

Asia Pacific Wire & Cable Corporation Limited (“APWC” or the “Company”)

Response to a Shareholder’s Letter

The following is a response to a letter (the “Shareholder Letter”), dated July 18, 2016, that was sent to the resident secretary of APWC in Bermuda from one of its shareholders LONSIN Capital Limited (“Lonsin”). The Company would like to take the opportunity to address the questions and concerns detailed in the letter, which can be viewed on the APWC’s website at <http://www.apwcc.com>.

APWC is diligently looking for ways to increase the competitiveness of its products as well as developing new products and markets. The Company believes the best way to increase shareholder value is to increase the profitability of APWC, which has a positive and enduring impact on the share price. Please see the following Company responses to the Shareholder Letter.

- APWC management is proposing to its Board of Directors to implement a dividend policy for shareholders, as has long been requested by some investors. The details of the dividend policy are being established and must take into account the Company’s capital requirements in terms of future investments and operations. The goal is to provide to shareholders a cash dividend based on a certain percentage of the net profit of the Company. It is management’s intention to present a proposal for a dividend policy to the Board of Directors at its next meeting.
- APWC already has three very qualified independent directors serving on the Board of Directors. All of them are well recognized in their respective fields. The audit committee, compensation committee and nominating committee of the Board of Directors are chaired and led by its independent directors. The election of an additional independent director is subject to the discretion of the nominating committee of the Board of Directors. The Company will recommend the nominating committee to search for a fourth independent director.
- With regard to the possible share buyback plan that was announced some time ago and the proposed capital distribution, APWC believes that the best way to increase shareholder value is to increase the profitability of the Company through improving production efficiency, exploring new markets and developing new products. The experience of many companies undertaking a stock buyback is to see a short-term spike in the trading price, which is not sustained over the long term. The Company reported a US\$8.2 million loss in 2015, and is facing strong competition from other wire and cable manufacturers, especially those in China, who have excess capacities and are exporting their products to the markets where we operate. In addition, APWC’s business in Thailand is highly dependent on the level of governmental investment in infrastructure development, and the continuing political instability and social unrest diminishes the focus of the government on infrastructure development. The Company believes that it needs to reserve sufficient cash to prepare itself for the competition and market uncertainties it is facing and to fund new investments that the Company may identify.