in market variables on the carrying value of other post-retirement obligations provisions and on the non-financial assets and liabilities of foreign operations.

Interest rate risk

The Company's exposure to interest rate risk arises from borrowing at floating interest rates. Changes in interest rate will affect future cash flows but not the fair value. Less than 40% of the Company's financial liabilities bear floating interest rate and the rest of its financial liabilities either bears fixed interest rate which are close to the market rate or are non-interest bearing.

At the reporting dates, a change of 30 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2015 and 2014 to increase/decrease by \$89 and \$127, respectively.

Equity price risk

The Company's unlisted equity security is classified as non-current financial assets-available for sale which is subsequently measured at estimated fair value.

At the reporting date, the exposure to unlisted equity security at fair value was \$2.9 million (2014: \$2.5 million). Sensitivity analysis of the unlisted equity investment has been provided in Note 11.4.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates arise from sales, purchases and borrowings by operating units in currencies other than the unit's functional currency. The Company's principal operations are located in Thailand, the PRC, Singapore and Australia and a substantial portion of its revenues are denominated in Thai Baht, RMB, Australian Dollars or Singapore Dollars, whereas a substantial portion of the Company's cost of sales are denominated in US Dollars, its reporting currency. Any devaluation of the functional currencies of the Company's principal subsidiaries against the US dollar would likely have an adverse impact on the operations of the Company. The Company currently does not maintain a foreign currency hedging policy. However, management monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The balance of financial assets and liabilities denominated in a currency different from the Company's reporting currency are summarized below.

	Financial Assets		Financial Liabilities	
	As of December 31,		As of December 31	
	2015	2014	2015	2014
Thai Baht (THB)	9,757	10,158	355	-
Singapore dollar (SGD)	491	79	4	56
Taiwan dollar (TWD)	5,985	10,976	2,760	4,217
Renminbi (RMB)	79,262	91,037	16,718	13,197
Hong Kong dollar (HKD)	4,923	2,360	2,675	167
Japanese yen (JPY)	-	-	39,242	12,000

Foreign currency sensitivity

The following table demonstrates the sensitivity of the Company's profit before tax and equity to a reasonably possible change of each foreign currency exchange rates against the US dollar, with all other variables held constant.

	Change rate	THB	SGD	TWD	RMB	HKD	JPY
		2014	5%	16	1	11	626
	-5%	(16)	(1)	(11)	(626)	(14)	5
2015	5%	13	17	5	476	15	(16)
	-5%	(13)	(17)	(5)	(476)	(15)	16

26. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)**Commodity price risk**

The Company is affected by the volatility of certain commodities. Copper is the principal raw material used by the Company. The Company purchases copper at price closely related to the prevailing international spot market on the London Metal Exchange for copper. The price of copper is influenced heavily by global supply and demand as well as speculative trading. Consequently, a change in the price of copper will have a direct effect on the Company's cost of sales. The Company does not use derivative instruments to hedge the price risk associated with the purchase of this commodity. However, we cover some of these risks through long-term purchase contracts.

Commodity price sensitivity

The following table shows the potential effect of price changes in copper.

	<u>Change in year-end price</u>	<u>Effect on profit before tax</u>	<u>Effect on equity</u>
	US\$'000	US\$'000	US\$'000
2015	+28%	6,960	N/A
Copper	-28%	(6,960)	N/A
2014	+13%	3,751	N/A
Copper	-13%	(3,751)	N/A

On average, copper composes around 82% and 84% of the product cost in 2015 and 2014, respectively. The above sensitivity analysis is based on the average fluctuation rate in the past five years and one month manufacturing lead time to estimate its impact on profit before tax.

(b) Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, held-to-maturity securities and trade and other receivables.

The Company maintains cash and cash equivalents with various financial institutions. These financial institutions are located in Singapore, Thailand, Australia, Hong Kong and the People's Republic of China. The Company's policy is designed to limit its exposure to any one institution. The Company performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company's investment strategy. In addition, in selected countries, the Company uses credit rating agency such as Dun and Bradstreet to screen out new low performing customers. Customers are given credit terms over time when they establish good payment patterns with the Company.

Concentrations of credit risk with respect to accounts receivable are limited due to the large number of entities comprising the Company's customer base. The Company carefully assesses the financial strength of its customers and generally does not require any collateral. The Company's exposure to credit risk arises from default of counterparty, with maximum exposure equal to the carrying amount of these financial instruments.

The Company is exposed to credit loss in the event of non-performance by counter-parties on foreign exchange contracts and trade and other receivables. For the year end December 31, 2015 and 2014, the Company recorded a provision of allowance for doubtful accounts of \$1.9 million and \$2.2 million, respectively, for a customer of a subsidiary who was not able to settle overdue payments.

As of December 31, 2015 and 2014, trade receivables from one customer represented 9.6% and 7.1% of total trade receivables of the Company, respectively. The credit concentration risk of other trade receivables is insignificant.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)**(c) Liquidity risk**

Liquidity risk arises from the financial liabilities of the Company and its subsidiaries and their subsequent ability to meet obligations to repay their financial liabilities as and when they fall due. Management manages the Company's liquidity risk by closely monitoring cash flow from the operations. The Company has about \$51 million in cash and cash equivalents, \$149 million in unutilized amounts of bank loans, and the total financial liabilities is \$80 million at the reporting date, which for financial assets and liabilities results in a net asset position. Liquidity risk is considered to be minimal.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payment obligations.

	<u>< 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As of December 31, 2015					
Financial liabilities					
Interest-bearing loans and borrowings	38,092	-	-	-	38,092
Trade and other payables	31,690	-	-	-	31,690
Due to related parties	8,547	-	-	-	8,547
Due to immediate holding company	-	-	-	1,537	1,537
Finance lease liability	25	43	11	-	79
	<u>78,354</u>	<u>43</u>	<u>11</u>	<u>1,537</u>	<u>79,945</u>
As of December 31, 2014					
Financial liabilities					
Interest-bearing loans and borrowings	54,712	-	-	-	54,712
Trade and other payables	36,467	-	-	-	36,467
Due to related parties	22,208	-	-	-	22,208
Due to immediate holding company	-	-	-	1,537	1,537
Finance lease liability	34	25	17	-	76
	<u>113,421</u>	<u>25</u>	<u>17</u>	<u>1,537</u>	<u>115,000</u>

26. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)**(d) Capital management**

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and maintain healthy capital ratios in order to support its business, maximize shareholders' value and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risks characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or conduct stock repurchase programs. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2015 and 2014.

In line with industry practices, the Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	As of December 31,	
	2015	2014
	US\$'000	US\$'000
Interest bearing loans and borrowings	37,701	53,863
Trade and other payables	31,690	36,467
Less: cash and cash equivalents	(51,303)	(68,863)
Net debt	18,088	21,467
Total Equity	194,068	221,211
Capital and net debt	212,156	242,678
Gearing ratio	8.5%	8.8%

The Company has no direct business operations other than its ownership of the capital stock of its subsidiaries and joint venture holdings. While the Company has no present intention to pay dividends, should the Company decide in the future to do so, as a holding company its ability to pay dividends and meet its other obligations will depend upon the amount of distributions, if any, received from its operating subsidiaries and other holdings and investments. The Company's operating subsidiaries and other holdings and investments, from time to time, may be subject to restrictions on their ability to make distributions to the Company, including as a result of restrictive covenants contained in loan agreements, restrictions on the conversion of local currency earnings into U.S. dollars or other hard currency and other regulatory restrictions. For example, PRC legal restrictions permit payments of dividends by our business entities in the PRC only out of their retained earnings, if any, determined in accordance with relevant PRC accounting standards and regulations. Under PRC law, such entities are also required to set aside a portion of their net income each year to fund certain reserve funds. These reserves are not distributable as cash dividends. The foregoing restrictions may also affect the Company's ability to fund operations of one subsidiary with dividends and other payments received from another subsidiary.

(e) Collateral

The credit lines of the Company were collateralized by:

- (i) Mortgage of the Company's land, buildings, machinery and equipment with a total carrying amount of \$12,924 at December 31, 2015 (2014: \$12,988);
- (ii) Pledge of other receivables of \$9,519 at December 31, 2015 (2014: \$9,595);
- (iii) Corporate guarantee issued by the Company and a subsidiary of the Company.
- (iv) A trading facility was secured by all the assets and uncalled capital with total carrying amount of \$27,964 of a subsidiary as of December 31, 2015 (2014: \$ 31,466).

The weighted average interest rates on bank loans and overdrafts as of December 31, 2015 and 2014 were 3.29% and 3.57% per annum, respectively.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

(f) Derivative – offsetting loans

In 2014, the Company entered into Import Bill Advance Loan denominated in SGD at floating rate and time deposit denominated in USD at fixed rate with one bank for the amount of \$2.9 million. At same time, the Company entered into a currency forward transaction to sell SGD to reduce the currency risk.

These transactions were net settled upon the maturity of the loan agreement. The contractual effect of the loans is the equivalent of a cross-currency interest rate swap arrangement with no initial net investment.

The patterns of these transactions met all the indicators under IAS 39IG B.6 based on the fact that the loan and time deposit were entered into at the same time, had same counterparty, had underlying variable of foreign exchange rate and interest rate, and no initial net investment. The transactions should be accounted for at fair value through profit or loss; therefore, the Company recognized \$5 as exchange gain for the year ended December 31, 2014.

27. SUBSEQUENT EVENT

On March 15, 2016, the Board of Directors of Charoong Thai approved the dividend payments to its shareholders in Baht \$6 million. The dividend payment was approved by the Annual General Meeting of Shareholders on April 29, 2016. Other than the above event, the Company is not aware of any matter or circumstance not otherwise dealt with in the report that has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

28. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issuance by the board of directors on April 30, 2016.

29. COMPARATIVE INFORMATION

Certain items in prior years' consolidated financial statements have been reclassified to conform to the current period's presentation in order to facilitate comparison.

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made and entered into this 17th day of August, 2015 by and between **PACIFIC ELECTRIC WIRE & CABLE CO., LTD.**, a Taiwan, ROC company ("PEWC"), **MOON VIEW VENTURES LIMITED**, a BVI company ("MVV"), and collectively with PEWC, the "Purchasers", and **MSD CREDIT OPPORTUNITY MASTER FUND, L.P.**, a Cayman Islands Limited Partnership ("MSDC"), and together with PEWC and MVV, each is herein referred to as a "Party" and collectively as the "Parties"). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Shareholders' Agreement (as defined below).

WITNESSETH:

WHEREAS, MSDC owns beneficially and of record a total of 1,355,415 common shares, US\$0.01 par value per share, of the total issued and outstanding shares of Asia Pacific Wire & Cable Corporation Limited, a Bermuda company (the "Company", or "APWC"), the total issued and outstanding shares of APWC are herein referred to as the "Shares";

WHEREAS, the Shares owned by MSDC were held by SOF Investments, L.P., a Delaware limited partnership ("SOF"), until the transfer of those Shares from SOF to MSDC on or around July 1, 2011;

WHEREAS, the Company, PEWC and SOF entered into that certain Shareholders' Agreement dated as of June 28, 2007 (the "Original Shareholders' Agreement");

WHEREAS, the Company, PEWC and SOF amended and restated the Original Shareholders' Agreement by entering into that certain Amended and Restated Shareholders' Agreement dated as of March 27, 2009 (the "Shareholders' Agreement");

WHEREAS, MSDC entered into a joinder to the Shareholders' Agreement on or around July 1, 2011 and is the successor-in-interest to each of the rights and obligations of SOF under the Shareholders' Agreement as of the effective date of that joinder;

WHEREAS, the Purchasers have agreed to purchase, and MSDC has agreed to sell to the Purchasers (or a designee who is a wholly owned subsidiary of PEWC and is an entity which is formed and existing under the laws of a jurisdiction other than the United States or any state or territory thereof (the "Designee")), 1,355,415 common shares of the Company, US\$0.01 par value per share (the "Purchased Shares"), upon the terms and subject to the conditions set forth herein;

WHEREAS, simultaneously and in connection with the Closing (as hereinafter defined) of the transactions hereunder, the Shareholders' Agreement between PEWC and MSDC shall be irrevocably and unconditionally terminated and of no further force and effect; and

WHEREAS, capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Shareholders' Agreement (without regard to any termination thereof).

NOW, THEREFORE, in consideration of the covenants, agreements, representations and warranties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. Purchase and Sale of the Purchased Shares. As of the Closing (as defined below), MSDC shall unconditionally transfer, assign, convey, sell and grant to MVV (on behalf of the Purchasers), and such Purchasers shall accept and purchase from MSDC, all of the right, title and interest of MSDC in and to the Purchased Shares, including all right, title and interest of MSDC in and to the properties, capital, cash flow dividends, distributions, and profits and losses of the Company that are allocable to the Purchased Shares. The Purchasers and MSDC expressly acknowledge and agree that the foregoing transfer shall be a present and absolute conveyance of the Purchased Shares, in their entirety, and not merely an assignment of the right to receive dividends and distributions relating thereto.

2. Purchase Price.

(a) As full consideration for the Purchased Shares and the agreement of MSDC to terminate the Shareholders' Agreement, MVV shall pay to MSDC the aggregate purchase price of **Six Million, Nine Hundred Twenty Six Thousand, One Hundred Seventy and Sixty-Five Hundredths** U.S. Dollars (**\$6,926,170.65**), as such amount may be adjusted to take account of interest that shall accrue daily in the event that the Closing does not occur on the date hereof, with such interest, if any, to be calculated at a rate per annum that shall be equal to the Libor Rate plus one hundred fifty (150) basis points, compounded annually (the "Purchase Price"). The Purchase Price shall be payable by MVV upon the Closing by wire transfer of immediately available federal funds to an account designated in writing by MSDC.

(b) MSDC acknowledges that the Purchase Price constitutes adequate consideration for the Purchased Shares and the termination of the Shareholders' Agreement as set forth in Section 3 of this Agreement.

3. Termination of Shareholders' Agreement. Each of the Parties agrees that upon the Closing, the Shareholders' Agreement shall be, without any further action required by any Party, terminated immediately, in its entirety and shall be of no further force or effect, including without limitation, each of the provisions of Section 8.3 thereof.

4. Closing; Manner of Effecting Transfer.

(a) The consummation of the purchase and sale of the Purchased Shares and the termination of the Shareholders' Agreement (the "Closing") shall take place on the date and time hereof (or such later date as the Parties shall mutually agree), and shall take place through the execution and exchange, via facsimile or other electronic transmission, of this Agreement and the other documents and agreements herein contemplated. The Parties acknowledge and agree that upon mutual exchange and receipt of signature pages via facsimile or other electronic transmission, and upon receipt by MSDC of the consideration herein contemplated at the time of the Closing, this Agreement and the other documents and instruments delivered in connection herewith shall be deemed effective as of the Closing, and the transactions hereby contemplated shall be deemed consummated, notwithstanding any Party's failure or refusal to deliver original (*i.e.*, non-facsimile or non-electronic) signature pages.

(b) The conveyance, transfer, assignment and delivery of the Purchased Shares shall be effected by execution of this Agreement and the delivery to MVV (on behalf of the Purchasers) at the Closing by MSDC of the following: (i) such documentation as may be requested by the transfer agents of the Company; (ii) a duly executed stock power with respect to the Purchased Shares and such documents or instruments as may be reasonably requested by the brokerage firm designated by the Purchasers to hold the Purchased Shares for it and (iii) such other instruments, agreements and documents as PEWC (acting on behalf of the Purchasers) may reasonably request to be delivered at the Closing. At the Closing, the Purchasers shall deliver to MSDC the following: (i) the Purchase Price set forth in Section 2; and (ii) such other instruments, agreements and documents as MSDC may reasonably request to be delivered at the Closing.

5. Representations and Warranties of MSDC. MSDC hereby represents and warrants to the Purchasers that the following representations are true, correct and complete as of the date hereof and shall be as of the Closing as if restated in their entirety as of the Closing:

(a) MSDC is a Cayman Islands Limited Partnership duly formed and organized and validly existing under the laws of the Cayman Islands.

(b) MSDC has the requisite power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated by this Agreement. This Agreement has been duly and validly executed and delivered by MSDC and, assuming due execution and delivery by the Purchasers, constitutes MSDC's legal, valid and binding obligation, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other similar laws affecting creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies.

(c) (i) MSDC is the sole, true and lawful beneficial and record owner of the Purchased Shares; no other person has a direct or indirect interest in the Purchased Shares, and MSDC has good and marketable title to the Purchased Shares, free and clear of any security interest, liens, claims, charges, encumbrances, equities, options, warrants or rights to purchase or otherwise acquire the Purchased Shares or any portion thereof (collectively, "Liens"), with no restriction on transfer or disposition thereof, except for such restrictions as may be imposed under state and federal securities laws; (ii) upon the Closing, MSDC shall convey good and marketable title to, and beneficial and record ownership of, the Purchased Shares to MVV (on behalf of the Purchasers); (iii) MSDC is not a party to or bound by any agreement affecting or relating to its right to transfer the Purchased Shares; (iv) MSDC is not required to make any filing with, or procure any consent or approval from, any governmental or regulatory agency, or third party in order to consummate the transaction contemplated hereby, including without limitation, the Closing; and (v) MSDC is not subject to any prior agreements, covenants or other restrictions that would prevent MSDC from entering into or performing fully its obligations under this Agreement, and the execution of this Agreement and the consummation of the transactions contemplated hereby do not violate or conflict with any other agreement to which MSDC is a party or otherwise subject.

(d) No involuntary bankruptcy or similar proceeding has been filed or commenced against MSDC and MSDC has not filed a petition or request for reorganization or protection or relief under the bankruptcy laws of the United States or any state or territory thereof, made any general assignment for the benefit of creditors, or consented to the appointment of a receiver or trustee, including a custodian under the United States bankruptcy laws, whether such receiver or trustee is appointed in a voluntary or involuntary proceeding.

(e) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SECTION 5, MSDC DISCLAIMS THE MAKING OF ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE PURCHASED SHARES OR MATTERS AFFECTING THE PURCHASED SHARES, INCLUDING THE FINANCIAL OR OTHER PERFORMANCE OF THE COMPANY OR OF THE PURCHASED SHARES. THE PURCHASERS, MOREOVER, ACKNOWLEDGE THAT (i) THE PURCHASERS HAVE ENTERED INTO THIS AGREEMENT WITH THE INTENTION OF MAKING AND RELYING UPON ITS OWN KNOWLEDGE AND INVESTIGATION OF THE PURCHASED SHARES AND (ii) THE PURCHASERS ARE NOT RELYING UPON ANY STATEMENTS, REPRESENTATIONS, OR WARRANTIES OTHER THAN THOSE SPECIFICALLY SET FORTH IN THIS SECTION 5 OF THIS AGREEMENT, MADE BY MSDC OR ANYONE ACTING OR CLAIMING TO ACT ON MSDC'S BEHALF CONCERNING THE PURCHASED SHARES OR THE COMPANY. EACH OF THE PURCHASERS FURTHER ACKNOWLEDGES THAT IT HAS NOT RECEIVED FROM MSDC ANY ACCOUNTING, TAX, LEGAL OR OTHER ADVICE WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT AND IS RELYING SOLELY UPON THE ADVICE OF ITS OWN ACCOUNTING, TAX, LEGAL AND OTHER ADVISORS. SUBJECT TO THE PROVISIONS OF THIS SECTION 5, THE PURCHASERS ARE PURCHASING THE PURCHASED SHARES ON AN "AS IS", "WHERE-IS" BASIS AND "WITH-ALL FAULTS" CONDITION AS OF THE CLOSING WITHOUT ANY WARRANTIES, WHETHER EXPRESS OR IMPLIED, OTHER THAN THOSE SET FORTH HEREIN AND ASSUMES THE RISK THAT ADVERSE PHYSICAL, ENVIRONMENTAL, ECONOMIC, OR LEGAL CONDITIONS MAY NOT HAVE BEEN KNOWN AND THAT THE PURCHASED SHARES MAY HAVE NO MARKET AND/OR VALUE.

(f) Neither MSDC, nor any of MSDC's officers, directors, employees, or partners, has retained, consented to, or authorized any broker, investment banker, or third party to act on behalf of MSDC, directly or indirectly, as a broker or finder in connection with the transactions contemplated by this Agreement.

6. Representations and Warranties of the Purchasers. The Purchasers hereby jointly and severally represent and warrant to MSDC that the following representations are true, correct and complete as of the date hereof and shall be as of the Closing as if restated in their entirety as of the Closing:

(a) The Purchasers are corporations duly organized and validly existing under the laws of their respective jurisdictions of incorporation.

(b) The Purchasers have the requisite power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated by this Agreement. This Agreement has been duly and validly executed and delivered by the Purchasers and, assuming due execution and delivery by MSDC, constitutes the Purchasers' legal, valid and binding obligation, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other similar laws affecting creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies.

(c) The Purchasers are not subject to any prior agreements, covenants or other restrictions that would prevent the Purchasers from entering into or performing fully under this Agreement, and the execution of this Agreement and the consummation of the transactions contemplated hereby do not violate or conflict with any other agreement or law to which the Purchasers are a party or otherwise subject. The Purchasers are not required to make any filing with, or procure any consent or approval from, any governmental or regulatory agency, or third party in order to consummate the transaction contemplated hereby, including without limitation, the Closing. For the avoidance of doubt, the provisions contained in this Section 6(c) shall not apply to any filing obligations of the Purchasers post-Closing.

(d) Neither the Purchasers, nor any of the Purchasers' officers, directors, employees, or partners, has retained, consented to, or authorized any broker, investment banker, or third party to act on behalf of the Purchasers, directly or indirectly, as a broker or finder in connection with the transactions contemplated by this Agreement.

(e) No involuntary bankruptcy or similar proceeding has been filed or commenced against the Purchasers and the Purchasers have not filed a petition or request for reorganization or protection or relief under the bankruptcy laws of Taiwan, ROC or the British Virgin Islands, made any general assignment for the benefit of creditors, or consented to the appointment of a receiver or trustee, including a custodian under the bankruptcy laws of Taiwan, ROC or the British Virgin Islands, whether such receiver or trustee is appointed in a voluntary or involuntary proceeding.

(f) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SECTION 6, THE PURCHASERS DISCLAIM THE MAKING OF ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING APWC OR THE PURCHASED SHARES, INCLUDING THE PAST AND FUTURE PERFORMANCE OR FINANCIAL RESULTS OF APWC. MSDC IS NOT RELYING UPON ANY STATEMENTS, REPRESENTATIONS, OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN SECTION 6 OF THIS AGREEMENT, MADE BY THE PURCHASERS OR ANYONE ACTING OR CLAIMING TO ACT ON THE PURCHASERS' BEHALF CONCERNING THE PURCHASED SHARES OR THE COMPANY. MSDC FURTHER ACKNOWLEDGES THAT IT HAS NOT RECEIVED FROM THE PURCHASERS ANY ACCOUNTING, TAX, LEGAL OR OTHER ADVICE WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT AND IS RELYING SOLELY UPON THE ADVICE OF ITS OWN ACCOUNTING, TAX, LEGAL AND OTHER ADVISORS.

7. Indemnification

(a) MSDC agrees to indemnify, defend and hold harmless each of the Purchasers, its affiliates, successors and past, present and future assigns, and each of their respective officers, directors, equity holders, shareholders, members, managers, employees, partners, agents, attorneys and representatives (the "Purchaser Parties") from and against any and all liabilities, losses, damages and any award of damages or other judgment by a court of competent jurisdiction or arbitration decision or settlement, and all costs, fees and expenses (including, without limitation, reasonable attorneys' fees), excluding any consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs) (collectively herein called "Losses") incurred by the Purchaser Parties as a result of any claims, accusations or allegations that arise directly or indirectly out of or by virtue of, or relate directly or indirectly to MSDC's breach of the terms and provisions of this Agreement or the failure of MSDC to perform any obligation of MSDC contained in this Agreement. Notwithstanding anything in this Agreement to the contrary, MSDC shall not be required to indemnify any of the Purchaser Parties under this Section 7(a) for an aggregate amount of Losses exceeding the Purchase Price, together with the reasonable costs and expenses of counsel incurred in connection with the enforcement of, or any action in respect of, the foregoing indemnification; provided, that such limitation shall not apply to any claim under this Section 7(a) arising out of any fraudulent, intentional or willful breach of this Agreement by MSDC.

(b) Each of the Purchasers, jointly and severally, agrees to indemnify, defend and hold harmless MSDC, its affiliates, successors and past, present and future assigns, and each of their respective officers, directors, equity holders, shareholders, members, managers, employees, partners, agents, attorneys and representatives (the "MSDC Parties") from and against any and all Losses incurred by the MSDC Parties as a result of any claims, accusations or allegations that arise directly or indirectly out of or by virtue of, or relate directly or indirectly to the Purchasers' breach of the terms and provisions of this Agreement or the failure of the Purchasers to perform any obligation of the Purchasers contained in this Agreement. Notwithstanding anything in this Agreement to the contrary, the Purchasers shall not be required to indemnify MSDC or any of the MSDC Parties under this Section 7(b) for an aggregate amount of Losses exceeding the Purchase Price, together with the reasonable costs and expenses of counsel incurred in connection with the enforcement of, or any action in respect of, the foregoing indemnification; provided, that such limitation shall not apply to any claim under this Section 7(b) arising out of any fraudulent, intentional or willful breach of this Agreement by the Purchasers.

(c) Promptly after receipt by either a Purchaser Party under subsection (a) above or a MSDC Party under section (b), as the case may be (such party being the “Indemnified Party”) of notice of the assertion of a claim or the commencement of any action against such Indemnified Party, such Indemnified Party shall, if a claim in respect thereof is to be made against MSDC under subsection (a) or the Purchasers under subsection (b), as the case may be (such party being the “Indemnifying Party”), notify the Indemnifying Party in writing of the commencement thereof; but the omission so to notify the Indemnifying Party shall relieve it from liability which it may have to the Indemnified Party hereunder only to the extent the Indemnifying Party is materially prejudiced by such omission. In case any such action shall be brought against an Indemnified Party and the Indemnified Party shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to the Indemnified Party and, after notice from the Indemnifying Party to the Indemnified Party of the Indemnifying Party’s election to so assume the defense thereof, the Indemnifying Party shall not be liable to such Indemnified Party hereunder for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such Indemnified Party, in connection with the defense thereof other than reasonable costs of investigation unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the contrary, (ii) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Party would present such counsel with a conflict of interest or (iii) the Indemnifying Party shall have failed to, within a reasonable time, retain counsel reasonably satisfactory to the Indemnified Party. The Indemnifying Party shall not, in connection with any proceeding, or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for the Indemnified Party. The Indemnifying Party shall not, without the Indemnified Party’s written consent, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the Indemnified Party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (x) includes an unconditional release of the Indemnified Party from all liability arising out of such action or claim and (y) does not include a statement as to, or an admission of, fault or culpability by or on behalf of the Indemnified Party.

8. Further Assurances. The Parties hereto covenant and agree to take such further actions, and execute and deliver such other deeds, bills of sale, endorsements, assignments, transfers and other instruments of transfer and conveyance in such form, including warranties of title and such documentation required or requested by the Company or the transfer agents, as any Party able to enforce this Agreement shall reasonably request in order to more fully evidence or effectuate the transactions contemplated by this Agreement, including as may be necessary to perfect title of MVV to the Purchased Shares.

9. PFIC Confirmation. If the Company does not file a Form 20-F with the United States Securities and Exchange Commission on or before May 1, 2016, then PEWC shall provide to MSDC on or before May 16, 2016 (i) a copy of the Company's audited financial statements and (ii) a written certification that to the Company's knowledge, it was or was not a "passive foreign investment company" as defined in Section 1297 of the Internal Revenue Code as found in 26 U.S.C. for any part of the Company's fiscal year ended December 31, 2015.

10. Entire Agreement; Assignment; Amendment. This Agreement and the documents and instruments referred to herein and to be delivered pursuant hereto: (a) constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, among the Parties or any of them with respect to the subject matter hereof, and (b) shall not be assigned, by operation of law or otherwise, without the prior written consent of the other Party. No amendment, modification or alteration of the terms or provisions of this Agreement shall be binding unless the same shall be in writing and duly executed by the Parties hereto.

11. Severability. If any provision of this Agreement is held invalid, illegal or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. Any provision of this Agreement held invalid, illegal or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid, illegal or unenforceable. The Parties shall endeavor in good faith negotiations to replace any invalid, illegal or unenforceable provision with a valid, legal and enforceable provision, the effect of which comes as close as possible to that of the invalid, illegal or unenforceable provision.

12. Notices. All notices, consents, waivers and other communications under this Agreement shall be in writing, sent contemporaneously to all of the receiving Parties, and shall be deemed to have been duly provided, delivered, and received when (a) delivered by hand (with written confirmation of receipt); (b) sent by facsimile (with written confirmation of receipt); or (c) when received by the addressee, if sent by an internationally recognized delivery or courier service (return receipt requested), in each case, to the appropriate addresses and facsimile numbers as provided on the signature page for such Party (or to such other addresses and facsimile numbers as any Party may designate by notice to the other Parties in accordance with this Section 12).

13. Governing Law. This Agreement shall be governed by, enforced under, and construed in accordance with the laws of the state of New York without regard to conflicts of law principles (other than Section 5-1401 and 5-1402 of the New York General Obligations Law).

14. Arbitration; Jurisdiction and Venue.

(a) Any dispute, controversy, or claim arising out of or in relation to this Agreement, including the validity, invalidity, breach, or termination thereof, shall be exclusively resolved by arbitration in accordance with rules of arbitration of the American Arbitration Association in force on the date when the request for arbitration is submitted in accordance with such rules. The number of arbitrators shall be three (3), appointed in accordance with said rules. The seat of the arbitration shall be New York, New York, United States. The arbitration proceedings shall be conducted in the English language.

(b) The Parties hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States of America located in New York County for any actions, suits or proceedings arising out of or relating to this Agreement (and agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agree that service of any process, summons, notice or document by U.S. registered mail to their respective addresses set forth above shall be effective service of process for any action, suit or proceeding brought against any such Party in any such court). The Parties hereby irrevocably and unconditionally waive any objection that any such Party may now or hereafter have to the laying of venue of any action, suit or proceeding arising out of or relating to this Agreement in the courts of the State of New York or the United States of America located in New York County, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. THE PARTIES FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVE THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT. For the avoidance of doubt, the Parties agree that any dispute, controversy or claim shall be resolved, in the first instance, pursuant to the arbitration procedures set forth above.

(c) The Purchasers hereby irrevocably appoint CT Corporation (the "Process Agent"), at 111 Eighth Avenue, New York, New York 10011 (212-894-8940), as their agent and true and lawful attorney-in-fact in its name, place and stead, and MSDC irrevocably authorizes the office identified as its address for Notices in accordance with Section 12, to accept on behalf of each of the respective Parties and their respective properties and revenues, service of copies of the summons and complaint and any other process which may be served in any suit, action or proceeding brought pursuant to this Agreement, and each of the Parties hereto agrees that failure of the Process Agent to give any notice of any such service of process to any of the Parties hereto shall not impair or affect the validity of such service or the enforcement of any judgment based thereon.

15. Waiver. Neither the failure to exercise, nor any delay by any Party in exercising, any right, power, or privilege under this Agreement, or any other document contemplated by this Agreement shall operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or any other document contemplated by this Agreement may be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by each other Party hereto, (b) no waiver that may be given by any Party hereto shall be applicable except in the specific instance when and for which such waiver is given, and (c) no notice to or demand on one Party shall be deemed to be a waiver of any obligation of such Party or of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement, or any other document contemplated by this Agreement.

16. Headings; Construction. The headings used in this Agreement are intended solely for ease of reference and shall not be deemed a part of the Agreement. All references to “Section,” or “Sections” refer to the corresponding Section, or Sections of this Agreement. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word “including” does not limit the preceding words or terms.

17. Survival. The representations and warranties, and the obligations and covenants of the Parties which, in either case, by their meaning or content, are intended to survive the Closing, shall remain in effect following the Closing, for a period of ninety (90) days following the Closing; provided, however, that (i) the obligations and covenants of PEWC in Section 9, if any shall arise pursuant to the provisions thereof, shall survive until performed in full and (ii) the limited survival of certain provisions set forth herein shall not impair or modify in any way the effectiveness of the provisions of this Agreement that provide for immediate and unconditional termination of certain relationships or agreements upon the Closing, including without limitation the termination of the entirety of the Shareholders’ Agreement as provided herein.

18. Time of the Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

19. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity other than the Parties hereto any rights or remedies of any nature whatsoever under or by reason of this Agreement.

20. Counterparts; Delivery. This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and all of which taken together shall constitute one and the same Agreement. The Parties agree that this Agreement may be executed and delivered by facsimile or other electronic transmission.

(Signatures begin on following page)

IN WITNESS WHEREOF, each of PEWC, MVV, and MSDC has duly executed this Agreement as of the day and year first above written.

“PEWC”:

PACIFIC ELECTRIC WIRE & CABLE CO., LTD.

By: /s/ Yuan Chun Tang
Yuan Chun Tang, Chairman

Notice Address:

No. 95, Section 2

Dunhua South Road
Taipei, 106 Taiwan, ROC
Facsimile: +886-2-6636-6130
Attention: Mr. Yuan Chun Tang, Chairman

With a Copy to:

Fox Horan & Camerini LLP
825 Third Avenue
New York, New York 10022
Telephone: (212) 480-4800
Facsimile: (212) 269-2383
Attention: Michael J. Hagan, Esq.
E-mail: mjhagan@foxlex.com

“**MVV**”:

MOON VIEW VENTURES LIMITED

By: /s/ Yuan Chun Tang
Yuan Chun Tang

Notice Address:

MOON VIEW VENTURES LIMITED;
c/o PACIFIC ELECTRIC WIRE & CABLE CO., LTD.

No. 95, Section 2

Dunhua South Road
Taipei, 106 Taiwan, ROC
Facsimile: +886-2-6636-6130
Attention: Mr. Yuan Chun Tang, Chairman

With a Copy to:

Fox Horan & Camerini LLP
825 Third Avenue
New York, New York 10022
Telephone: (212) 480-4800
Facsimile: (212) 269-2383
Attention: Michael J. Hagan, Esq.
E-mail: mjhagan@foxlex.com

“MSDC”:

MSD CREDIT OPPORTUNITY MASTER FUND, L.P.

By: MSDC Management, L.P.
Its: Investment Manager

By: /s/ Marcello Liguori
Marcello Liguori, Managing Director

Notice Address:

MSD Credit Opportunity Master Fund, L.P.
645 Fifth Avenue, 21st Floor
New York, NY 10022
Facsimile: (212) 303-1772
Attention: Marcello Liguori

Acknowledged by:

“**APWC**”:

ASIA PACIFIC WIRE & CABLE CORPORATION LIMITED

By: /s/ Yuan Chun Tang
Yuan Chun Tang, Chief Executive Officer

Notice Address:

7th Floor, No 132 Sec. 3
Min-Sheng East Road
Taipei, 105 Taiwan, ROC
Attn: Yuan Chun Tang, Chief Executive Officer
Fax: +886-2-2712-3557

With a Copy to:

Fox Horan & Camerini LLP
825 Third Avenue
New York, New York 10022
Telephone: (212) 480-4800
Facsimile: (212) 269-2383
Attention: Michael J. Hagan, Esq.
E-mail: mjhagan@foxlex.com

Exhibit 12.1

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Yuan Chun Tang, certify that:

1. I have reviewed this annual report on Form 20-F of Asia Pacific Wire & Cable Corporation Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 30, 2016

/s/ Yuan Chun Tang

Name: Yuan Chun Tang

Title: Chief Executive Officer

Exhibit 12.2

**Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Ivan Hsia, certify that:

1. I have reviewed this annual report on Form 20-F of Asia Pacific Wire & Cable Corporation Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 30, 2016

/s/ Ivan Hsia

Name: Ivan Hsia

Title: Chief Financial Officer

Exhibit 13.1

**Certification Pursuant to 18 U.S.C. Section 1350 as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Asia Pacific Wire & Cable Corporation Limited (the "Company") on Form 20-F for the period ended December 31, 2015 as filed with the Securities and Exchange Commission (the "Report"), I, Yuan Chun Tang, Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission

Date: April 30, 2016

/s/ Yuan Chun Tang

Name: Yuan Chun Tang

Title: Chief Executive Officer

Exhibit 13.2

**Certification Pursuant to 18 U.S.C. Section 1350 as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Asia Pacific Wire & Cable Corporation Limited (the "Company") on Form 20-F for the period ended December 31, 2015 as filed with the Securities and Exchange Commission (the "Report"), I, Ivan Hsia, Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: April 30, 2016

/s/ Ivan Hsia

Name: Ivan Hsia

Title: Chief Financial Officer