LONSIN
Capital

Hamilton House
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23rd February 2018

By e-mail to Mr Yuan Chun Tang.

Board of Directors of PEWC and APWC
Yuan Chun Tang (Chairman of PEWC, and CEO of APWC)
Michael C. Lee (CEO of PEWC and Board of Directors 'member of APWC)
David Sun (President of PEWC and Board of Directors 'member of APWC)
Pacific Wire and Cable Co. Ltd
25F., No. 95, Sec. 2,
Dunhua S. Road
Taipei City, 106, Taiwan
Republic of China

Re: Letter to the Board of Directors of Pacific Electric Wire and Cable Co. Ltd ("PEWC") concerning an Indication of Interest to purchase a minimum number of shares in Asia Pacific Wire and Cable Corporation Ltd ("APWC")

LONSIN Capital Limited ("LONSIN"), together with its affiliates, would like to rescue APWC from long-term decline and explore a share purchase proposal with PEWC at US$4.0 per share for a minimum number of shares. A proposal at this level represents a 62 per cent premium to the last closing price on NASDAQ of $2.475 and a 47 per cent premium to the five-year average closing price on NASDAQ (*Source: Bloomberg).*

On 18th May 2016 we wrote a requisitioned, open letter to the Board of Directors of APWC asking the Board to consider a range of measures that could help deliver enhanced shareholder value without much cost to the company.

The Board responded by stating that they "took very seriously concerns about shareholder value"

Almost two years later, it is clear that this statement by the APWC Board is questionable. The share price is still at a massive discount to book value, to cash per share and to the market value of the majority stake in listed subsidiary, Charoong Thai Wire ("CTW") in Thailand.

Below we list the suggested actions contained in our letter of 18th May 2016 and highlight the reactions of the Board and Management:

1) To elect a fourth independent director. APWC Board did not disagree in principle, but failed to report any progress on this matter. In September 2017 LONSIN put forward a candidate who we viewed as being of suitable calibre. APWC proceeded to ask dozens of questions about the candidate, Mr A C M, a director of an accounting firm in Shanghai. Mr A C M duly supplied the answers. In December 2017, APWC reportedly held a Board meeting. In January 2018 again we asked what was the status of the independent director selection process and we were told "*We decided to look for more candidates and select one to fill up the vacancy at a later time, of course, Mr A C M will be one of the candidates to be considered."*
   In effect, APWC directors took five months considering this candidate and around a year and a half since agreeing the proposal in principle only to deliver a holding answer.

2) Action regarding the share repurchase programme.

3) To adopt an official APWC positive share dividend policy.

   In the case of 2) and 3) The Board did introduce an APWC dividend policy, but, in contrast with what we understood was the intent of the dividend policy, the press announcement stated the November 2017 dividend would be a "one time" dividend. This had the effect of misleading the press in general into reporting that the dividend was in fact a "special dividend" rather than a dividend consistent with normal, previously declared, dividend policy of APWC. Moreover, at the same time as agreeing to implement a dividend policy The Board announced the cancellation of the existing share repurchase plan, citing reduced liquidity as the main reason for this decision. The free float of APWC shares had remained more or less unchanged in the years since the implementation of the share repurchase plan. LONSIN has made suggestions to the APWC board to help improve liquidity on NASDAQ but received no response. There is no evidence that the Board cares about the lack of liquidity in APWC shares, so why use this excuse to cancel the share repurchase programme?

4) To make a capital distribution to shareholders. APWC Board has reported Cash balances in excess of APWC market capitalization values for many years. When questioned about the need to hold such high levels of cash the Board responded it was for investment and capex in the new business and products.

   The APWC annual average return on capital since 2011 equals 1.55% (*source Bloomberg).*
   With this kind of track record, we see no justification for the proposed increased investment in "new business and products that will require significant capex". The objective prognosis for such expenditure by the management/Board of APWC is that it will be a relative disaster for shareholders.

In light of the underwhelming track record of the incumbent Board and Management of APWC over the short, medium and longer-term, we feel that the acquisition of the majority stake by LONSIN will bring fresh impetus to the assets of the company and swiftly deliver enhanced value for all shareholders.

1. LONSIN and affiliates are pleased to submit the following non-binding indication of interest pursuant to which LONSIN proposes to acquire a minimum of 50 per cent plus one share of the fully-diluted share capital of APWC (the "Company") up to a maximum of all of PEWC's shares in APWC, with the expressed intent of delivering superior value to all shareholders. We already hold c.5.5% of share capital therefore we are interested in acquiring c.44.5% from PEWC.

2. Based on the latest financial results released on 18/12/2017 and current market share price, we have developed a preliminary non-binding valuation for 44.5% of APWC of approximately $24.6 million; at $4.0 per share. We understand that the number of shares, on a fully diluted basis, is 6,150,079.

3. Consummation of this proposal will be subject to LONSIN's completion of, and satisfaction with, a customary business, financial and legal due diligence review of APWC, the negotiation and execution of definitive Purchase and Shareholders Agreements and the receipt of all necessary approvals, including potential third-party approvals. Upon the Board's properly authorized acceptance of the terms of this preliminary non-binding price indication, we and our advisors are prepared to commence our due diligence review promptly.

4. This letter represents only a preliminary indication of interest and does not constitute a contract, commitment, undertaking or other binding obligation or limitation on the part of any person in any respect.

The following partners of LONSIN can be contacted for any additional information or in case it is necessary to clarify this letter:

Mr Marco M Elser (+39 335 628 5555) or Mr Jonathan Chia Croft (+44 (0)20 3829 6880).

If you are interested in pursuing discussions toward an agreement as described in this letter, please respond to us by March 8, 2018.

Sincerely

LONSIN Capital Limited.