

EIC Quality diode behind every great system



Electronics Industry Public Company Limited

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EIC Information

Name	Electronics Industry Public Company Limited
Initial	EIC
Registered Number	40854600004
Type of Business	Manufacturer and Distributor of Semiconductor Devices - Silicon Wafer and Diodes
Registered Capital	Baht 400,000,000 ordinary shares
Par Value	Baht 1.00
Paid Up Capital	Baht 400,000,000
Location	65,68 Chalongkrugn Soi 31, Chalongkrung Road, Lat Krabang Industrial Estate, Lat Krabang, Bangkok 10520 Thailand
Corporate Communications Office	Telephone: 662 – 326 1234 Fax : 662 – 326 1020 Website: www.eicsemi.com ; E-mail: eic@eicsemi.com
Reference	th
Auditor	Miss Somjintana Pholhirunrat CPA (Thailand) No. 5599 and/or Mrs. Vilairat Rojnuckarin CPA (Thailand) No. 3104 and/or Mrs. Suvimol Krittayakien CPA (Thailand) No. 2982 Office of DIA International Auditing 316/32 Sukhumvit Soi 22, Sukhumvit Road, Klongtoey, Bangkok 10110 Tel: 02 2595300, Fax 02 2601553
Share Registrar	Thailand Securities Depository Co. Ltd. 2/7 Moo 4 (North Park Project), Vibhavadi Road, Laksi, Bangkok 10210 www.tsd.co.th

Message from Board of Directors



Sarawuth Jinwuth
Chairman of the



Withaya Chakphet
Managing Director

During the year ended 31 December 2012, the ongoing sovereign debt crisis in Europe and the continued macroeconomic problems in the US had likely impacted the semiconductor market negatively during the year. In Asia, the fall in demand for consumer products pulled down the economic growth in both China and Japan during Quarter 1-3. In addition, the plants those who suffered from flooding in Thailand postponed their re-opening for operation.

Within the electronics industry, the production and sale of electronic products are slowdown, although smart phones and energy serving related equipment including LED Lighting and solar power generators enjoy solid sales. Consequently, the electronics components and semiconductor devices suffered from these harsh conditions.

Under these circumstance, the Company's sales revenue in the year ended 31 December 2012 were recorded at 140.96 million Baht, a decrease from the year ended 31 December 2011 which recorded the sales revenue at 166.31 million Baht. The Company recorded the net loss at 6.78 million Baht.

With the perspective that added-values created by the Company's business activities should be allocated to all constituents including shareholders, employees and the stakeholders in local communities in appropriate proposition, EIC has committed itself to developing products' quality to be recognized as quality Diodes in every great system. In the year 2002, the Company expanded its production to produce Glass Diodes and Surface Mounted Diodes (SMD). Then starting from January 2007, EIC has been adopting the added -values Glass Passivated Processed Wafer to produce their Zener Diode, Rectifier, TVS and Bridge Rectifier. This has resulted in increasing reverse breakdown voltage and thus increasing in operational lifetime of end products. A reduction in reverse leakage at high temperatures can help the energy saving for end consumers. Additionally, for TVS and Zener Diodes, the transient protection would be been increased. This move further establishes EIC as a manufacturer with good corporate social responsibility of top class discrete semiconductors.

Electronics industry is expected to grow in the mid-to long term due to increasing demand for digital equipment and more sophisticated automotive electronic control system. However, worldwide economic deterioration, technological competition and price war are expected to continuously intensify. For sustainability development, EIC will focus on the fundamental policy of the development for high quality products, worldwide access with shorter lead time for full range of products.

EIC's achievements are primarily owed to the support of customers, employees, local communities, and most of all, to our shareholders, to whom we are extremely grateful. We look forward to the continued support and would like to close by thanking all of our stakeholders.

Electronics Industry Public Company Limited
27 February 2013

Report of Audit Committee

To The Board of Directors
Electronics Industry Public Company Limited

1. The Audit Committee, appointed by the Board of Directors in the Meeting held on 25 February 2009, consisting of 3 following Directors:

- 1) Dr. Aran Thammano Ph.D, Independent Director & Chairman of the Audit Committee
- 2) Mr. Kamol Junthima, Independent Director & Audit Committee Member
- 3) Assoc. Prof. Dr. Wisut Thitiroongruang, Independent Director & Audit Committee Member

Dr. Aran Thammano had resigned from the Board effective since 14 May 2012, and the Board of Directors has appointed new Audit Committee consisting of 3 following Directors:

- 1) Mr. Kamol Juntima, Independent Direc & Chairman of Audit Committee
- 2) Assoc. Prof. Dr. Wisut Thitiroongruang, Independent Director & Audit Committee Member
- 3) Mr. Prateep Buphaintr, Independent Director & Audit Committee Member

The qualifications of the Audit Committee members, their scope of duties and responsibilities meet all the requirements by the Stock Exchange of Thailand.

2. The Audit Committee held 11 meetings during the year of 2011 to complete the following actions:

- (1) Review the internal audit report as proposed by the internal auditor to the meeting of the Board of Directors.
- (2) Review the transactions between the Company and sole agents on a quarterly basis, as assigned in letter no. Kor Lor Tor Jor 200/2547 dated February 6th, 2004 from the Securities Exchange Commission and the Stock Exchange of Thailand.
- (3) Review the quarterly financial statements, together with the company's auditors and the Management, to ensure the adequacy and accuracy of disclosure as guided by Generally Accepted Accounting Principles.
- (4) Review the internal control and reports to the meeting of the Board of Directors.
- (5) Review the nomination to appoint Miss Somjintana Pholhirunrat CPA (Thailand) No. 5599 and/or Mrs. Vilairat Rojnuckarin CPA (Thailand) No. 3104 and/or Mrs. Suvimol Krittayakien CPA (Thailand) No. 2982 from Office of DIA International Auditing as the auditors for the company in 2012. The auditor's annual fee was proposed at Baht 795,000

3. The Audit Committee and the Auditor arranged one meeting on 18 December 2012 without the company's management staff. The purpose of meeting is to allow the company's auditor giving their comments.

4. The Audit Committee reviewed the audited Financial Statements as ended of 2012 on 26 February 2013 by inviting all related management to verify conformance with the Generally Accepted Accounting Principles and with all other rules and regulations, prior to further submission to the Company's Board of Directors and the Annual General Shareholders Meeting.

The Audit Committee had performed all assignments designated by the Board of Directors covering the comments in related to the accuracy & reliability of the Company's Financial Reports; the adequacy of the Company's internal control system, the compliance with the Securities and Exchange Act, the Regulations of the SET and any other relevant laws.



Mr. Kamol Juntima
Chairman of Audit Committee
27 February 2013

EIC Business

Electronics Industry Public Company Limited (EIC) or previously known as Electronics Industry (USA) Co. Ltd. was established since 1984. EIC is a major international manufacturer and supplier of semiconductor device, Silicon Wafer and Diodes.

The Company is the first semiconductor manufacturer in Thailand to initiate in-house production of silicon wafers, both Open Junction and Glass Passivated Processed Wafers. The Company's in-house wafer is for selling worldwide and for supporting the manufacture and assembly of the company's diodes, which are the most basic discrete semiconductor components used in the manufacture of many electrical appliances and electronic equipment.

Providing with over 15,000 part numbers, EIC has developed and marketed diode product lines that are now recognized among leading manufacturers in every industry including automobile part manufacturers who inevitably focus on high reliability products. The company has the ability to develop special purpose devices to satisfy unique customer applications and is currently offering the lead-time of less than 6 weeks for a majority of products. The company's processes and procedures, from design to after sales service, are fully ISO 9001, ISO 14001 and ISO/TS 16949 certified, and all products are RoHS compliant.

Over 25 years since its establishment, EIC had developed several Product Packages to meet the manufacturers in most specific applications and markets, such as automotive and solar Panel Industry. EIC's TVS Diodes have passed extremely well to be fully qualified in aviation industry, both in Airbus A350, Boeing 787 and the Eurocopter.

Milestones

- 1984 Founded by Mr. Sarawuth Jinwuth. Started with transistor business trading with Baht 1.3 Million registered capital, on the 1st factory of 300 sq.m in Lat Krabang Industrial Estate.
- 1986 Expanded the 2nd factory to 1,000 sq.m.
- 1988 Expanded the 3rd factory to 6,000 sq.m.
- 1990 Started manufacturing Diodes.
- 1996 Increased registered capital to Bt 300 million.
- 1997 Achieved ISO 9001/ISO 14001
- 2000 Achieved ISO 14001 certifications from SGS Yarsley International Certifications Services, England.
- 2003 Expanded the factory of 4,000 sq.m. for increasing production capacity of Glass Diodes and Surface Mounted Devices. Paid up capital increased to Baht 400 million. Become listed company in the Stock Exchange of Thailand.
- 2006 Started the new wafer fabrication plant and produces in-house Glass Passivated Wafers (Die size 35-220ml) and Open Junction Wafers (3-5 inch).
- 2007 Achieved ISO/TS16949 certification SGS Yarsley International Certifications Services, England

EIC's vision :

To be a leading manufacturer of superior discrete semiconductor products.

EIC's Mission:

To make EIC Brand to be well recognized among the leading manufacturers in every industry.

EIC Products Overview

1. Zener Diodes

EIC can provide over 4,000 part numbers, both in Axial Lead and SMD, from 2V-200V, and from 0.25W-5W; thus covering Low, Medium and High Power Zeners

2. Transient Voltage Suppressor Diodes

EIC can supply a complete range of Transient Voltage Suppressors (TVS) from 150W to 50,000W, and 6.4V to 480V, in both Axial Lead and SMD packages, including Low Capacitance and Ultra Low Capacitance versions.

EIC also offers a range of Automotive TVS designed specifically to meet the needs of customers in the Automotive industry. EIC is one of few suppliers to offer 3000W and 5000W parts in SMD packaging

3. Rectifier Diodes

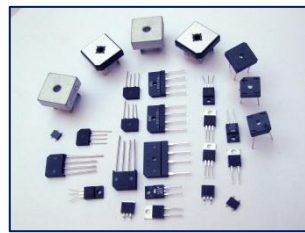
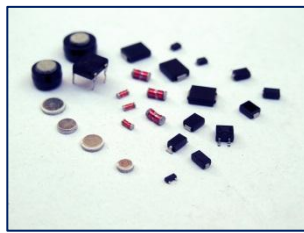
EIC can provide a full range of products from Standard to Super Fast Recovery and Schottky, 1A-50A (20V-10,000V), and is able to design specific products to suit a customer's application.

Key families are:

- Automotive Rectifiers AR/MR series
- Super Fast Rectifier Diodes
- Schottky Barrier Rectifier Diodes
- High Efficiency Rectifiers HER series
- Bridge Rectifiers 2-50A

4. Signal/Switching Diodes

The range is completed with a range of industry standard Small Signal / Switching Diodes



Economic and Semiconductor Industry Overview

The global semiconductor industry has been growing nonstop for 40 years, with global sales increasing at an average of about 9% per annum. Apart from its high market growth, the semiconductor industry has been characterized by rapid technological innovation. The third characteristic of the semiconductor industry is its need for huge amounts of capital to support both growth and technological progress.

After the global economic crisis peaked in 2009, the semiconductor market recovered quickly and global sales reached a record high in 2010. While billings fell by 11% from 2008's peak to 2009's trough, sales then recovered by a remarkable 34% from 2009 to 2010, a pace never before achieved. Worldwide semiconductor sales in 2011 was stable with an increase of 0.4 percent. For 2012, the sales decrease at 2.7 percent with the record total of \$299.5 billion.

The global semiconductor market is fuelled by technological developments, good growth prospects in automotive and industrial markets and by China leading the way as the growth engine. At present, consumption in China accounts for more than 40% of global semiconductor revenues, and we anticipate that by 2015 its share will reach 50%. India, Russia and Brazil may play a future role in the semiconductor sector, but with substantially smaller shares than China's.

The semiconductor sector is linked to application markets, which themselves are diversified. Major application markets for semiconductors are: data processing (including personal computers, laptops, servers and tablets); communications (including fixed-line telephone systems, broadband internet, mobile phones, smartphones and more); consumer electronics (television sets, music players, gaming consoles and household appliances); automotive, comprising both light vehicles and trucks; and industrial (including infrastructure, rail services, the military, fossil and regenerative energy, smart grids, etc.). As a consequence, the overall state of the global economy is a key determinant for the state of the semiconductor sector, as demonstrated by a strong correlation between the growth rate of global gross domestic product (GDP) and the growth rate of global semiconductor sales.

Semiconductor Growth is expected to continue until 2015, but at a slower pace: CAGR from 2010 to 2015 is expected to be 7.4% overall. The application markets with the largest growth rates are automotive and industrial, with a CAGR of 15.8% and 8.9% respectively, in the years between 2010 and 2015. Overall, semiconductor sales within the communications market are expected to show medium growth figures in the next years, rising to 7.0% from 2010 to 2015, mainly driven by growing unit sales of smartphones. Similarly, the consumer electronics segment benefits from good sales prospects for digital set-top boxes, as well as for TV sets, game consoles and digital cameras (mostly video cameras). Average sales prices, however, show a generally adverse trend. Thus, semiconductor sales within the consumer segment are expected to grow on an aggregated basis of 3.3% (CAGR) between 2010 and 2015.

When looking at the semiconductor market which are comprising with 7 following categories: 1)Sensors and Actuators; 2) Optical Semiconductors; 3) Discrete Semiconductors;4)Analogue ICs; 5) Logic ICs; 6)MPUs and MCUs; and 7) Memories. The Logic ICs make up the largest part of global sales. However, the Discrete Semiconductors growth is expected to grow at 3%,7% in 2013 and 2014.

Among Discrete Semiconductor, there are comprising with 5 following components : 1) Photosensitive and LED semiconductor devices; 2)Transistors; 3)Diodes; 4)Mounted Piezo electrics crystals; and 5)Diacs Thyristors and Triacs, as according PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft (PWC) By Werner Ballhaus, Dr.-Ing. Alessandro Pagella, Constantin Vogel and Christoph.

Diodes is expected to have the sales growth at USD 2.34 Billion and USD 2.57 Billion during 2013 and 2014 respectively.

Competition

The competition is found among the following group of companies:

- 1) Manufacturers of their own semiconductor components for their own end products but not for sales to other manufacturers.
- 2) Manufacturers of their own Discrete Semiconductor for their own end products and also selling their components for other manufacturers as one type of their products categories.
- 3) Manufacturers and distributors of all kind of Discrete Semiconductor covering Photosensitive and LED semiconductor devices; Transistors; 3)Diodes; Mounted Piezo electrics crystals; Diacs Thyristors and Triacs, and ICs. These are Key Manufacturers and Distributors in the market covering more than 10% of market share. Thus, the completion is found among these Key manufacturers, for example STM Electronics,International Rectifier, Infineon, Renesa, Semikron, Rohm

EIC is not categorized among these group because the Company's business is only Diode manufacturer and distributor whose policy is concentrated on quality and its target customers are those who are loyalty to the quality rather than price war.

Structure of EIC Revenue and our Production

EIC Sales Revenue

EIC Sales Revenue are almost 50% distributed through the 3 sole agents as bellowing:

- (1) Sunlight Electronics (HK) Ltd, Hong Kong
- (2) EIC International Co. Ltd, Hong Kong
- (3) EIC Semiconductor Inc., USA

(Unit: Thousand Baht)

Sole Agents	2012		2011		2010	
	Sales Amount	Percentage of Total Sales Revenue	Sales Amount	Percentage of Total Sales Revenue	Sales Amount	Percentage of Total Sales Revenue
1.EIC International Co.Ltd	49,094.25	34.83	62,655.96	37.67	105,922.25	49.25
2.EIC Semiconductor Inc.	13,376.29	9.49	21,207.08	12.75	27,463.93	12.77
3.EIC Semi Ltd	0.00	0.00	11,963.20	7.19	23,734.00	11.04
4. Direct Customers	78,491.09	55.68	70,488.30	42.39	57,938.14	26.94
Total	140,961.63	100.00	166,314.54	100.00	215,058.32	26.94

Our Production

Manufacturing, Operations and Facilities

Electronic Industry Public Company Limited or EIC has been focusing on quality in order to compete with world-class operators from Japan, Europe and the United States. We are very careful with selecting A-grade raw materials and production process through procurement of highly efficient machinery to ensure excellent quality testing. We also strengthen our customer's trust by improving the degree of product reliability so that there will be no defects and our products can be used for a long time.

We are proud to manufacture quality products. Our products have been recognized for quality, which is superior to others, and that is because we never stop developing. EIC started out by taking the know-how from the United States. We also received the know-how from Japan and France. We learned from assembling their chips. We can say we have been exposed to state-of-the-art technologies and we have been providing services to several leading companies in the world. But we never stop there. We conduct our own research and development to excel our operation. When problems occur, we know why they occur and how to go about fixing them.

Our Quality

EIC Factory is situated at Lat Krabang Industrial Estate in Bangkok, occupying an area of 12,000 square meters. The wafer fab is now producing 30,000 wafers per month; both Open Junction and Glass Passivated Wafers. The wafers are being used to support the production of TVS, ZENER, Standard Switching Diodes and Rectifiers. EIC has a total production capacity of 600 million diodes per year. Total Quality Control Management is being implemented in every step of production; from the selection of raw material, to process quality control, and right through to reliability tests and quality control prior to shipping.

Quality Policy is the most important element in the production of EIC's products. The company strictly controls quality through the incoming process, in process, and outgoing process. Also, the company selects only A-Grade raw materials. The company has implemented the AQL 0.01 system to randomly inspect products prior to delivery to customers. If one item is found to be "out of specification", the whole lot will be rejected and sent back for further inspections.

EIC conducts High Reliability Tests on every product lot to ensure durability in the finished products. And in additionally, the following testing are also controlled : 1) High/Lower Breakdown Voltage ; 2) Reverse Surge Current; 3) Delta Breakdown Voltage DVR1, DVR2.

EIC provides all its customers with a wide range of superb services, including a delivery service which is fast and secure. EIC believes that customer satisfaction reflects the company's success.

Skills, Technology and Innovation

EIC already enjoys constant growth on a yearly basis. Every year, we have new products added to our list of items, which comprises over 15,000 product categories. But we don't stop there. We continue to invest in our business every year. We are the most upstream business of this type of industry. Having our own wafer enables us to conduct better product design because we can do it as early as from the wafer stage. In the past, product design depended on what type of chip we could have access to. Now we don't need to do that anymore. We can design the chip and the product or plan ahead to learn of our strength and capabilities in order to take on the market. We have the advantage and we can also invest more on skills, Technology and Innovation.

Our Customers:

EIC's customers are consisting of : 1) Original Brand Name Producers, 2) Original Equipment Manufacturers (OEM) , 3) Trading Firms; and 4) Original Component Manufacturers.

Our Worldwide Sales Offices

AMERICA:

EIC Semiconductor, Inc. 15705 Arrow Highway, # 4 & 5, Irwindale, CA 91706 USA

ASIA :

EIC International Co., Ltd, Room 702, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road,
Kwun Tong, Kowloon, Hong Kong

Sun Light, China Headquarter, Sun Light Electronic Building , Punan Road, Eastern Section of Guangzhou Economic and Technological Development District, Gangzhou, China 510760

Sun Light Electronics (H.K) Ltd, Room 710, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road,
Kwun Tong, Kowloon, Hong Kong

Sun Shine Technology, RM 25E & F, Metropolis 100A, Zhonghan Road, Shenzhen, China

Connected Transaction

During the year 2012, the Company has a Lease Agreement to rent Building to Unitop Rubber Co.,Ltd with details to be summarized as follows:

1. Transaction Date and Related Parties

1.1 Transaction Date : January 1,2012

1.2 Related Parties :

Lessee : Unitop Rubber Co.,Ltd (Unitop) (Lessee)

Lessor : Electronics Industry Public Company Limited (EIC) (The Company) (Lessor)

2. Details of the Transaction

The Company has agreed to change the agreement to rent the Buildings to Unitop Rubber Co.,Ltd. Unitop Rubber Co.,Ltd is the name of the Business after the merging of First Silicon Electronics Co.,Ltd with Unitop Rubber Co.,Ltd and using its business name as Unitop Rubber Co.,Ltd.

The Lease Agreement is for Building No. 67 and Building No. 68(Partial) Kwaeng Lumplatew Lat Krabang Bangkok for the manufacturing of Silicon Rubber. The Agreement period are for 3 years starting from 1st January 2012 until 31st July 2015, covering 2 buildings totaling 1200 square meters. The rent for the first Building no. 67 with 900 square meters and the second Building no. 68 with 300 square meters are 33,000 Baht and 22,000 Baht respectively. Total Monthly rental rate is 55,000 Baht. The rate will be increased not less than 10% of the latest monthly rate after 3 years period.

3. The Transaction and the Connected Person :

1. Mr. Sarawuth Jinwuthi, Chairman of EIC is also the shareholder withholding 20% of total paid up capital of Unitop.
2. Mr. Withaya Chakphet, Managing Director of EIC is also the shareholder withholding 28% of total paid up capital of Unitop and the Authorized Director of Unitop.
3. Mrs. Tippawan Chakphet , Director of EIC is also the shareholder withholding 20% of total paid up capital of Unitop and the Managing Director of Unitop Rubber.
4. Mr. Sa-gna Wanasinchai , Director of EIC is also the shareholder withholding 10% of total paid up capital of Unitop .

5. Size of this Connected Transaction :

The Rent is 55,000 Baht per month ,or totaling 660,000 Baht per year. The Transaction become 1,980,000 Baht for 3 years period. Thus, the transaction size is greater than 0.03 % of NTA but less than less than 0.3 % of Net Tangible Assets of the Company as of 30th June 2012. The transaction is within the scope to disclose to the Stock Exchange of Thailand.

5. Benefit of this Connected Transaction for EIC

The Building no. 67 was originally ruined and caved, but under the rental agreement, the Building was re-constructed by First Silicon who had invested over 2.8 Million Baht to re-construct the ground basement. While changing to Unitop Rubber Co.,Ltd, the Building was re-structured again for better vision . These were considered as the re-improvement of the Building for EIC.

Risk Factors

Below are the main risk factors for the Company Business.

Risk from the change of technology

Diodes are the most basic discrete semiconductor components used in the manufacture of many electrical appliances, and electronic equipment such as mobile phones and computers. The market demand is driven by technology changes such as the change from CRT to LCD monitors, or computer or mobile upgrades. To cope with this, diodes are changed in terms of package or electrical characteristics to fit the new design of electronic products. The market for semiconductors may be affected, which in turn could affect the result of operations.

However, the Company's management believes that the expansion of in-house wafers, and GPP chip fabrication, will enable fast design of new products to meet customers' specifications in term of electrical characteristics. Moreover, the present factory facilities are able to produce more than 50 available packages to support changes in packaging.

Risk from Stock and price volatility

Stocks may affect to the liquidity problems associated with the cost of raw material and inventories. However, the Company has the necessary to maintain the inventories amount because of the following reasons:

1. Cost Management in modern Logistics, allowing the suppliers of electronic components such as diodes to keep stock for the Original Brand Name Producers or the Original Equipment Manufacturers.
2. The company's policy to meet customers' satisfaction with shorter lead time requires the company to hold stock of several product types and adequate raw material.
3. The company's competitiveness to provide customers need with the wide range of products and the multiple new part numbers. This multiple part numbers had a direct effect on the increase of multiple semi-finished products which is the contradiction to the Economy of Scale practice.

The Company's products are Si-Diodes which are the best solution to perform the function of AC to DC conversion presently and within the near future. Si-Diode are still using in heavy industry instead of any other materials which are under the comments from the Electronics Research Center, Faculty of Engineering, King Monkut Institute at Lat Krabang, the Company products are explaining that :

1. Diodes are the basic component in all electric devices, electronic equipment, especially the power supply unit that was designed to perform the function of AC to DC conversion, and has been widely used for more than 20 years. Therefore, the diodes are to be essential in any kind of electronic application and nothing can replace these components in the near future.
2. Modern electronic device fabrication are developed so fast and it is more specific and results in higher product complexity. However, the Si-diode is still necessary for power supply circuits. In addition, the Si-diode is also widely used for protection of the many integrated circuits.

3. In case of high power applications, it is expensive to design a circuit that can provide enough power without heat accumulation. The Si-diode is currently the best the solution for this limitation in high power circuit design.
4. Even though several new materials were selected for device development such as GaAs and diamond film, silicon still has advantages such as a simpler process and lower cost of fabrication. Therefore, silicon based devices are still heavily used in modern manufacturing.

Furthermore, EIC diodes, wafers and chips will not degrade in the warehouse as according to the technical advice from Thai Microelectronic Center as belowings:

1. Diodes, wafers and chips are all semiconductor material which have very high melting point. For example, silicon melts at temperatures higher than 1416°C. This means that the degradation of diodes, wafers and chips due to the heat at room temperature is not possible.
2. Diodes are fabricated by implanting or diffusing an n-type or p-type impurity to the substrate (depending on substrate type) to form a p-n junction. The diffusion process occurs at temperatures higher than 800 °C, and is therefore not affected at room temperature.
3. The degradation of diodes, wafers and chips might occur based on the metal contact. This can be seen in cases of metal oxidization and exposing the parts to high temperatures (below 500 °C). However, storage temperatures do not reach these high levels and diodes, wafers and chips always have a passivation layer and/or packaging to protect them from exposure to the oxygen so that oxidation cannot take place.

The Company is aware of the risk that it is unacceptable to maintain high inventories. However, the management had conducted many activities in order to decrease the inventories amount in 2012 as follows:

1. Sorting and separating the semi-finished products and the finished items to be ready for sales.
2. Considering to use semi-finished products or materials to replace new planning production. Check the balance of semi-finished products before starting manufacture of each new lot.
 - 2.1 Develop to use the unmovable raw materials for the new lot of production.
 - 2.2 Develop to use the materials in the stock to replace with the new buy items.
3. Appointment of a Testing Engineer to separate the suitable parameter for each product category to ensure that all products can be shipped out for selling.

Exchange Risk

Change in the exchange rate between the Baht and the US Dollar directly and indirectly affect the revenue, consequently affecting its bottom line. To ease the risk, EIC has balanced the purchasing in proportion to its revenue (that is taking natural hedge) while managing its foreign currency deposit. The Company also purchase foreign currencies forward to match the quantity of currencies requirements from time to time as appropriated.

Business Assets

Property, Plant and Equipment, as of December 31, 2012

<u>Property, Plant and Equipment</u>	<u>Balance as of 31 December 2012</u> <u>(Baht)</u>
Land	41,592,000.00
Plant and Buildings	11,174,926.05
Plant and Building - surplus from Appraisal	4,267,788.38
Machinery and Equipment	78,744,033.22
Factory Furniture and Tools	4,508,909.57
Office Furniture and equipments	1,176,721.54
Vehicles	103,747.32
Assets in Progress	2,227,465.30
	144,155,591.38

The revaluation of assets was proceed by the independent appraisal - KTEC APPRAISAL AND SERVICE during the year of 2012. Land is stated at fair value by reference to market value as at revaluation date. Building and equipment are stated at cost less accumulated depreciation and impairment of assets.

Investment Policy

There was no investment for any affiliated company during the year 2012.

Capital Structure

EIC Securities

As of December 31, 2012, EIC registered capital stood at 400,000,000 Baht which was made up of 400,000,000 common share at 1 Baht per share.

Shareholders

Top 10 major shareholders as of 15 March 2013 are as follows:

	Name	No. of Share Holding	(%)
1.	Mr. Sarawuth Jinwuth	204,000,000.-	51
2.	Mr. Withaya Chakphet	22,990,000.-	5.748
3.	Mr. Sanga Wanasinchai	20,000,000.-	5.000
4.	Thai NVDR Co.,Ltd	19,766,700.-	4.942
5.	Mrs. Tippawan Chakphet	15,337,000.-	3.834
6.	Ms. Penjan Yothin-uppamai	11,730,100.-	2.933
7.	Ms. Wipavee Tanomjaturong	9,924,600	1.981
8.	Ms. Patunya Wongkusollert	8,650,000.-	2.163
9.	Ms. Suwanna SaeNgow	7,731,300	1.933
10.	Mrs. Maneewan Chang	6,623,600	1.656

Dividend Payment Policy

The company has a policy to pay dividends of not less than 50% of net profit. However the Company reserves the right to pay fewer dividends than stated when it requires a portion of the net profits to pay for further expansion.

Management Structure and Corporate Governance

Corporate Governance

Corporate Governance Policy

The Board of Directors (the “Board”) of Electronics Industry Public Company Limited (the “Company”) passed a resolution to approve the Corporate Governance Policy, which lays down guidelines that comply with the Stock Exchange of Thailand’s principles of good corporate governance and best practice recommendations. This policy became effective on 9th November 2005 and has been updated to keep it aligned with best business practices. The latest update was revised in 2007 under five chapters as follows:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board

Chapter 1 Rights of Shareholders

The Board respects the shareholders’ rights and has a duty to protect the benefits of every shareholder equitably, regardless of whether they are retail, foreign, institutional, or major shareholders. Every shareholder is entitled to the rights and equitable treatment detailed below:

- 1) The right to receive share certificates and share transfers, and to be sufficiently informed of operating results and management policies on a timely basis.
- 2) The right to an equitable dividend.
- 3) The right to participate in meetings, vote and make recommendations on decisions concerning major corporate actions such as amendments to the articles of association, appointments to the Board, appointment of the Company’s external auditors, and issuance of new share capital.
- 4) The right to elect directors.

In addition to the above rights, every shareholder is entitled to the rights and equitable treatment stipulated in the Company’s Articles of Association and all relevant laws.

Shareholders Meeting

The Company has a policy to conduct regular and transparent shareholders’ meetings, and establish appropriate procedures for general shareholders’ meetings in accordance

with the law and the regulations issued by the Stock Exchange of Thailand.

In each shareholders meeting, every shareholder has the right to give his or her opinion and query any of the information presented which is relevant to the agenda and the issues being discussed. The chairman of the meeting shall allocate an appropriate period of time for each item on the agenda and encourage all attendees to participate in the discussion and express their opinions.

In each meeting, at least one independent director shall be appointed as a proxy for shareholders who cannot attend the meeting, and every party shall be informed beforehand in the notification of the meeting. Every shareholder shall have the right to vote separately for each item on the agenda. The Board shall not aggregate irrelevant matters and request approval in one resolution.

It is the duty of all directors to attend every shareholders meeting in order to answer any queries the shareholders might have.

Chapter 2. Equitable Treatment of Shareholders

All shareholders, including those with management positions, non-executive shareholders and foreign shareholders will be treated in an equal way. Minority shareholders whose rights have been violated will be redressed. The Board of directors will ensure that all processes and procedures for the shareholders meeting allow equitable treatment of all shareholders.

Monitoring the Handling of Insider Information

The Company has a policy to maintain the confidentiality of material non-public information from unauthorized access that may lead to misuse. All directors and managers are to strictly adhere to the disciplinary action procedure according to Sections 59 of the Securities and Stock Exchange Act B.E.2535.

Directors, management, and staff members at all levels shall not use any significant inside information about the Company or any company in the Group which has not been disclosed to the public, for their own or others' benefit.

Directors, management, and staff members at all levels shall have the right and freedom to invest and trade in the securities of the companies in the Group. However, in order to prevent conflicts of interest, all directors and employees should avoid or suspend trading for a period of one month prior to the disclosure of all financial statements to the public.

Conflicts of Interest and Related Party Transactions

Every director, manager and staff member shall disclose his or her relationship to any other business entity the Company may be dealing with, according to the Company's disclosure criteria.

No director, manager or staff member may approve a business transaction on behalf of the Company if he or she has a conflict of interest related to that transaction.

Prior to entering into any business dealings, the management of the Company has a duty to determine the relationship between business partners and the Company's directors, managers and staff members who are conducting business with those partners.

The definition of "relationship" is given in the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Act of Listed Companies Concerning Connected Transactions, 2003.

Chapter 3. Role of Stakeholders

The Company is aware of the rights of stakeholders and has a policy to ensure the importance of these rights by the appropriate prioritization of all stakeholders as follows: shareholders, employees, executives, customers, partners, creditors, and society. Cooperation between stakeholders shall be established according to their roles and responsibilities so that the Company can run its operations smoothly and effectively in order to benefit all groups of stakeholders fairly.

In order to maintain high ethical standards, the Company has formulated a Business Code of Conduct to guide all of the Company's directors, managers and employees as they perform their duties.

Chapter 4. Disclosure and Transparency

It is the Company's mission and policy to disclose all important information relevant to the company, both financial and non-financial, correctly, accurately, completely, on a timely basis and transparently through easy-to-access channels that are fair and trustworthy.

The Managing Director is the best person to be "Spokesman" for the company to communicate with outsiders such as shareholders, institutional investors, individual investors, analysts, related government agencies, etc...

The Company has a policy to disclose the following information to the public:

1. The Company's objectives.
2. The Company's financial status and operating performance, shareholding structure, and voting rights.
3. Names of directors and committee members stating their remuneration, including the Chairman of the Executive Committee and the Managing Director.
4. Corporate governance structures and policies including the responsibility of the Board regarding financial reports, the reports of the Chairman of the Audit Committee, and all other related reports.
5. The total attendance of each director and/or each sub-committee member at their respective meetings compared with the total number of meetings of the Board and/or the sub-committees in each year. This shall be disclosed in the annual report. In addition, the Company is obliged to disclose any information that is required by law or related regulations.

Chapter 5. Responsibilities of the Board

The Board of directors plays an important role in corporate governance for the best interest of the company. The board is accountable to shareholders and independent of management.

Leadership and Vision

The Board of Directors (the "Board") is determined that the "EIC" Brand will be an internationally recognized symbol among the leading manufacturers of all industries: including electronic products, automobile, communication and consumer goods.

Board Composition & Structure

- The Board shall be composed of experts with a wide range of experience in various fields. There shall be sufficient directors to govern and supervise the corporation: not less than five (5) directors (as required by law) and not more than twelve (12) shall sit on the Board. At least one director shall be experienced in the area of semiconductor devices, and at least one director shall be experienced in the area of finance and accounting.
- The Board shall be representative of all shareholders, not of a particular group of shareholders.
- At least one-third of the Board and not less than three (3) persons must be independent directors. More than one-half of the Board must be non-executive directors in order to ensure a good balance between executive and non-executive members.
- The appointment of members of the Board shall comply with the Company's articles of association and all relevant laws in Thailand . Selection of the directors shall be transparent and clear, and processed through the Nomination Committee. Consideration shall be given to the educational and professional background of the candidates. Sufficient information shall be provided to the Board and all shareholders for decision making.
- A director's term of office is defined in the Company's articles of association.

Chairman of the Board and Managing Director

Both the Chairman of the Board and the Managing Director must be competent and have the appropriate experience and qualifications for their positions. In order to maintain a balance between the supervisory and management functions of the Company, one person cannot hold both these positions simultaneously .

Qualifications and Requirements for the Board

- A director must be capable and honest, display the utmost integrity, conduct the business ethically, and devote sufficient time to the Company in order to perform his or her duties professionally.
- A director must possess the necessary qualifications for his or her position, and not be disqualified in any way according to the Public Company Act BE 2535 or other related laws.
- A director can sit on the board of other companies, providing this does not interfere with the performance of his or her duties at the Company.
- Independent directors shall meet all the requirements outlined in the section titled Qualifications and Scope of Work in the Audit Committee's qualification guidelines, as specified in the Notifications of the Stock Exchange of Thailand . Independent directors have a duty to protect the interests of every shareholder in a fair and impartial manner in order to avoid any conflict of interests that may arise. They shall also attend the Board meetings and express their comments and opinions from an independent viewpoint.

Independent Directors requirements:

- Hold shares worth not more than 1 per cent of paid-up capital of the Company, an affiliated company, associated company or related company, including shares held by related persons.
- Have no participation in the management of the Company, an affiliated company, associated company or related company, or be a major shareholder of the Company. He or she shall not be an employee, staff member or advisor who receives a regular salary from the Company, an affiliated company, associated company, related company or major shareholder of the Company.
- Have no direct or indirect benefit from, or interest in, the finance and management of the Company, an affiliated company, associated company, or any major shareholder of the Company during a period of one (1) year before his or her appointment as a member of the Audit Committee, except where the Board has carefully considered that such previous benefit or interest does not affect the performance of duties and the giving of independent opinions.
- Not be a related person to, or close relative of, any manager or major shareholder of the Company.
- Not be appointed as a representative to safeguard the interests of the Company's directors, major shareholders or shareholders who are related to the Company's major shareholders.
- Be capable of performing duties, giving opinions or reporting the results of work performance according to the duties delegated by the Board, free and clear of the control of management or major shareholders of the Company including related persons or close relatives of the said persons.

Major Responsibilities and Scope of Duties of the Board

- Perform its duties with honesty, integrity and prudence in accordance with the law and the Company's objectives and articles of association including the resolutions of shareholders' meetings, and carefully protect the Company's interests.
- Set out the vision, policy and direction of the Company's operations and supervise the management team to act in accordance with plans which are set out efficiently and effectively, and thereby maximize the economic value and wealth of the Company and its shareholders.
- Consider and approve major issues such as large investments, policy, management authority, and any transactions as prescribed by law.
- Approve or agree to all major related transactions between the Company and its subsidiaries in compliance with the relevant notifications, regulations and guidelines of the Stock Exchange of Thailand.
- Assess the performance of the Executive Chairman and the executive directors, and fix appropriate remuneration on a regular basis.
- Be responsible for overseeing operational results and the management team's performance to ensure due attentiveness and care.
- Arrange appropriate accounting systems, including the production of financial reports and a reliable auditing system; oversee and monitor the effectiveness and efficiency of internal controls, internal audits and risk management systems.
- Ensure that conflicts of interest amongst the Company's stakeholders are avoided.

- Supervise business operations to enforce ethical work standards.
- Annually review the Company's corporate governance policy and assess due compliance.
- Report on the execution of the Board's responsibility to prepare financial reports, along with the external auditor's report in the annual report covering key issues according to the Company's policy statement and the Stock Exchange of Thailand's Code of Best Practices for Directors of a Listed Company.

Sub-Committees:

The following sub-committees shall be set up to relieve the workload of the Board:

Audit Committee

The Audit Committee shall be a part of the Board and be appointed by the Board. The Audit Committee shall be composed of at least three (3) persons with at least one (1) person having knowledge of accounting or finance. The Audit Committee shall meet all the requirements outlined in the section titled Qualifications and Scope of Work in the Audit Committee's qualification guidelines as specified in the Notifications of the Stock Exchange of Thailand .

The authority of the Audit Committee and its scope of duties are as follows:

- Review the company's financial statement to verify its sufficiency and correctness by considering the auditors and management report. Review any transactions which are necessary or significant for auditing the company financial statement.
- Confirm that the company has a sufficient internal control by considering the report submitted by the internal auditor.
- Ensure the company's operation is compliant with SET and SEC rules.
- Consider, select, nominate and appoint the auditor and the auditor's annual fee based on the credential, resources, amount of work on hand, and the professional experiences of the auditor.
- Review the company's disclosure of related transactions which may create conflict of interest.
- Review the company's risk management system.
- Prepare the audit committee report for disclosure in the annual report, stating the review of the financial statement and the sufficiency of internal management control.
- Review the appointment, the performance and the compensation package of the internal auditor.
- Review the dismissal of the internal auditor, having the right and authority to invite the related management and staff to participate in giving necessary comments.
- Review and make comments on the business transactions between the company and the sole agents, quarterly and annually, based on the price and business conditions, according to the Sole Agents Agreement. The review and comments are to be reported in the company annual report.

Remuneration Committee:

The Remuneration Committee shall be composed of at least three (3) directors and more than one-half of the committee must be non-executive directors.

The authority of the Remuneration Committee and its scope of duties are as follows:

- Consider the means to determine the directors' remuneration, and
- Set up just and reasonable criteria for the directors' remuneration and propose them to the shareholders meeting for approval.

Nomination Committee:

The Nomination Committee shall be composed of at least three (3) directors and more than one-half of the committee must be non-executive directors.

The duties of the Nomination Committee are as follows:

- Select appropriate personnel and propose as the new committee.
- Determine the method and criteria of the Company's selection process to ensure transparency

Executive Committee:

The Executive Committee shall be composed of the Chairman of the Executive Committee and directors or any other persons with appropriate qualifications as approved by the Board.

The Board shall delegate the following authority and scope of duties to the Executive Committee:

- To determine and establish that the policies, the directions, strategies, and management structure are in line and compliant with the economics and competitive status as disclosed to the shareholders, and to further submit to the Board of Directors for approval.
- To determine and establish the business plan, budget and management authority of the company for the Board of Director's consideration and approval.
- To review, follow up, and incorporate the policies and guidelines of the company's management ensuring efficiency and effectiveness for the business.
- To review and follow up the company's performance according to the business plan.
- To conduct a preliminary review of the investment projects before submission to the Board of Directors' for consideration and approval.
- To handle the functions assigned by the Board of Directors.
- To review the annual budget as proposed by management prior to the submission to the Board of Directors for consideration and approval. This review includes any change or increase to the annual expenses budget during the absence of the Board of Directors.
- To allocate the Board of Director approval amount of compensation to employees of the company or persons working for the company. This power of authority does not include the power for the management to operate any related transaction according to the company article of association or the subsidiary of the Securities Exchange Commission and the Stock Exchange of Thailand

Financial Limitation:

The Board of Directors passed a resolution to limit loans from financial institutions for normal business operation purposes as follows:

	Limit Loan
Managing Director	Not exceeding 150 million Baht
Executive Directors	Not exceeding 80 million Baht
Board of Directors	No limit

Board Meetings

The Board shall meet at least once per quarter, and the annual meeting schedule shall be prearranged. Extraordinary meetings are allowed if they are required.

In preparation for a meeting, the Chairman of the Board and the Chairman of the Executive Committee shall peruse and agree to all the items on the meeting's agenda. The Secretary to the Board shall be responsible for delivering the relevant documents and notification of each meeting to Board members not less than seven (7) days before the meeting is scheduled in order to allow adequate time for Board members to prepare.

The Chairman of the Board shall preside over the meetings, be responsible for monitoring the proceedings, and allocate sufficient time to each item on the agenda for the directors to discuss, express their opinions independently, and represent all the shareholders and interested persons equally. The relevant members of the management team are also required to provide the necessary information for consideration of important matters.

The Secretary to the Board is responsible for taking, publishing and circulating the minutes of Board meetings within fourteen (14) days of each meeting. The Secretary to the Board is also responsible for filing the minutes and all other documents related to the meetings in order to assist Board members in performing their duties as required by law, the Company's articles of association, and the resolutions of shareholders' meetings. The Secretary to the Board must also coordinate with all relevant persons involved in Board meetings.

Remuneration

The remuneration for the Company's directors and executives shall be in line with their duties, responsibilities and contribution, and be comparable to industry standards in order to retain and motivate qualified people. The Remuneration Committee shall consider and propose adequate and appropriate compensation to the Board and shareholders on an annual basis for their approval.

Board Training and Development

A newly-appointed director shall be provided with all necessary details about the Company, applicable laws and regulations, and information on the current business environment in order to facilitate his or her duties. A continual training and development programme will also be provided to equip each new director with all the necessary skills required to discharge his or her duties and govern the Company efficiently.

Corporate Governance Report in 2012

Electronics Industry Public Company Limited recognizes the importance of good corporate governance including the paramount role that it plays in the sustainable growth and the effective operation of the Company. The Company is therefore committed to do business in compliance with Securities and Exchange Law, Rules and Regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, Related Business Laws, Articles of Association of the Company, Code of Best Practice for Directors of Listed Companies and the Principles of Good Corporate Governance of the Stock Exchange of Thailand. The Company takes responsibility for its stakeholders, the environment and contributes to society. As such, the Company specifies the governance policy for the Board of Directors, managements and employees to follow by adhering to the following 5 principles:

1. Accountability
2. Transparency
3. Equitable Treatment
4. Long-Term Value-Added Creation to Shareholders
5. Promotion of Best Practices

And also adhere to Code of Conduct to ensure that the Company can operate with transparency.

The Company has announced Corporate Governance Policy to the Board of Directors, managements and employees.

And furthermore, the Company has complied with the Principles of Good Corporate Governance of the Stock Exchange of Thailand as follows:

Chapter 1 Rights of Shareholders

Annual General Shareholders Meeting

In 2012, the Annual General Shareholders Meeting was held on 26 April 2012 . The Board of Directors respects the shareholders' right and treats the shareholders equitably.

Pre - Annual General Shareholders Meeting

- The agenda of the Annual General Shareholders Meeting, as well as the resolutions of each agenda, were proposed to the Chairman and the Managing Director in January 2008, before proceeding to discussion in the Board of directors Meeting, and the Shareholders Meeting.
- The company sent the AGM Notice with details on date, time and venue to shareholders, with the following attachments:
 - 1) the venue map,
 - 2) the details of each agenda item;
 - 3) the annual report;
 - 4) the proxy form(s) providing space to cast "for"/ "against"/ "abstain" and to cast for voting individual director(s);
 - 5) the profile of independent directors;
 - 6) the list of identification requirements; and
 - 7) the articles of association.

- To facilitate shareholders' voting decision, sufficient disclosure of information on each agenda item was described in the invitation and related documents.
- The company submitted the invitation letter as well as the related documents to the Thailand Securities Depository (TSD) more than 10 days prior to AGM Meeting. TSD is the company registrar who was authorized to distribute the invitation letter and the related documents to all shareholders.
- The announcement for the meeting was published in Khao-Hun Newspaper for 3 Days during 17-19 April 2012.
- The company disclosed the AGM related documents/information via its website in both Thai and English at www.eicsemi.com since 5 March 2012 .
- The company announced the AGM via SET news system since 5 March 2012 or more than 30 days prior to the meeting.

On the Meeting Day

- The Annual General Meeting of Shareholders 2012 was held on 26 April 2012 at 2:00 p.m at Swiss Otel Le Concorde, Rachadapisek Road, Bangkok. The company allocated staff verify attendees and documents. Duty stamps were also provided at the registration desk for authorization of proxies.
- The Company has provided an independent lawyer for checking registration documents and counting of votes in the shareholders' meeting.
- The Board of Directors, totaling 8 Directors, as well as the Accounting and Finance Manager, the Company Secretary and lawyer are attended the meeting altogether with the Representative of DIA International Auditor Office. Name of attendees are reported in the minutes which is already posted in the Company's website www.eicsemi.com.
- Shareholders and proxies in attendance totaled 36 persons, holding 306,660,271 shares, representing 76.67% or over 1/3 of the total issued 400,000,000 shares which constitutes a quorum as required by the Article of Association of the Company.
- Voting procedures, voting method, voting counting method and other necessary procedures were announced formally by the meeting Chairman at the beginning of the AGM as follows:
 - 1) One share will be counted as one vote.
 - 2) For each agenda item, the Chairman will ask whether there are any "DISAPPROVAL" or "ABSTAIN" votes.
 - 3) If there are no objections, it can be assumed that most attendees are agreed.
 - 4) If there is an objection or "DISAPPROVAL" or "ABSTAIN" vote, the shareholders must use the VOTING CARD received from the Company's officer.
 - 5) For any shareholder who has a question to ask in the meeting, the shareholder is requested to inform his/her name in order to be recorded in the minutes of the Meeting.
- The meeting proceeded in the order of the agenda specified in the AGM Notice; no new agenda items other than those already stated in the AGM Notice
- The company provided ballots for shareholders wishing to vote "against" or "abstain".

- For voting transparency and independence, separate votes were cast for each key issue / agenda item. During the director election, the company allowed shareholders to cast separate votes for individual directors. All agenda items were unanimously in the meeting.
- The company allowed shareholders to raise questions and express their views and the chairman and the directors gave comprehensive answers to every question. A list of the questions and answers were recorded in the minutes posted on the website www.eicsemi.com.

After the Meeting

- The company notified the AGM resolutions via the SET on the next business day, specifying the voting results (agree/disagree) of all issues and the vote counts (for /against/abstain) of each issue.
- The company submitted the minutes disclosing the names of directors/managers in attendance, resolution results and key discussion issues to the SET within 14 days. the minutes were disclosed in both Thai and English version via the website www.eicsemi.com.
- The company recorded the meeting and distributed the record as a web-based clip file for interest shareholders.

Protection Rights of Shareholders

- The Company recognizes the importance to protect shareholders' rights and promotion of exercising the basic legal rights i.e. the rights to share profit /receive dividend, to obtain relevant and adequate information of the Company, to participate and vote in the shareholders' meeting to elect and remove members of the board, appoint the external auditor, and make decisions on any transactions that affect the Company such as amendment to the Company's articles of association and the Company's bylaws, for etc.

Delivering the Meeting Invitation Letter

- The Company assigned Thailand Securities Depository Co., Ltd., the Company's share registrar to send the meeting invitation letter to shareholders 14 days in advance and posted such information, which is the same information as sent to shareholders, in www.eicsemi.com, the Company's web site 30 days before the meeting date to facilitate shareholders to have time in considering such information in advance. The Company has also advertised in daily newspaper 3 days consecutively and 3 days in advance about the shareholders' meeting.
- The meeting invitation letter has sufficient and complete information, regarding date, time, place, agendas, specifying clearly whether each agenda is for acknowledgement or consideration, enclosures of each agenda, purpose and reason, the directors' opinion, articles of association relating to the meeting, map of meeting place, documents or evidences required to be presented on the meeting date, and meeting attendance procedure. The Company has also provided meeting invitation letter in English to facilitate foreign shareholders.

- The Company recognizes the importance of shareholders' rights, enhances rights using and does not infringe or curtail rights. In the shareholders' meeting, various important issues, covering the issues as prescribed by Laws, the Regulations of the SET and the articles of association of the Company have been proposed for the approval of shareholders.
- Important agendas for consideration in the annual shareholders' meeting are
 - Appointing Directors : The Company opens chance to shareholders to appoint director by person while providing information on nominating criteria and method, director background, educational background, working experience, number of companies served as director, types of director that is proposed to be appointed, service years and meeting attendance in case of proposing previous director, which is screened by the Nominating Committee.
 - Director Remuneration : The Company provides details of proposed remuneration payment that align with the director remuneration policy and condition, which is screened by the Remuneration Committee.
 - Appointing External Auditors : The Company provides details of external auditor's name and company, experience and competence, independency, audit fee, service years for the Company (in case of proposing existing external auditors), reason in changing external auditors (in case of proposing new external auditors), consideration method of appropriateness of audit fee, which is screened by the Audit Committee.
 - Allocating Profit and Dividend Payment : The Company provides details of profit allocation and reserve fund, dividend amount that align with the Company's dividend policy, together with the reason, and book register date for right of receiving dividend, which is screened by the Remuneration Committee.

Facilitating Shareholders

- The Company allows shareholders to send questions related to the agenda to the Board of Directors in advance via Investor Relations Section.
- In the shareholders' meeting, the Company facilitates all shareholders in a fair manner by arranging officers to taking care of them.
- The Company allows registration of shareholders at least 1 hour before the meeting, does not curtail rights of shareholders who came late, and facilitates shareholders to use their meeting rights.
- The Company gives shareholders who show up late a chance to vote on agenda items still under deliberation.

Conduct of the Shareholders' Meeting

- Before the meeting, Chairman shall introduce the directors, Chairman of various committees, managements, external auditor, and legal advisor, as well as informs the rules in the meeting and the voting procedures.
- The Company provides enough time for the meeting, encourages equal opportunities for shareholders to express their opinions and raise any questions in the meeting, where Chairman, directors, and management address and answer all questions clearly and precisely.

- The Company conducts the shareholders' meeting in sequence of agendas as informed in the meeting invitation letter. There would be no additional material information given in the shareholders' meeting instantly and no additional agenda in the shareholders' meeting.
- The Company provides voting cards for every agenda to make it transparency if there is any argument in the future and in director appointing agenda, the Company opens chance to shareholders to appoint director by person.

After the Shareholders' Meeting

- The Company notified the meeting resolution on dividend payment via the Stock Exchange of Thailand's information dissemination system and coordinated with Thailand Securities Depository Co., Ltd. to ensure that all shareholders shall receive the dividend.
- The minutes of meeting are correct, complete and can be verified by shareholders. The minutes covers the name and position of directors who attend in the meeting, voting method, shareholders' opinions, the director's clarification and clear resolution, classifying into agree, disagree or abstain votes. The minutes is sent to the SET within 14 days after each meeting as well as posted, together with the web cast recording the meeting proceeding, in the Company's website.

Chapter 2 Equitable Treatment to Shareholders

The Company recognizes the importance of rights and equitable treatment of shareholders through the following actions.

Proposing Additional Meeting Agenda and Nominating Director

- The Company provides channel for shareholders to propose in advance additional meeting agenda and director nominee, by having clear rules, which is disclosed via the SET and the Company's website. One or several shareholders, holding minimum share in the amount of not less than 1 percent can propose meeting agenda and director nominee for 1 month, during 21 December 2012 until 22 January 2013. This proportion facilitates the shareholders more than that specified by the law, which specifies that one or several shareholders, holding minimum share in the amount of 5 percent can propose meeting agenda. However, no shareholder proposed additional meeting agenda or director nominee.

Appointing Proxies

- In case that the shareholders cannot attend the meeting, the Company provides the proxy document, so that the shareholders can make the proxy vote to other persons or independent director. The Company provides the proxy in 3 formats that the shareholders can specify the voting direction (Form B.), and also clearly indicates the evidence and instruction for proxy.

Preventive Measures for Misuse of Inside Information

- The Company protects internal information and has procedures to prevent the use of inside information for abusive self-dealing such as insider trading or related party transactions. The Company has prescribed about confidential information in Staff Policies and Procedures Manual and in Code of Conduct and has penalties for employees who violate such rules. Moreover, the Company violates the directors, managements and employees to trade the Company's shares 7 days prior to the disclosure date of quarterly financial results.
- As for the trading of Company's shares by the Board of Directors and the managements, the Company has notified the Board of Directors and the managements to report changes in any shareholding status to the SEC, as specified in Section 59 of Securities and Exchange Act B.E. 2535. The shareholding agenda of the Board of Directors and the managements is also included in each Board of Directors' Meeting.
- In addition, for the trading of Company's shares by the employees who are close to the Company's information, the Company has set the procedures that they shall report changes in shareholding within 3 working days and their shareholding agenda shall be report to the management meeting monthly.
- The Company's directors and managements shall disclose the interests of themselves and their related parties to the Company. Such disclosure complies with the business of the Company, related law and regulations. Also, the directors and managements have to report the changing in their interests every time when it occurs. The Company Secretary is responsible in gathering such information.
- The Board of Directors has established procedure to prohibit the directors or managements who may have conflicts of interests to involve in the consideration process. Before the Board of Directors' meeting begins, Chairman shall inform that in case of the particular director who has interests in certain issues, he shall inform to the meeting and not be allowed to vote in approving such agenda.

Chapter 3 Roles of Stakeholders

1. Treatment of Stakeholders

The Company has written procedures in its Corporate Governance Policy and Code of Conduct to treat with each group of stakeholder i.e. shareholders, customers, trade partners, creditors, competitors, employees, social and environment, which are disclosed in the Company's website. The Company has done through the following actions.

Shareholders :

- The Company is constantly responsible to shareholders, adheres to loyalty and fairness, aims to achieve business growth, as well as to create appropriate return to shareholders, discloses information to shareholders equitably, constantly and completely. Furthermore, the Company encourages shareholders to express their opinions, give recommendation, propose meeting agenda and director nominee in the shareholders' meeting.

Customers

- The Company is attentive and responsible to customers, complies with all agreements made with customers, treats every customer equally and fairly, commits to satisfaction and confidence to customers in order to get quality service.
- The Company provides products quality conforming to international standard, on time, with highest safety, which receives the certification ISO 9001, ISO14001 and ISO/TS16949.
- The Company has customer satisfaction survey system, which is one of Key Performance Indicators (KPIs) of the Company.

Trade partners :

- The Company complies with all agreements made with trade partners, treats every trading partner equally and fairly, bases on the fair return for both parties, not asks for, receives, and gives benefit that dishonest to trade partners.

Creditors :

- The Company complies with all agreements made with creditors, provides complete financial information, not asks for, receives, and gives benefit that dishonest to creditors.

Competitors :

- The Company conducts within the framework of good competition, does not acquire the confidential information of competitors in dishonest or inappropriate way, and not ruin the reputation of competitors by accusation without truth information.

Employees :

- All employee are important part of business, therefore the Company realizes the importance of developing the employees, provides reasonable compensation and fringe benefits to the employee as well as supports the employees' participation as follows:
- Have Social Responsibility and Work Force Policy to enhance the employee's rights to be respected and protected in accordance with labor laws.
- Have regulation regarding compensation and employee benefits.
- Provide reasonable compensation and fringe benefit e.g. salary, bonus, retirement fund, life insurance, accident insurance and health insurance.
- Provide orientation to new employees; educate them about code of conduct, core value, safety, quality system, fundamental knowledge, as well as giving them on the job training.
- Have activities to promote good relationships among employees such as arranging sport day, New Year party.
- Give assistance to employees in the flood crisis such as providing alternated workplace, allowing employees in some duties to work at home, arranging van to pick up employees, providing accommodation, providing grant and interest free loan.

Social and Environment :

- The Company amended Anti-Bribery and Corruption Policy to be more explicit, established the Policy of not violate human rights and not violate any intellectual property or copyright. Such policies are specified in the Company's Code of Conduct.
- The Company realizes the importance of Corporate Social Responsibility (CSR), by establishing CSR Policy, and conducts activities that support CSR.

Safety, Occupational Health and Environment

- The Company has emphasized in Safety, Occupational Health and Environment in workplace, by established Safety, Occupational Health and Environmental Policy and set up Safety, Occupational Health and Environment Committee. The Company conducted in Safety, Occupational Health and Environment as follows.
- Develop Safety, Occupational Health and Environment System to comply with laws, international standards and other regulations
- Control, improve, prevent, and correct dangers from operation that may affect employees and assets of the Company
- Adjust the performance on Safety, Occupational Health and Environment of the Company continually
- Promote and support the participation of the employees in performing their duties concerning Safety, Occupational Health and Environment
- Develop the employee to have knowledge and awareness in Safety, Occupational Health and Environment both in workplace and outside workplace
- Provide resources to support the performance under Safety, Occupational Health and Environment System for continual improvement.
- Provide safety workplace environment for the employee's life, health, and property, as well as educate and train them about environment regularly.
- The Company organized various activities e.g. arranging health check up on annual basis, Big Cleaning Day activities, various training courses such as courses on Occupational Health and Environment in workplace, fire drill training, as well as providing Personal Preventive Equipment for Into-plane staffs.

Responsibility towards Resources and Environment

The Company has promoted the employee to use resources efficiently, with maximum benefit, while concerning of environmental impact. The Company has assessed impact and set measures to prevent and mitigate the impact that may occur systematically. The Company established Energy Conservation Policy, and set up Green Committee with the responsibility to manage the energy using to align with Energy Conservation Policy as follows.

Ensure compliance with laws regarding energy using and energy conservation

Annual Report 2012

Observation of Human Rights

It is the responsibility of every director, management, and employee of the Company and its subsidiaries to fully observe the human rights that specified in Code of Conduct such as:

- Commit to democracy and encourage employees to use their constitutional right to vote.
- Treat employees on the basis of the dignity of human beings and respect the rights of individuals.
- Support and respect for human rights, by regularly monitor the Company of not being involved in the violation of human rights e.g. not supporting forced labor, child labor
- Promote the monitoring of compliance with human rights within the Company and encourage compliance with international human rights standards.
- There has never been any report or complaint on the violation of human rights of the Company.

Intellectual Property or Copyright

It is the responsibility of every director, management, and employee of the Company to follow Code of Conduct regarding intellectual property or copyright i.e.

- Protect intellectual property of the Company and avoid infringing the intellectual property of others
- Comply with laws, regulations and obligations regarding intellectual property rights of others, including patents, copyrights, trade secrets and other proprietary information.
- not infringe or misuse intellectual property rights of others.
- In the case of a copyright work or other intellectual property occurs from the performance of employees, such copyright or intellectual property rights shall belong to the Company.

There has never been any report or complaint on the violation of Intellectual Property or Copyright of the Company.

Anti-Bribery and Corruption

It is the responsibility of every director, management, and employee of the Company to follow Code of Conduct regarding anti-bribery and corruption i.e.

- Not offer compensation, pay, demand, accept, or receive bribes from others in any form, either directly or indirectly, in order to have mutual benefits or for the benefit of the Company.
- Not engage in illegitimate transactions that involve with government officials, other persons or entities, either directly or indirectly.
- Not donate, or make any facilitation payment, or provide any financial support to other persons or entities as a way to pay bribes.
- Not provide financial support or other benefits, either directly or indirectly, to political parties, political groups, or any person related to politics, in order to gain the benefit for the Company, self-interest and partisan.

There has never been any report or complaint on the violation of anti-bribery and corruption of the Company.

Chapter 4. Disclosure of information and Transparency

Disclosure of information is a key index of transparency, an important factor to create confidence among investors and value shareholders. EIC values correct, updated, and accurate disclosure of information. The Company realizes the importance of disclosing both financial and non-financial information correctly, completely, in a timely manner, transparency via various channels as follows:

- The SET information dissemination system and the SEC web site
- The Company's web site, www.eicsemi.com, that provides both Thai and English information
- Providing information to analysts and investors who visited the Company
- Sending documents to shareholders by post.

The Company discloses the information in accordance with the Regulations of the SEC and the SET, under the responsibility of Corporate Secretary.

Investors Relations Section, e-mail: eic@eicsemi.com Tel 02 7394580 ext 108, has been established to represent the Company in communication with investors, shareholders, stock analysts and other related organizations.

The Company has no record of being ordered by the SEC to amend the financial statements, and has disclosed its quarterly and yearly financial statements to shareholders and investors within the timeframe.

Channel to Direct Corporate Issues

The Company provides channel for stakeholders to send recommendation, opinion, question, or complaint to the Company via the Company Secretary, e-mail: kiat@eicsemi.com,

Tel 02 739 4580 or Investors Relations Tel 02 7394580 ext 108, e-mail: kiat@eicsemi.com, Tel. 02 739 4580. The mailing address is Executive Office, Electronics Industry Public Company Limited, 65,68 Chalongkrung Soi 31, Chalongkrung Road, Lat Krabang Industrial Estate, Bangkok 10520

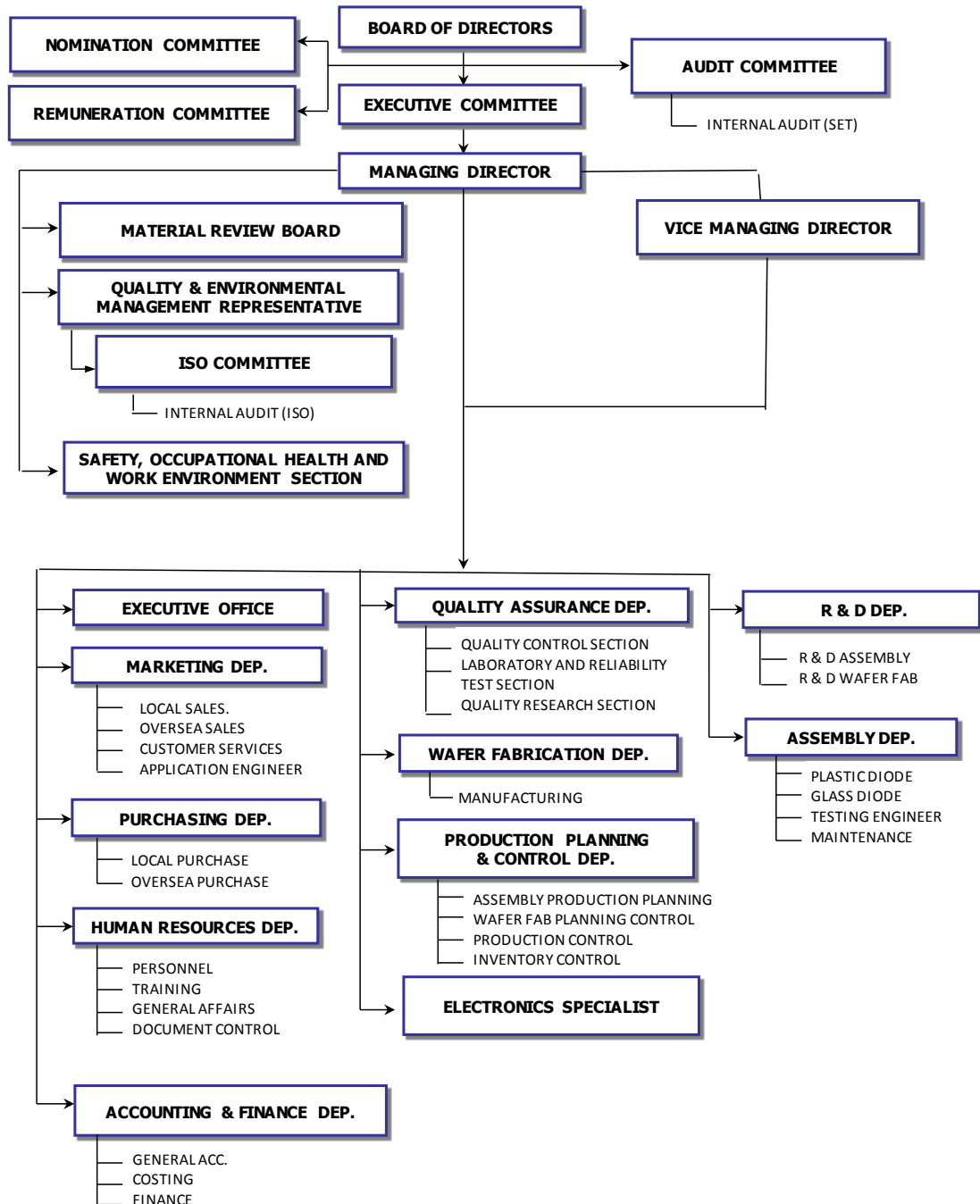
In case that there is any important issue or the matter that may negatively affect the Company, the Company Secretary shall propose it to the Board of Directors.

The Board of Directors plays an important role in corporate governance for the best interest of the Company, and is accountable to shareholders and independent of the managements.

Chapter 5. Responsibilities of the Board

The organization of EIC Plc. As of 31 December 2012

ORGANIZATION CHART



The Board of Directors plays an important role in corporate governance for the best interest of the Company, and is accountable to shareholders and independent of the managements.

Composition of the Board of Directors

- At present, the Board of Directors consists of 7 directors as follows:
 - Executive Director 4 person
 - Non-Executive Director 3 persons, comprises of 3 outside directors and independent directors, more than one third of the total directors.
- The Company has clearly separated and defined in written the power and authorities among the Board of Directors and the managements.
- Each director serve not more than 5 boards of listed firms
- The Company has a Company Secretary to take care of the directors' activities, and coordinate in informing related persons to comply with the Board of Directors' resolutions.

Board of Directors as of December 31, 2012

	Name	Position	First Appointment Date	Years of being director
1	Mr. Sarawuth Jinwuth	Chairman	14 Feb 2003	10 years
2	Mr. Kamol Juntima	Board of Director Chairman of Audit Committee Independent Director	14 Feb 2003	10 years
3	Assoc.Prof.Dr. Wisut Thitirungruang	Board of Director Chairman of Remuneration Committee Chairman of Nomination Committee Independent Committee	14 Feb 2003	10 years
4	Mr. Withaya Chakphet	Managing Director Remuneration Committee Nomination Committee Executive Committee	14 Feb 2003	10 years
5	Mr. Sa-nga Wanasinchai	Board of Director Nomination Committee Executive Committee	14 Feb 2003	10 years
6	Mrs. Tippawan Chakphet	Board of Director Executive Committee	14 Feb 2003	10 years
7	Mr. Prateep Buphaintr	Board of Director Audit Committee Independent Committee Remuneration Committee	2 July 2012	5 months

Directors who resigned during the year

	Name	Position	First Appointment Date	Resigned Date
1.	Mrs.Sunisa Pathompreuk	Board of Director	14 Feb 2003	4 May 2012
2.	Dr. Aran Thammano	Board of Director	14 Feb 2003	14 May 2012

Roles, Duties and Responsibilities performed by the Board of Directors

- The Board of Directors is responsible for overseeing the Company's operations to comply with laws, objectives and articles of association of the Company, as well as shareholders' resolutions, with honesty while preserving the Company's interests. In 2012, the Company has no history of any incompliance matter.
- The Board of Directors considers and approves the important matter regarding the Company's operation e.g. vision, mission, strategies, financial goal, budget, Committee Charter for etc., supervises the managements' performance to comply with the specified policy and plans, efficiently and effectively, and also provides systems to monitor, improve and evaluate operation results comparing with the work plans and approved budget. This is to achieve maximum values to the Company.
- The Company clearly segregates the structures, roles, duties and responsibilities of the Board of directors and the managements. Power of attorney is issued to specify the scope and level of authority for the managements engaging in certain business transactions on behalf of the Company. Moreover, the Company regularly communicates the roles, duties and responsibilities to such related persons.
- The Company has initiated, participated in preparation, and approved Corporate Governance Policy and Code of Conduct to the directors, managements and employees to use as a guideline in performing their duties to accomplish the mission of the Company, which is communicated throughout the Company.
- Code of Conduct covers the following topics;
 - Ethics for business conduct
 - Practices towards various stakeholders i.e. shareholders, employees, customers, trade partners, creditors, competitors, social and environment
 - Ethics for the directors
 - Ethics for the employees in various aspects such as conflict of interests, confidential information, provision, inside information, anti-bribery and corruption, intellectual property and the use of information technology
 - Monitoring procedures and Disciplinary actions.

- The Company has clear procedures to oversee transactions that may have conflict of interests and set up the regulation regarding connected transactions that in line with the Regulations of the SEC. In case that the transaction must be approved by the Board of Directors and/or the shareholder's meeting, it shall be screened by the Audit Committee. The Audit Committee would give opinion in entering such transaction. If the Board of Directors has different opinion with the Audit Committee, the Company shall also disclose the different opinion. In addition, in case that particular director has interests in certain issues, he shall not be allowed to vote in such agenda.
- The information, necessities and rationale about transactions that may have conflict of interests in the year 2012 are disclosed by complying with Regulations of the SEC as per details in the topic of "Related Party Transactions".
- The Company has internal control system and system to monitor the operation appropriately and effectively. In addition, the Company has internal control system and risk management regarding risk management framework, based on the International Standard of COSO-ERM (The Committee of Sponsoring Organizations of the Treadway Commission-Enterprise Risk Management), which relates to the operations and management procedures as per details in the topic of "Summary of the Opinion concerning Adequacy and Appropriateness of the Internal Control System for the Year 2011".
- The Board of Directors has specified the risk management policy by emphasizing the usage of risk management throughout the Company, to enhance the Company to achieve the strategic objectives. Risk Management and Strategic Plan Section has responsibility to monitor the risk management process and evaluate the achievement of strategic annually, set up early warning indicators to prompt the Company in finding measures to amend and improve its performance before the crisis arises, as well as report to Risk Management Committee, which has been reviewed by Audit Committee and reported to the Board of Directors quarterly.
- To evaluate the efficiency of the Company's internal control system, the Company has Internal Audit division as a separate unit, which is responsible to audit, evaluate, recommend and support the effectiveness improvement in risk management, control and corporate governance in accordance with International Standard for the Professional Process of Internal Auditing, reports the audit results to the Audit Committee and administration matter to Managing Director. The Board of Directors and the Audit Committee has reviewed the Assessment Form of Adequacy of Internal Control System annually.

The Board of Directors' Meetings

- The Company has set the Board of Directors' meeting schedule in advance and informs each director for acknowledgement so that the director can allocate the time and attend the meetings. The Board of Directors shall held at least 6 regular meetings in a year, which is suitable with the responsibility of the directors and the Company's business nature, and may held a special meeting if necessary. The Chairman of the Board of Directors and Managing Director shall consider the agenda together and each director can independently propose matter for agenda.
- In 2012, there were 3 special extra meeting to consider the appointment of new directors to replaced those who resigned during the year and also to consider the set EIC Zchongzhe Joint Venture to purchase the envelop for the bidding with the State Railway of Thailand.

- Each director attended the meeting regularly, i.e. 89% of total meeting.
- The Company has clear agendas for the meeting and send meeting invitation letter together with meeting document to the directors at least 5 days prior to the meeting date. As such the directors would have time to study the document before attending the meeting.
- The Company Secretary has prepared the minutes of meeting, correctly and completely, which covers details such as name of directors who attended or absent in the meeting, important content, discussion issues, opinions of each director and resolutions. The minutes can be verified by shareholders according to the prescribed law.

Development for the Directors and Managements

- The Company supports and facilitates training and educating the Boards of Directors, the managements and all employees thus continually improving the performance.
- The Company arranges orientation for new director, whereby Managing Director, relevant managements, company secretary shall present the information regarding shareholding structure, organization chart, nature of business, performance of the Company, subsidiaries, the Board of Directors' meeting and other relevant information.
- The Company supports the directors to attend the director courses arranged by Thai Institute of Directors (IOD) e.g. DCP, DAP, The Role of Chairman Program, Role of the Compensation Committee, Audit Committee Program. All the Board members attended the director courses
- The Company has Succession Plan for important positions, by specifying in the Company's strategic plan to be the benefit for the management's work succession and development, and to work in place of Managing Director and the managements when they can not perform their duties.

Attendance Record of the Board and the Committee Meetings 2012

Name	Meetings during 2012				
	Board of Directors Meetings	Audit Committee Meetings	Remuneration Committee Meeting	Nomination Committee Meeting	Executive Committee Meeting
1. Mr. Sarawuth Jinwuth	9/9				9/9
2. Mr. Kamol Juntima	9/9	10/11			
3. Assoc. Prof. Dr. Wisut Thitirunruang	9/9	11/11		1/1	
4. Mr. Prateep Buphaintr (Appointed date : 2 July 2012)	4/9	5/11			
5. Mr. Withaya Chakphet	9/9		1/1	1/1	9/9
6. Mr. Sa-gna Wanasinchai	8/9				9/9
7. Mrs. Tippawan Chakphet	9/9				9/9
Directors who resigned during the year					
8. Dr. Aran Thammano Ph.D (Resigned 14 May 2012)	3/9	3/11	1/1	1/1	
9. Mrs. Sunisa Pathompreuk (Resigned 4 May 2012)	2/9				1/9

Self Assessment of the Board

Even though the Board of Directors and each committee have completely performed their responsibility, they realized in continually improving the effectiveness of its performance. Therefore, they have conducted the performance assessment. The Board of Directors and the Audit Committee have arranged individual assessment and entire committee assessment while the Remuneration Committee, the Nominating Committee and the Risk Management Committee has arranged entire committee. The performance assessment of the Board of Directors and each committee has the same rating criteria, and is consistent with the example of self assessment of the board, provided by the SET. Furthermore, the assessment has been reviewed regularly to ensure its appropriateness.

The assessment result was proposed in the meetings of the Board of Directors and each committee for discussion and sought for the performance improvement. The assessment result for the year 2012 revealed that the Board of Directors and each committee has the performance in “Very Good-to-Excellent” Level.

Furthermore, the Board of Directors has assessed the efficiency of the meeting every time and the result would be reported in the next meeting. The overall assessment result for the efficiency of the meeting in 2012 reveals “Good-to-Best” level.

Appointment and Dismissal of Directors

The Board consists of at least five(as according to the law), and not more than 12 persons, elected at shareholders’ meetings. It consists of a minimum of three Independent Directors, and at least half of the Directors are to reside in the Kingdom, and at least one must be qualified by the Company’s Law and regulations. Since 2003 , the Board decided that Independent Directors are to make up at least half of the Board, a requirement which remains in effect today.

The shareholders’ meetings are to elect qualified directors who have previously been nominated by the Nominating Committee under the following criteria:

- (1) Each shareholder has one b=vote per share held
- (2) Each shareholder exercises all votes applicable under (1) in electing one or more persons as Directors but can not allocate only part of the votes to any candidate.
- (3) Candidates with the most votes are to be appointed Directors up to the number open at a given meeting.
- (4) If more candidates receive equal votes than the number of Directors required, the Chairman of the meeting must cast a deciding vote.

At every AGM, one third of the Directors, or if this number is not a multiple of three, then the number nearest t one-third, must retire. The names of the Directors to retire during the first and second year are to be drawn by lots. For subsequent years, those with the longest term must retire.

If a post is vacated because of reasons other than term completion, the Board may elect a qualified person according to EIC ‘s regulation to fill the post at the next Board meeting, except when the vacated direct position has less than two months left. A new director ,ust remain in office for only as long as the remaining term.

Segregation of the Chairman and Managing Director

To segregate policy making duties from those of day-to-day management and to enable directors to oversee, look after, and assess performance effectively, EIC has required that the Chairman and Managing Director are always 2 distinct persons. This is because the Chairman needs to oversee the management's performance, guide and assist but not to take part in or interfere with day-to-day management, which is the duty of the Managing Director under the frame of authority delegated by the Board.

In addition, the Chairman must exercise leadership and ensure that directors do not fall under the influence of the management, partly by chairing Board Meetings and shareholder's meetings fairly and efficiently, while encouraging participants to exercise their voting rights and strictly comply with good governance principles.

Independent directors requirements:

- Hold shares worth not more than 1 per cent of paid-up capital of the Company, an affiliated company, associated company or related company, including shares held by related persons.
- Have no participation in the management of the Company, an affiliated company, associated company or related company, or be a major shareholder of the Company. He or she shall not be an employee, staff member or advisor who receives a regular salary from the Company, an affiliated company, associated company, related company or major shareholder of the Company.
- Have no direct or indirect benefit from, or interest in, the finance and management of the Company, an affiliated company, associated company, or any major shareholder of the Company during a period of one (1) year before his or her appointment as a member of the Audit Committee, except where the Board has carefully considered that such previous benefit or interest does not affect the performance of duties and the giving of independent opinions.
- Not be a related person to, or close relative of, any manager or major shareholder of the Company.
- Not be appointed as a representative to safeguard the interests of the Company's directors, major shareholders or shareholders who are related to the Company's major shareholders.
- Be capable of performing duties, giving opinions or reporting the results of work performance according to the duties delegated by the Board, free and clear of the control of management or major shareholders of the Company including related persons or close relatives of the said persons.
-

Independent Directors of 31 December 2012 consists of the following directors:

1. Mr. Kamol	Juntima	Audit Committee
2. Assoc. Prof. Dr. Wisut	Thitiroonruang	Audit Committee
3. Mr. Pateep	Buphaintr	Audit Committee

Sub- Committees

The Board of Directors has set up various committees to help the Board in studying various issues in details and screen workload to improve work efficiency of the Board. In addition, the Chairman of each committee is independent. And to ensure that the performance of every committee has real independency, the Chairman of the Board of Directors is not the chairman and member in such various committees.

The Company has specified compositions and responsibilities of various committees prescribed as follows:

Audit Committee

The Audit Committee members are independent directors with less than 1% stock holding, not involved with the company management, not related to the company service provider, not related to the management and the major shareholders, and with no interest in the business advantages of the company.

The Audit Committee as of 31 December 2012 consists of the following directors:

- | | | |
|---------------------------|----------------|-----------------|
| 1. Mr. Kamol | Juntima | Audit Committee |
| 2. Assoc. Prof. Dr. Wisut | Thitiroonruang | Audit Committee |
| 3. Mr. Pateep | Buphaintr | Audit Committee |

The authority of the Audit Committee and its scope of duties are already explained in the above part of “Corporate Governance Policy”.

Nomination Committee

The Nomination Committee as of 31 December 2012 consists of following directors:

- | | | |
|------------------------|-----------------|--------------------------------------|
| 1. Assoc.Prof.Dr.Wisut | Thitiroongreung | Chairman of the Nominating committee |
| 2. Mr. Sa-nga | Wanasinchai | Nomination Committee |
| 3. Mr. Withaya | Chakphet | Nomination Committee |

The nominating committee’s Scope of Work and Responsibilities are already explained in the above part of “Corporate Governance Policy”.

Remuneration Committee

The Remuneration committee as of 31 December consists of following directors:

- | | | |
|------------------------|-----------------|------------------------------------|
| 1. Assoc.Prof.Dr.Wisut | Thitiroongreung | Chairman of Remuneration Committee |
| 2. Mr. Withaya | Chakphet | Remuneration Committee |
| 3. Mr. Prateep | Buphaintr | Remuneration Committee |

The Remuneration committee’s Scope of Work and Responsibilities are already explained in the above part of “Corporate Governance Policy”.

Executive Committee

The Executive Committee consists of 5 directors as follows:

- | | | |
|------------------|-------------|-------------------|
| 1. Mr. Sarawuth | Jinwuth | Chairman |
| 2. Mr. Withaya | Chakphet | Managing Director |
| 3. Mr. Sagna | Wanasinchai | Director |
| 4. Mrs. Tippawan | Chakphet | Director |

The executive committee’s scope of authority and responsibilities are already explained in the above part of “Corporate Governance Policy”.

Sub-committees Meetings

Sub-committees shall conduct meeting at least one time a year and shall report the result of the meeting to the Board of Directors

Director Authorized to sign and bind the Company

According to the Company's regulations, the directors whose signature are recognized as binding EIC consist of either (1) Mr. Sarawuth Jinwuth, or (2) Mr. Withaya Chakphet, or (3) Mr. Sa-Nga Wanasinchai, or (4) Mrs. Tippawan Chakphet authorized to sign and affix the Company's seal, two of the four Directors are authorized to jointly affix the Company's seal.

Financial Limitation:

The Board of Directors passed a resolution to limit loans from financial institutions for normal business operation purposes as follows:

	Limit Loan
Managing Director	Not exceeding 150 million Baht
Executive Directors	Not exceeding 80 million Baht
Board of Directors	No limit

Corporate Secretary

To comply with the good corporate governance principles of listed company under the category of Directors' responsibilities and the terms of the Securities and Exchange Act, EIC has appointed Ms. Wilaiphorn Buddar as Corporate Secretary to provide the Board with legal advice and remind them of assorted regulations that they need to know and comply with; hold meetings; supervise assorted Board activities to enable them to perform efficiently and effectively for the maximum benefit to EIC ; prepare and maintain critical documents including Directors' registration, Board meeting notices and minutes, annual reports; shareholders' meeting notices and minutes and keep reports on connected transactions reported by Directors or the management.

Corporate Management

Under the Company's regulations, Managing Director has the authority and responsibility to manage the Company's business as assigned by the Board. The business is to be managed strictly, prudently, and with integrity under the plans or budget approved by the Board, and must be in the best interests of EIC and its shareholders. The Managing Director's authority and responsibility include the following duties:

- Operate and /or manage the day-to-day business
- Hire, appoint, remove, transfer, promote, take disciplinary action against employees and contractors as well as dismissing employees or contractors under the Board's regulations.
- Ensure the preparation and submission of business policies , including operating plans and report performance to the Board every three month.
- Ensure the implementation of the policies, plans and budget approved by the Board.
- The Board authorizes the Managing Director to manage the Company's business under the following scope of authority:
 - Manage business under all objectives, regulations, policies, rules, specifications, directives and resolutions of the Board or shareholders' meetings, or both.
 - Order, contact, command, implement and sign juristic acts, agreement, orders, announcements or any correspondence with government agencies, state enterprises, or any parties and engage in any necessary and suitable action to facilitate the duties.
 - Command all employees and contractors including hiring, appointing, removing, promoting, demoting, taking disciplinary action, and dismissing any employee or contractor under the rules, regulations and directives of the Board. For employees and contractors, serving as advisers, senior executive or equivalent upward, prior approval of the Board is required.
 - Assign the power of attorney or delegate specific tasks, or both, to other persons, provided that the action complies with the document concerning the power of attorney or rules, regulations or directives of the Board and/or the Company, or both.

Management Team

The Management Team as of 31 December 2012 consists of 11 members as follows:

ชื่อ-ตำแหน่ง		ตำแหน่ง
1. Mr. Sarawuth	Jinwuth	Chairman
2. Mr. Withaya	Chakphet	Managing Director
3. Mrs. Tippawan	Chakphet	Vice Managing Director
4. Mrs. Parita	Jinapuk	Accounting and Finance Manager
5. Ms. Chantana	Junchan	Assembly Manager
6. Mr. Yuttana	Newyawong	Quality Assurance Manager
7. Mr. Sarun	Polachart	Research and Development Manager
8. Ms. Dararath	Duangrukxa	Human Resource Manager
9. Ms. Sarunthorn	Ruang-Areerat	Purchasing Manager
10. Ms. Aranya	Sosalam	Production Planning Manager
11. Ms. Wilaiphorn	Buddar	Corporate Secretary & Office Manager Executive

Compensation Paid to Directors and the Management

With the oversight of the Remuneration Committee, EIC fairly and sensibly specifies the compensation paid to directors, taking into account each director's responsibility, its financial performance, and compatibility with industry peers. Compensation consists of meeting allowances and bonuses. Directors appointed to specific committee receive additional allowances for additional responsibilities. Directors compensation rates have been approved by shareholders as follows:

1. The Board of Directors, the Executive Committee, the Audit Committee, the Nomination Committee, and the Remuneration Committee shall receive compensation of Baht 10,000 per meeting. The Chairman of the Board of Directors, the Chairman of the Executive Committee, the Chairman of the Audit Committee, the Chairman of the Nomination Committee and the Chairman of the Remuneration Committee shall receive Baht 15,000 per meeting.
2. Directors who are assigned to work occasionally at the factory shall receive a transportation allowance of Baht 30,000 per month.
3. Total remuneration to be allocated for points 1, 2 and 3 above shall not be over Baht 4,000,000.

Compensation Paid to each Director in 2012

Name of Director	Remuneration
1. Mr. Sarawuth Jinwuth	360,000
2. Dr. Aran Thammano PhD.	135,000
3. Mr. Kamol Junthima	580,000
4. Assoc. Prof. Dr. Wisut Titiroonruang	210,000
5. Mr. Withaya Chakphet	260,000
6. Mr. Sanga Wanasinchai	220,000
7. Mrs. Sunisa Pathompruek	220,000
8. Mrs. Tippawan Chakphet	240,000
9. Mr. Prateep Bupaintr	100,000

Note:

Compensation for Directors No. 3 & No. 7 included travel expenses to and from the factory.

Dr. Aran Thammano Pd.D resigned from the Board on May 14, 2012

Mrs. Sunisa Pathompruek resigned from the Board on May 4, 2012

Mr. Prateep Bupaintr was elected to be member of the Board on 2 July 2012

Compensation for Management in 2012

The remuneration for the 11 entitled Managers including the Chairman, Vice Chairman, Managing Director including salary, bonus, and provident fund were a total of Baht 8.35 Million.

Number of Employees

As of December 31, 2011 the Company had 193 employees, including 11 managers.

Management and Employees in each department

Department	2012	2011
Finance and Accounting	6	6
Human Resources	11	11
Purchasing	2	2
Executive Office	3	3
Marketing	14	12
Quality Control	27	29
Planning and Production Control	8	8
Research and Development	12	13
Assembly	88	88
Wafer Fab	21	21
Total	192	193

Business Code of Conduct (Effective since 9th November 2005)

EIC is determined to conduct the business in accordance with the good corporate governance principles, and to improve the organization in terms of efficiency through transparent and fair operation, as well as by improving responsibility to shareholders and stakeholders. This includes customers, business partners, business competitors, creditors, public sector, employees, communities, the larger society and the environment as a whole.

Therefore, EIC business code of conduct are a compilation of good practices on various matters. This serves as a code of standard conduct within the framework of ethics, morals and honesty. All personnel at all levels are required to acknowledge, understand and observe such with the strictest adherence. This is not a voluntary practice. The intent of this code is to achieve the visions established and to reflect the value and the culture of the Company a sustainably growing organization.

Maintaining Morality

Employees

The employees must follow the moral principle with understanding, acceptance and faith. They must be aware of their behaviour at all times and avoid misbehaving. If the employees have any questions, they can ask the supervisor and/or the human resource department.

Management

The management team at all levels has the duty to

- Support the moral code and act as role models.
- Lead by example and listen to opinions related to morality.
- Equip the employees with sound responsibility and provide a management system that complies with the rules and regulations of the company.
- Monitor the operation to ensure the adherence to the company's rules and regulations.

Human Resources Department

HR has the responsibility for informing employees about their duty to follow the moral code and must ensure that the morality manual is passed to new employees.

Internal Audit

The Internal Audit department has a duty to monitor company information in case it contains any offence relating to the company rules and regulations. It then reports to the Board of Director for good governance.

The Abidance of Law and Company Rule

1. Employees must strictly follow the law, and company rules and regulations.
2. No consideration is taken for employees claiming they are acting to boost the profitability of the Company, or other reasons, in the offence of law, shareholder consensus, Board of Directors' consensus, codes and orders of the Company.
3. The employees are to do their duties with honesty, and always work for the benefit of the Company.

Regulations Related to Securities and Inside Information Disclosure

1. The employees are to strictly follow the rules and regulations of SET, SEC and other related laws and orders, especially those related to the company's disclosure to the shareholders and/or public.
2. Misuse, by any employee, of internal information that has not been disclosed to public is considered a Company offence.
3. Disclosure of any information that could have an effect to the business and the share price must be agreed by the managing director. The managing director will disclose the piece of information, or assign responsibility to another party to do so on his/her behalf.
4. The Director and/or the Board of Director's Secretarial Department have responsibility for disclosing general information to the public and investors. These departments own, and provide support for, the information.

Conflict of interests

The company has a policy to prevent the directors and employees profiting from their work positions. Consequently, the company announced the following practices:

1. To avoid any transactions that are likely to create a conflict of interest with the Company.
2. If the issue exists for the benefit of the company, proceed as external parties. Directors or employees related to the transaction must not be involved without prior approval.
3. Not to take the opportunity to use information posted in the Company to seek personal benefit. Also, they are not allowed to set up rival businesses or run any business related to the Company.
4. Not to use inside information for share trading, or to distribute the information to others with the same intention.

Responsibility to shareholders

The Company has policies to operate the businesses with transparency, honesty, accuracy, and ethics. The Company also works hard to improve performance and continually bring an appropriate return to investors. The major responsibilities of the Company are:

1. To conduct roles with transparency and honesty, including careful and fair decision making to generate maximum wealth for shareholders.
2. To control the assets of the Company, and minimise loss or depreciation.
3. To ensure that shareholders are sufficiently informed about policies and future plans of the Company.
4. To ensure that directors, managers and employees do not use unpublicised information to benefit to themselves or a related person, and/or do any transactions which cause conflict of interest.

Policy and Treatment of Employees

The Company recognizes that employees are a key factor for company success. Therefore the Company has policies which support fair treatment in terms of opportunity, compensation, appointment, transfer and removal of employees, including capability development according to principals below:

1. Treat employees with politeness, and respect their individual and human dignity.
2. Give fair compensation to employees.
3. Keep the work environment a safe place for employees and their property.
4. Appointment, transfer, awards or promotion will be appropriately disciplined.
5. Concentrate on improving employee knowledge and capability.
6. Listen to opinions and suggestions based on the professional knowledge of employees.
7. Strictly comply with rules and regulations involving employees.
8. Avoid any unfairness or pressure which could affect the work stability and mental condition of employees.

Policy and Treatment for Customers

Customer satisfaction is a major factor affecting the success of the Company, thus the Company has a code of conduct as follows:

1. Contribute to customer satisfaction in terms of quality, price, delivery and service.
2. Deliver products and service on time, or exceeding customer expectations, with a fair price.
3. Provide correct, updated and adequate information to customers without any exaggeration that could cause misunderstanding.
4. Treat the customers with politeness, efficiency and reliability.
5. Provide a system for dealing with customer complaints in term of quality, quantity, response time and delivery.
6. Customer information is to be kept secret and not used for the benefit of company employees, directors or related persons.

Policy and Treatment of Suppliers

The Company has a policy of treating all suppliers equally based on fair returns to each other and the highest benefit of the Company. The approach of the Company is as follows:

1. Not to require, receive or make any dishonest gain to any supplier
2. Disclose details and coordinate with suppliers to resolve any problem related to requirement, receipt or dishonest gain.
3. Strictly comply with conditions set out in supplier agreements. In the event that the Company is not able to comply with a condition, the Company must inform the supplier in advance in order to consider a resolution to the problem.

Policy and treatment of Competitors

Competition policies of The Company follow principle standard and trading competition laws. The Company must not offend competitors, or gain confidential information by fraud. The Company procedure is as follows:

1. Compete with others under competitive regulations
2. Do not seek confidential information of competitors by any dishonest or improper means.
3. Do not damage the reputation of competitors by defamation.

Environmental Policy

The company meets the requirements of ISO 14001 certification and takes all reasonable measures to adhere to the following environmental policy:

1. Meet or exceed all environmental laws, standards and regulations.
2. Minimize, substitute, and where possible eliminate the use of hazardous chemicals in processes and operations.
3. Ensure efficient use of energy through management controls and routine practices as well as minimizing waste from production.
4. Educate and control all employees to strictly enforce the environmental policy.

The company's products are certified to be lead free and compliant to RoHs (Directive 2002/95-EC of the European Parliament and of the council of 27 January 2003 on the restriction of the use of certain hazardous substances in electrical and electronic equipment).

Anti-Fraud Measures

EIC encourages personnel at all levels to become aware of the need to adopt an anti-fraud stance. Internal control systems are in place to prevent fraud, extortion and the giving or receiving of bribes in all forms.

EIC Board of Directors

Name	Sarawuth Jinwuth
Age	76 years
Title	Chairman of the Board, Chairman of Executive Committee
Shareholding (%)	51%

Family Relationship with other Directors:

- Father of Mr. Withaya Chakphet , Managing Director
(Legally adopted Mr. Withaya Chakphet to be Son in 2010)

Education

- Bachelor of Art in Commerce, Kaina University, China

Training on Directors Program, Institute of Directors

- Director Certification Program (DCP 58/2005)
- Director Accreditation Program (DAP - 16 March 2004)

Experience

- Founder and Chairman, Electronics Industry Public Company Limited

Criminal Record during the past 10 years : None

Director Present : 10 Years (First elected on 14th Feb 2003)

Position in other Non-listed companies:

- Chairman, Nano Enterprises Co.,Ltd
- Director, First Silicon Electronics Co.,Ltd
- Director, Unitop Rubber Co. Ltd
- Director, Altran Technology Co.,Ltd
- Director, Nippon Semicon Co.,Ltd

Position in other Listed company : None

Position in other organization that may cause any conflict of interest : None

No. of Meetings attended in 2012 :

- Board of Directors Meeting 9/9 times
- Executive Committee Meeting 9/9 times
- Annual General Meeting of Shareholders 1/1 time

Name Mr. Kamol Juntima

Age 74 Years

No. of Share holding : None

Family Relationship with other Directors : None

Positions : Board of Director, Chairman of Audit Committee

Education:

- Master Degree, Public Administration, National Institute of Development Administration
- B.A (Accounting), Thammasart University
- Advanced Management Program BANFF, Canada
- Diploma in Business Administration Waterloo, Canada

Training on Directors Program, Thai Institute of Directors :

- The role of Chairman (RCP 4/2001)
- Director Certification Program (DCP3/2000)
- Board and CEO 1/2003
- DCP Refresher Course 4/2007

Work Experience :

- Chairman of the Board, Financial Sector Restructuring Authority (FRA)
- Chairman of Audit Committee, Provincial Electricity Authority
- Comptroller General, Ministry of Finance
- Chairman of the Board Government Lottery Office
- Director and Chairman of Executive Board Government Housing Bank

Criminal Record during the past 10 years : None

Director Present : 10 Years (First elected in 2003)

Position in other listed companies:

- Chairman, IT CITY Public Company Limited

Position in other non-listed companies:

- Chairman, West Coast Engineering Co. Ltd.
- Chairman, Audit and Evaluation Committee, Ministry of Education
- Chairman of Ethics Committee, Federation of Accounting Professions

Position in other organization that may cause any conflict of Interest : None

No. of Meetings attended in 2012:

- Board of Directors Meeting 9/9 times
- Audit Committee Meeting 10/11 times
- Annual General Meeting of Shareholders 1/1 time

Name Assoc. Prof. Dr. Wisut Thitiroongruang

Age: 54 years

Title Board of Directors, Independent Director ,
Member of Audit Committee,
Chairman of Nomination Committee
Chairman of Remuneration Committee

No. of Share Holding: None

Family Relationship with other Directors: None

Education:

- Doctor of Engineering (D.Eng), Electronics, Tokai University, Japan
- Master of Engineering (Electronics), Tokai University, Japan
- B.A. Engineering, King Mongkut's Institute of Technology Ladkrabang

Training on Directors Program, Thai Institute of Directors:

- Director Accreditation Program (DAP) 58TH/2004
- Audit Committee Program (ACP 2005)

Work Experiences:

- Head of Electronics Research Center,
King Mongkut Institute of Technology Lat Krabang
- Assoc. Professor Level 9, King Mongkut Institute of Technology Lat Krabang
- Lecturer, Semiconductor Device

Criminal Record during the past 10 years : None

Director Present : 10 Years (First elected in 2003)

Position in other listed companies : None

Position in other Non-Listed Companies :

- Chairman, Microelectronics Engineering Master Degree Program King Mongkut Institute of Technology Lat Krabang
- Administration Board, Bodindecha (Sinhr Singhsena 2) School

Position in other organization that may cause any conflict of interest : None

No. of Meetings attended in 2012 :

- Board of Directors Meeting 9/9 times
- Audit Committee Meeting 11/11 times
- Nomination Committee Meeting 1/1 times
- Annual General Shareholders' Meeting 1/1 time

Name Mr. Prateep Buphaintr
Age: 73 years
Position: Board of Director, Independent Director,
Audit Committee, Remuneration Committee
No. of Share Holding: 0.0096%

Family relationship with other Directors : None

Education

- Bachelor Degree in Commerce, Thammasat University

Training on Directors Program, Thai Institute of Directors:

- Director Accreditation Program (DAP 22.2002)

Criminal record during the past 10 years: None

Director Present : 5 Months (First elected in 2012)

Work Experiences :

- Secretary of the Comptroller General's Department, Ministry of Finance
- Director of Disbursement Approval Branch 4,
The Comptroller General's Department, Ministry of Finance.

Position in other Listed Companies :

- Director, Independent Director, Audit Committee Member, and Good Corporate Governance Committee Member, Sahaviriya Steel Industries Public Company Limited

Position in other Non-Listed Companies : None

Position in other organization that may cause any conflict of interest: None

No. of Meetings attended in 2012 (First Appointed in July 2012)

- Board of Directors Meeting 4/4 times
- Audit Committee Meeting 5/5 times

Name Mr. Withaya Chakphet

Age 53 Years

Title Managing Director, Executive Committee, Nomination Committee, and Remuneration Committee

Shareholding (%) 5.748%

Family Relationship with other Director: Married to Mrs. Tippawan Chakphet,
Son of Mr. Sarawuth Jinwuth
(Adoted by law in 2009)

Education

- Engineering, South East Radio Institute College, HongKong
- Executive Mini MBA, NIDA

Training on Directors Program, Institute of Directors

- Director Certification Program (DCP 58/2005)
- Director Accreditation Program (DAP16 March 2004)

Experiences

- Managing Director, Electronics Industry Public Company Limited.

Criminal Record in past 10 years: None

Director Present : 10 Years (First elected in 2003).

Positions in other non-listed company :

- Director, SCP IT Co.,Ltd
- Director, Nippon Semicon Co.,Ltd
- Director, Altran Technology Co.,Ltd
- Director, First Silicon Electronics Co.,Ltd
- Director, Unitop Rubber Co.,Ltd

Position in other Listed Companies : None

Position in other organization that may cause any conflict of interest : None

No. of Meetings attended in 2012

- | | |
|--|-----------|
| • Board of Directors Meeting | 9/9 times |
| • Executive Committee Meeting | 9/9 times |
| • Annual General Meeting of Shareholders | 1/1 time |
| • Nomination Committee | 1/1 |
| • Remuneration Committee | 1/1 |

Name Mr. Sa-nga Wanasinchai
Age 51 Years
Title Board of Director, Member of Executive Committee
Shareholding (%) 5%

Family Relationship with other Directors : None

Education

- Commerce, Kuangjip School, Hong Kong

Training on Directors Program, Institute of Directors

- Director Certification Program (DCP 58/2005)
- Director Accreditation Program (DAP16 March 2004)

Experiences

- Director, Electronics Industry Public Company Limited

Criminal Record during the past 10 years : None

Director Present : 10 Years (First elected in 2003).

Position in other Listed Companies : None

Position in other Non- Listed Companies

- Director, Nano Enterprised Co., Ltd
- Director, Nippon Semicon Co.,Ltd
- Director, Ultrat Technology Co.,Ltd

Position in other organization that may cause any conflict of interest : None

No. of Meetings attended in 2012

- | | |
|--|-----------|
| • Board of Directors Meeting | 9/9 times |
| • Executive Committee Meeting | 9/9 times |
| • Annual General Meeting of Shareholders | 1/1 time |

Name Mrs. Tippawan Chakphet

Age 52 Years

Title Board of Director, Executive Committee

Shareholding (%) 3.834 %

Relationship with other Director Married to Mr. Withaya Chakphet, Managing Director

Education - MBA , National Institute of Development Administration

Training on Directors Program, Institute of Directors

- Director Certification Program (DCP 58/2005)
- Director Accreditation Program (DAP16 March 2004)

Director Present : 10 Years (First elected in 2003).

Criminal Record during the past 10 years : None

Position in other Listed Companies : None

Position in other Non- Listed Companies

- Director, Nano Enterprised Co., Ltd
- Director, Nippon Semicon Co.,Ltd
- Director, Ultran Technology Co.,Ltd

Position in other organization that may cause any conflict of interest : None

No. of Meetings attended in 2012

- | | |
|--|-----------|
| • Board of Directors Meeting | 9/9 times |
| • Executive Committee Meeting | 9/9 times |
| • Annual General Meeting of Shareholders | 1/1 time |

Management Team

Mr. Sarawuth Jinwuth	Chairman
Shareholding	51%
Education -	B.A. (Commerce) KAINA University, China
Training on Directors Program	- Director Certification Program (DCP)
	- Director Accreditation Program (DAP)
Work Experience	- Chairman, Electronics Industry PLC
Mr. Withaya Chakphet	Managing Director
Shareholding	5.748 %
Education -	Engineering (Electronics) South East Radio Institute College, Hong Kong
Training	- Director Certification Program (DCP)
	- Director Accreditation Program (DAP)
Work Experience	- Managing Director, Electronics Industry PLC.
Mrs. Tippawan Chakphet	Vice Managing Director
Shareholding	3.834%
Education	- Master of Business Administration National Institute of Development Administration.
Training on Director Program	- Director Certification Program (DCP)
	- Director Accreditation Program (DAP)
Work Experience	- Director, Electronics Industry Public PLC.
Ms. Wilaiphorn Buddar	Corporate Secretary & Executive Office Manager
Shareholding	None
Education	Master of Business Administration, National Institute of Development Administration (NIDA)
	Bachelor of Arts, Khon Kaen University
Work Experience	Executive Secretary, KCE Electronics Public Company Limited. Head of Marketing Division, Plan Creation Co.,Ltd.
Mrs. Parita Jinapuk	Financial and Accounting Manager
Shareholding	0.000125%
Education -	B.A. (Business Administration) Rajabhat Institute
Work Experience	Accounting and Financial Manager, Electronics Industry PLC
Ms. Aranya Sosalam	Production Planning/Control Department Manager
Shareholding	0.000125 %
Education -	Vocational Training
Work Experience	Production Planning /Control Department Manager Electronics Industry Public Co. Ltd.

Ms. Dararath Duangruksa Shareholding Education - Work Experience	Human Resources Manager None Masters Degree in Social Science for Development Rajaphat Pranakhorn University -Executive Secretary, Siripol Group
Mr. Sujin Yothinupamai Shareholding Education - Work Experience	Marketing Manager None Master of Business Administration, National Institute of Development Administration (NIDA) Electronics Industry PLC.
Ms. Chantana Junchan Shareholding Education - Work Experience	Assembly Department Manager 0.000025% Bachelor Degree in Social Science for Development Rajaphat Pranakhorn University Electronics Industry PLC.
Ms. Sarunthorn Ruang-Areerat Shareholding Education - Work Experience	Purchasing Manager 0.000025% Master of Business Administration, National Institute of Development Administration (NIDA) Electronics Industry PLC
Mr. Yuttana Newyawong Shareholding Education	Quality Assurance Manager 0.000025% Commerce Christchurch Polytechnic
Mr. Sarun Polachart Shareholding Education	Research and Development Manager 0.000025% Master of Business Administration University of Sterling, Scotland

EIC Sustainability Development



The high purpose for our sustainability development is to be recognized and trusted as EIC quality diodes behind every great system



With the perspective that added-values created by the Company's business activities should be allocated to all constituents including shareholders, employees and the stakeholders in local communities in appropriate proposition, EIC has committed itself to developing products' quality to be recognized as quality Diodes in every great system. The Company has been adopting the added -values Glass Passivated Processed Wafer to produce their Zener Diode, Rectifier, TVS and Bridge Rectifier. This has resulted in increasing reverse breakdown voltage and thus increasing in operational lifetime of end products. A reduction in reverse leakage at high temperatures can help the energy saving for end consumers. Additionally, for TVS and Zener Diodes, the transient protection would be increased. This move further establishes EIC as a manufacturer with good corporate social responsibility of top class discrete semiconductors.

Management Discussion and Analysis

Auditor's Remuneration

Audit Fee

Electronics Industry Public Company Limited has paid the audit fee to D I A International Audit Co., Ltd., the firm to which auditor is registered, at 788,000 baht during the year of 2012.

Non-Audit Fee

There was not any non-audit fee paid to D I A International Audit Co., Ltd. in the year 2012.

Financial Statement

Auditor's Report

Conclusion of auditor's report for the period ended December 31st, 2012

The financial statement as at December 31st, 2012 which audited by Miss Somjintana Pholhirunrat, C.P.A. (Thailand) registered number 5599 under D I A International Audit Co., Ltd., granted "without qualifying opinion" that the financial statements present fairly, in all material respects.

The Company's financial statements have included the operations in Joint Venture EIC ZHONGCHE ("the joint venture") which is jointed between the Company and Guangzhou Zhongche Railway Sales & Leasing Co. Ltd. against tender a bid for Diesel Electric Locomotives and 308 Complete Container Flat Wagon providing to the State Railway of Thailand. The counterparties commit to have mutual responsibility in the joint venture's operation result, source of fund management, liabilities obligation, and other matters in joint venture on the ratio at (50: 50) in accordance with the joint venture agreement date May 11th, 2012. Therefore, the comparison between 2011 and 2012 shall be compared between separate financial statements in 2011 and financial statements in which the proportionate consolidated method in 2012.

Summary of Financial Information

Items	Separate Financial Statements						Financial Statements which the proportionate consolidated method is applied	
	December 31 st , 2010		December 31 st , 2011		December 31 st , 2012		December 31 st , 2012	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Assets								
Current Assets								
Cash and cash equivalents	25.02	4.04	86.36	13.86	53.61	8.64	54.93	8.87
Trade and other receivables	108.80	17.56	69.33	11.13	64.97	10.47	62.43	10.08
Inventories	313.89	50.65	306.45	49.19	286.53	46.19	286.53	46.28
Other current assets	0.40	0.07	0.25	0.04	0.38	0.06	0.38	0.06
Total current assets	448.11	72.31	462.39	74.22	405.48	65.37	404.28	65.30
Non-current assets								
Restricted investments	0.00	0.00	0.00	0.00	64.84	10.45	64.84	10.47
Property, plant and equipment	159.95	25.81	151.67	24.34	144.16	23.24	144.16	23.29
Intangible assets	11.42	1.84	8.64	1.39	5.61	0.90	5.61	0.91
Other non-current assets	0.23	0.04	0.30	0.05	0.20	0.03	0.20	0.03
Total non-current assets	171.60	27.69	160.61	25.78	214.80	34.63	214.80	34.70
Total assets	619.71	100.00	623.00	100.00	620.28	100.00	619.08	100.00
Liabilities and shareholders' equity								
Current liabilities								
Trade and other payables	7.57	1.22	9.54	1.53	13.16	2.12	13.16	2.13
Other current liabilities	0.33	0.05	0.28	0.04	0.24	0.04	0.24	0.04
Total current liabilities	7.90	1.27	9.82	1.58	13.40	2.16	13.40	2.16
Non-current liabilities								
Deposits received from tenants	0.21	0.03	0.21	0.03	0.21	0.03	0.21	0.03
Employee benefit obligations	0.00	0.00	4.68	0.75	5.53	0.89	5.53	0.89
Trade non-current liabilities	0.21	0.03	4.88	0.78	5.74	0.93	5.74	0.93
Total liabilities	8.11	1.31	14.70	2.36	19.14	3.09	19.14	3.09
Shareholders' equity								
Share capital								
Registered share capital								
400,000,000 ordinary shares at Baht 1.00 each	400.00		400.00		400.00		400.00	
Authorized, issued and paid-up share capital								

Items	Separate Financial Statements						Financial Statements which the proportionate consolidated method is applied	
	December 31 st , 2010		December 31 st , 2011		December 31 st , 2012		December 31 st , 2012	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
400,000,000 ordinary shares at Baht1.00 each	400.00	64.55	400.00	64.21	400.00	64.49	400.00	64.61
Premium on share capital	93.00	15.01	93.00	14.93	93.00	14.99	93.00	15.02
Retained earnings								
Appropriated for legal reserve	12.83	2.07	13.30	2.14	13.73	2.21	13.73	2.22
Unappropriated	79.70	12.86	75.91	12.19	63.93	10.31	62.72	10.13
Other components of equity	26.08	4.21	26.08	4.19	30.50	4.92	30.50	4.93
Total shareholders' equity	611.60	98.69	608.30	97.64	601.15	96.91	599.94	96.91
Total liabilities and shareholders' equity	619.71	100.00	623.00	100.00	620.28	100.00	619.08	100.00

Statement of Financial Information

Items	Separate Financial Statements						Financial Statements which the proportionate consolidated method is applied	
	2010		2011		2012		2012	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenues								
Revenues from sales	215.06	100.00	166.31	100.00	140.96	100.00	140.96	100.00
Less Cost of goods sold	(171.79)	(79.88)	(135.69)	(81.59)	(122.77)	(87.10)	(122.77)	(87.10)
Gross profit	43.27	20.12	30.62	18.41	18.19	12.90	18.19	12.90
Other income								
Other income	7.47	3.47	2.31	1.39	6.84	4.86	6.85	4.86
Gain on exchange rates	0.00	0.00	5.70	3.43	0.00	0.00	0.00	0.00
Total other income	7.47	3.47	8.01	4.82	6.84	4.86	6.85	4.86
Profit before expenses	50.74	23.59	38.63	23.23	25.04	17.76	25.04	17.76
Expenses								
Selling expenses	(4.44)	(2.07)	(3.42)	(2.06)	(4.00)	(2.84)	(4.00)	(2.84)
Administrative expenses	(16.28)	(7.57)	(16.24)	(9.77)	(14.83)	(10.52)	(16.04)	(11.38)
Directors' remuneration	(1.99)	(0.92)	(1.93)	(1.16)	(2.05)	(1.45)	(2.05)	(1.45)
Management benefit expenses	(8.00)	(3.72)	(8.61)	(5.18)	(8.35)	(5.93)	(8.35)	(5.93)
Other expenses								
Loss on exchange rates	(9.18)	(4.27)	0.00	0.00	(1.37)	(0.97)	(1.37)	(0.97)
Loss on allowance for devaluation of inventories	(1.27)	(0.59)	0.00	0.00	0.00	0.00	0.00	0.00
Total other expenses	(10.45)	(4.86)	0.00	0.00	(1.37)	(0.97)	(1.37)	(0.97)
Total expenses	(41.16)	(19.14)	(30.20)	(18.16)	(30.60)	(21.71)	(31.81)	(22.57)
Profit (loss) for the year	9.58	4.45	8.43	5.07	(5.57)	(3.95)	(6.78)	(4.81)
Other comprehensive income (expense)								
Revaluation surplus of assets reappraisal	(6.25)	(2.90)	0.00	0.00	4.42	3.13	4.42	3.13
Other comprehensive income (expense) for the year	(6.25)	(2.90)	0.00	0.00	4.42	3.13	4.42	3.13
Total comprehensive income (expense) for the year	3.33	1.55	8.43	5.07	(1.15)	(0.82)	(2.36)	(1.67)

Statement of Cash Flows

Unit : Million Baht

Items	Separate Financial Stements			Financial Statements which the proportionate consolidated method is applied
	2010	2011	2012	2012
Cash flows from operating activities				
Profit (loss) before corporate income tax	9.58	8.43	(5.57)	(6.78)
Adjustments to reconcile net profit to net cash				
Depreciation	28.52	14.20	13.18	13.18
Doubtful accounts	1.37	2.87	0.40	0.40
Reversed doubtful accounts		0.00	(2.87)	(2.87)
Amortized program development	0.01	0.03	0.05	0.05
Expenditure for project of program development	3.16	3.16	2.99	2.99
Loss on allowance for devaluation of inventories	1.27	2.71	7.29	7.29
Other income for damage claimed from fire	(0.92)			
Loss on provision for impairment of withholding income tax		0.00	0.17	0.17
(Gain) on sales of assets	(0.18)	(0.23)	(0.94)	(0.94)
Loss on damaged assets		0.00	0.71	0.71
Unrealized loss (gain) on exchange rates	1.54	(2.57)	0.84	0.84
Profit from operations before changes in operating assets and liabilities	44.33	28.61	16.25	15.04
(Increase) Decrease in trade and other receivables	(43.80)	38.66	6.22	8.76
(Increase) Decrease in inventories	(14.91)	4.73	12.63	12.63
Received damage claimed from fire	11.00			
(Increase) Decrease in other current assets	0.12	0.15	(0.13)	(0.13)
(Increase) Decrease in other non-current assets		(0.42)	0.00	0.00
Increase (Decrease) in trade and other payables	(5.57)	1.84	3.65	3.65
Increase (Decrease) in other current liabilities	(2.26)	(0.05)	(0.04)	(0.04)
Increase (Decrease) in other non-current liabilities	0.00	(0.00)	0.00	0.00
Restricted investment	0.14			
Increase (Decrease) employee benefit liabilities		0.94	0.85	0.85
Cash generated (paid) from operation	(10.95)	74.46	39.45	40.77
Corporate income tax paid	(0.08)	(0.07)	(0.07)	(0.07)
Net cash provided by (used in) operating activities	(11.02)	74.39	39.37	40.70
Cash flows from investing activities				
Restricted investments		0.00	(64.84)	(64.84)
Purchases of fixed assets	(7.95)	(5.92)	(2.02)	(2.02)
Proceeds from sales of fixed assets	0.20	0.23	0.99	0.99
Net cash provided by (used in) investing activities	(7.75)	(5.69)	(65.87)	(65.87)
Cash flows from financing activities				
Dividend paid	0.00	(8.00)	(6.00)	(6.00)
Net cash provided by (used in) financing activities	0.00	(8.00)	(6.00)	(6.00)
Effect from changes in exchange rate of cash and cash equivalents	(0.04)	0.65	(0.26)	(0.26)
Net increase (decrease) in cash and cash equivalents	(18.81)	61.35	(32.76)	(31.43)
Cash and cash equivalents as at January 1	43.83	25.02	86.36	86.36
Cash and cash equivalents as at December 31	25.02	86.36	53.61	54.93

Financial Ratio

Financial Ratio	Separate Financial Statements			Financial Statements which the proportionate consolidated method is applied
	2010	2011	2012	2012
Liquidity Ratio				
Current Ratio (times)	26.86	56.72	30.26	30.17
Quick Ratio (times)	6.90	16.84	8.85	8.76
Cash Flow from Operation to Current Liabilities Ratio (times)	(0.93)	8.40	3.39	3.51
Account Receivable Turnover (times)	2.49	1.88	2.10	2.14
Receivables conversion period (days)	145	191	171	168
Inventory Turnover (times)	0.56	0.43	0.41	0.41
Inventory conversion period (days)	644	840	869	869
Payable Turnover (times)	28.74	15.86	10.82	10.82
Payables conversion period (days)	13	23	33	33
Cash Cycle (days)	776	1,008	1,007	1,004
Profitability Ratio				
Gross Profit Margin (%)	20.12	20.05	12.90	12.90
Operating Profit Margin (%)	19.10	10.43	(3.95)	(4.81)
Other Profit Margin (%)	(2.81)	0.00	2.99	2.99
Cash to Profitability Ratio (%)	(115.08)	882.13	(707.14)	(600.71)
Net Profit Margin (%)	4.30	4.84	(0.78)	(1.60)
Return on Equity (%)	1.36	1.36	(0.19)	(0.39)
Efficiency Ratio				
Return on Assets (%)	1.07	1.36	(0.19)	(0.38)
Return on Fixed Assets (%)	18.97	14.53	8.13	7.32
Assets Turnover (times)	0.72	0.28	0.24	0.24
Financial Policy Ratio				
Debt to Equity Ratio (times)	0.01	0.02	0.03	0.03
Times Interest Earned (times)	(1.39)	5.35	3.53	3.64
Dividend Payout Ratio (%)	0.00	94.86	n.a.	n.a.

Management Discussion and Analysis

Economic and Trend

Overview of Semiconductor Industry

PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft (PWC) By Werner Ballhaus, Dr.-Ing. Alessandro Pagella, Constantin Vogel and Christoph has reported that the global semiconductor industry has been growing nonstop for 40 years, with global sales increasing at an average of about 9% per annum. Apart from its high market growth, the semiconductor industry has been characterized by rapid technological innovation. And another characteristic of the semiconductor industry is its need for huge amounts of capital to support both growth and technological progress.

With the effect from the peaked global economic crisis, the semiconductor market fell from USD 255.27 Billion in 2008 to be recorded at only USD 219.69 Billion in 2009 or decreased by 14%. The sales was recovered quickly and the global sales reached a record high in 2010 at USD 295.30 Billion or increased by 34% a pace never before achieved. Sales growth was stable solid in 2011 and 2012 recorded only USD 300.94 Billion in 2011 or increased by 1.91 % then fell to USD 291.08 Billion in 2012 or decreased by 3.27 %.

Overview Performance of the Company

Sales Revenue of EIC in 2012 was 140.96 million baht, decreasing from 166.31 million baht in 2011 and 215.06 million baht in 2010. The decrease in sales revenue was mainly due to the decrease in sales volume, especially from the sole agents by the effects derived from the current economic crisis in Europe and the United States and the fall in demand for consumers purchasing which cause the decrease of the billing sales of semiconductors. Moreover, the main customers of the Company had decreased orders while the new customers had postponed the purchasing order because of the decrease of the end-consumers purchasing demand. With another main factor that was derived from the loss from the Exchange rate at 1.37 million baht comparing with the Company's gain at 5.70 million in 2011 due the recent Baht appreciation. And furthermore with the last important factor that was derived from the increase of EIC's Cost of Goods Sold from 81.50% in 2011 reaching 87.10% in 2012. This was the effect from the less of the allowance for devaluation of inventories at 7.29 million baht to the Cost of Good Sold because of the changing of financial reporting standards. By the above three main factors derived from the decrease of sales revenue, the loss from exchange rate and the increase in Cost of Good Sold, the Company had recorded the loss at 2.36 in the year 2012.

The Company Performance in 2011, EIC has revenues from sales for Baht 166.31 million decreasing from Baht 215.06 million in 2010 or decreasing by 22.67 percent because of economic recession in Europe and in USA and flood in late 2010. The decrease of cost of goods sold from Baht 171.79 million in 2010 to Baht 135.69 million in 2011 is caused from decreasing of revenues from sales. Gross profit margin of the year 2011 was 18.41 percent decreasing from 21.12 percent in 2010. EIC has net profit for Baht 8.43 million, decreasing by Baht 1.14 million or equivalent to 11.96 percent compare to 2010 at Baht 9/57 million. However, total comprehensive income (expense) for the year in 2011 was Baht 8.43 million increased from Baht 3.33 million in 2010 or increasing by 153.28 percent because of revaluation surplus of assets - reappraisal for Baht -6.25 million.

Statement of Financial Position as of December 31st, 2012, EIC has total assets for Baht 619.08 million decreasing from 2011 at Baht 623.00 million or decreasing by 0.63 percent because of decreasing of ending inventories and property, plant and equipment and increasing of restricted investment for Baht 64.84 million. Total liabilities has increased to Baht 19.14 million increased from Baht 14.70 million in 2011 or increasing by 30.15 percent because of increasing in trade and other payables. Total shareholders' equity is slightly decreased to Baht 599.94 million from Baht 608.30 million in 2011 or decreasing by only 1.37 percent.

Statement of Financial Position as of December 31st, 2011, EIC has total assets for Baht 623.00 million increasing from 2010 at Baht 619.71 million or increasing by 0.53 percent because of increasing in cash and cash equivalent and decreasing in trade and other receivables. Total liabilities has increased to Baht 14.70 million increased from Baht 8.11 million in 2010 or increasing by 81.37 percent because of increasing in trade and other payables and employee benefit obligations. Total shareholders' equity is slightly decreased to Baht 608.30 million from Baht 611.60 million in 2010 or decreasing by only 0.54 percent.

Revenue Analysis

Revenue Structure by Sale Representatives	2010 (separate financial statements)		2011 (separate financial statements)		2012 (financial statements in which the proportionate consolidated method is applied)	
	Million Baht	%	Million Baht	%	Million Baht	%
1. EIC International Co., Ltd.	105.92	49.25	62.66	37.67	49.09	34.83
2. EIC Semiconductor Inc.	27.46	12.77	21.21	12.75	13.38	9.49
3. EIC Semi Ltd.	23.73	11.04	11.96	7.19	0.00	0.00
4. General Customers (Direct Sales)	57.93	26.94	70.49	42.39	78.49	55.68
	215.06	100.00	166.31	100.00	140.96	100.00

In 2012, total income is Baht 147.81 million decreasing from Baht 174.32 million in 2011 or decreasing by 15.21 percent because of decreasing in revenues from sales from Baht 166.31 million in 2011 to Baht 140.96 million in 2012 because of economic crisis in Europe and USA. All customers, which are in consumer electric industry, face with price competition result in decreasing in sales volume. Sales from two sale representatives was decreased by 1) EIC International Co., Ltd in Hong Kong has Baht 49.99 million of sales in 2012 decreasing from Baht 62.66 million in 2011 and 2) EIC Semiconductor Inc. has Baht 13.38 million of sales in 2012 decreasing from Baht 21.21 million in 2011. EIC has changed sales strategy to direct sales to compensate the decreasing of sale volume from sale representatives and dependency to sale representatives. In 2012, direct sales has increased from Baht 70.49 million in 2011 to Baht 78.49 or increasing by 11.35 percent. Moreover, other income is increased from Baht 2.31 million in 2011 to Baht 6.85 million or increasing by 196.85 percent because of allowance for bad debt in the amount of Baht 2.87 million and interest income for Baht 1.20 million. However, EIC has none of gain on exchange rates which was Baht 5.70 million in 2011 resulted in decreasing in other income by 14.52 percent or decreased from Baht 8.01 million in 2011 to Baht 6.85 million in 2012.

In 2011, total income was Baht 174.32 million decreased from Baht 222.52 million in 2010 or decreased by 21.66 percent because of economic crisis in Europe and USA. Sales from two sale representatives was decreased by 1) EIC International Co., Ltd in Hong Kong has Baht 62.66 million of sales in 2011 decreasing from Baht 105.92 million in 2010 and 2) EIC Semiconductor Inc. has Baht 21.21 million of sales in 2011 decreasing from Baht 27.46 million in 2010. The change of sale strategy to direct sales in order to decrease the dependency to sale representative resulted in increase in direct sales from Baht 57.93 million in 2010 to Baht 70.49 million in 2011 or increasing by 21.68 percent. Other income in 2011 in the amount of Baht 2.31 million was decreased from Baht 7.47 million in 2010 or decreased by 69.11 percent.

Expense Analysis

Cost of Goods Sold

Cost of goods sold in the year 2012 decreased from Baht 135.69 million in 2011 to Baht 122.77 million or decreased by 9.52 percent because of decreasing in revenue income. However, the change in accounting policy by add allowance for devalued of merchandises for Baht 7.29 million into cost of goods sold affects to cost of goods sold to revenue ratio to increase from 81.59 percent in 2011 to 87.10 percent in 2012.

Cost of goods sold in 2011 was decreased from Baht 171.79 million in 2010 to Baht 135.69 million. But cost of goods sold to revenue ratio increased from 79.88 percent in 2010 to 81.59 percent because of increasing in the proportion of sales from NON-BOI. Those merchandises has lower of gross profit margin. Therefore the effect to the cost of goods sold is not significant.

Gain (Loss) from exchange rate

EIC has loss from exchange rate in 2012 for Baht 1.37 million decreased from gain from exchange rate in 2011 for Baht 5.70 million. In 2010, EIC has loss from exchange rate in the amount of Baht 9.18 million. Gain or loss from exchange rate in each year was affects from the fluctuation of exchange rate in the year.

Expenses

Selling expenses in 2012 is Baht 4.00 million increased from Baht 3.42 million in 2011 or increased by 16.96 percent because of increasing in sale employees to support direct sales in domestic. Directors' remuneration decreased from Baht 8.61 million in 2011 to Baht 8.35 million in 2012 or decreased by 2.99 percent because of resignation of management but none of replacement has been appointed.

Selling expenses in 2011 is Baht 3.42 million decreased from Baht 4.44 million in 2010 or decreased by 22.96 percent because of none of sale promotion from previous year. Directors' remuneration increased from Baht 8.00 million in 2010 to Baht 8.61 million in 2011 or increased by 7.64 percent because of international sale manager was appointed.

Loss on allowance for devaluation of inventories

EIC has loss on allowance for devaluation of inventories in 2012 for Baht 7.29 million increased from 2011 and 2010 because the Company has to increase stock of inventories for several items to support and facilitate customers' demand. Increasing in number of inventories assists the Company to fasten the delivery time as well as decrease cost of shipment for the customers. The decrease of revenues income also causes decreasing in inventory turnover. Therefore, EIC has to allocate for loss on allowance for devaluation of inventories.

Revaluation surplus of assets - reappraisal

In 2010 and 2012, EIC has revaluation surplus of assets - reappraisal for Baht 6.25 million and Baht 4.42 million due to the changing of accounting treatment for property, plant and equipment from reappraisal method to original cost method because it is more appropriated to current situation.

Statement of Cash Flow Analysis

Cash flows from operating activities

Cash flow from operating activities in 2012 is Baht 40.70 million decreased from Baht 74.39 million in 2011 or decreased by 45.29 percent mainly because of loss from operation in 2012. The decrease of revenue income in 2011 compare to 2010 also decreased trade and other receivables by Baht 38.66 million. Decreasing in trade and other receivables caused cash flow from operating activities to increase to Baht 74.39 million while trade and other receivables in 2012 decreased by only Baht 6.22 million.

Cash flow from operation in 2011 is Baht 74.39 million increased from Baht (11.02) million in 2010 because of increasing in revenue income. Trade and other receivables in 2010 increased by Baht 43.35 million. Inventories increased by Baht 14.91 million. Those increases affects to cash flow from operation in 2011.

Cash flows from investing activities

Cash flow from investing activities in 2012 is Baht 65.87 million increased from Baht 5.69 million in 2011 or increased by 1,057.86 percent because of restricted investment in the amount of Baht 64.84 million. EIC used fixed deposit for Baht 62.84 million as collateral in joint venture.

In 2011, cash flow from investing activities is Baht 5.92 million decreased from Baht 7.95 million in 2010 or decreased by 26.61 percent because of decrease of purchased of fixed assets.

Cash flows from financing activities

In 2012, cash flow from financing activities is Baht 6.00 million which was dividend payment decreasing from Baht 8.00 million in 2011 or decreased by 25.00 percent because of decrease in revenue income.

For the year 2011, cash flow from financing activities is Baht 8.00 million as dividend payment. EIC had no dividend payment in 2010.

Statements of Financial Position

Assets

Total assets as of December 31st, 2012 is Baht 619.08 million decreased from Baht 623.00 million in 2011, but slightly increased from 2010 at Baht 619.71 million. Decreasing in total assets in 2012 is caused from decrease in current assets as trade and other receivables and inventories, which affected from decrease of revenues income. However, non-current assets in 2012 is increased even the Company has changed the accounting policy in regards to property, plant and equipment. EIC used new accounting treatment from reappraisal method for property, but used original cost method for plant and equipment. EIC used original cost method for plant and equipment because it is more appropriated to current situation and most of listed companies in the same sectors also use original cost method. With the accounting policy change, EIC has to decrease the assets value in 2012 and 2011 from 2010. However, EIC has joint venture in EIC ZHONGCHE against tender a bid for Diesel Electric Locomotives providing to the State Railway of Thailand. EIC has to reserve Baht 62.84 million with financial institute as allocate in the joint venture. Therefore, total assets in 2012 is slightly decreased from 2011 and increased from 2010.

Cash and cash equivalent

Cash and cash equivalent in 2012 decreased from Baht 86.36 million in 2011 to Baht 54.93 million or decreased by 36.39 percent. The decrease is caused from reduction in revenue income and Baht 62.84 million of cash has been used as a collateral for fixed account with a financial institute to issue an L/G of joint venture and government bond for Baht 2.00 million as a collateral for electricity usage.

Cash and cash equivalent in 2011 is Baht 86.36 million increased from Baht 25.02 million in 2010 or increased by 245.24 percent because of decrease in trade and other receivables and inventories. EIC has net cash flow from operating activities for Baht 74.39 million in 2011 compared to net cash flow from operating activities for Baht (11.02) million in 2010.

Trade and other receivables

Unit : Million Baht

Trade and other receivables	Separate Financial Statements			Financial Statements which the proportionate consolidated method is applied
	December 31 st , 2010	December 31 st , 2011	December 31 st , 2012	December 31 st , 2012
Trade accounts receivable - foreign	88.68	62.84	54.05	54.05
Trade accounts receivable domestic	9.23	5.17	4.38	4.38
Total trade accounts receivable	97.91	68.02	58.43	58.43
Less Allowance for doubtful accounts	(6.02)	(8.90)	(4.90)	(4.90)
Trade accounts receivable	91.89	59.12	53.53	53.53
Notes receivable	16.14	9.48	6.82	6.82
Trade accounts receivable	108.03	68.60	60.35	60.35
Other receivables	0.77	0.74	0.86	0.86
Advance to Joint Venture	0.00	0.00	3.75	1.21
Trade and other receivables	108.80	69.33	64.97	62.43

Unit : Million Baht

Trade accounts receivable analyzed by aging	Separate Financial Statements December 31 st , 2010	Separate Financial Statements December 31 st , 2011	Financial Statements which the proportionate consolidated method is applied December 31 st , 2012
Undue	71.93	33.39	32.23
Overdue 1 - 30 days	8.41	5.66	4.66
Overdue 31 - 60 days	3.99	5.39	6.12
Overdue 61 - 90 days	3.51	9.63	4.40
Overdue 91 - 180 days	5.85	6.60	0.16
Overdue 181 - 365 days	0.53	3.03	0.05
Overdue 365 days onwards	3.68	4.31	10.80
Trade account receivables	97.91	68.02	58.43

Trade and other receivable in 2012 is Baht 62.43 million decreased from Baht 69.33 million in 2011 or decreased by 9.96 percent in related to decrease in revenues income. Even the total trade and other receivables was decreased, but the overdue 365 days onwards amount was increased. The increase is caused from unpaid of 2 sale representatives which are EIC Semi Ltd., sale representative in Europe for Baht 8.35 million, and EIC Semiconductor Inc., sale representative in USA for Baht 2.35 million.

EIC has an Agreement with EIC Semi under the Sales Service by EIC Semi Ltd during his overdue settlement for the unpaid amount of EIC Semi Ltd. of Baht 8.35 million. EIC could use the profit from EIC Semi Ltd. to compensate with unpaid amount until all the payment has been made. The Company expected that the payment would be completed in 2013. As of December 31st, 2012, EIC has allowance for doubtful account of Baht 2.38 million. EIC Semiconductor Inc. has monthly repayment with EIC and expected to be fully paid in 2013.

Besides those 2 trade and other receivable with overdue 365 days onwards, EIC has bad debt of one customer for Baht 1.40 million.

In order to reduce risk of repayment, the Company has increased the direct sales proportion and as well as collect an advance payment.

In 2011, trade and other receivables in the amount of Baht 69.33 million decreased from Baht 108.80 million in 2010 or decreased by 36.27 percent regarding to decrease of revenues income and bad debt expense for Baht 2.87 million.

Inventories

Inventories are the main proportion of assets compare to others. As of December 31st, 2012, EIC has ending inventories which is account for 46.28 percent of total assets. Inventory proportion in 2012 is decreased from 49.19 percent in 2011 and 50.65 percent in 2010. Because of the company has set up a strict policy to screen standard product within the warehouse which has a more electric capability than product ordering from suppliers. The process will be started from electricity checking, physical examination and assigning the number before sending out to clients. This policy will not only substitute the new order, but will help reduce the increasing of inventory.

The Company uses basis to provide allowance for declining value of finished goods and instant products as follows

Aging of inventories (years)	Rate of allowance (%)
Less than 1 year	0%
Over 1 - 2 years	10%
Over 2 - 3 years	20%
Over 3 - 4 years	30%
Over 4 years onwards	40%

Unit : Million Baht

Inventories	Separate Financial Statements December 31 st , 2010	Separate Financial Statements December 31 st , 2011	Financial Statements which the proportionate consolidated method is applied December 31 st , 2012
Finished goods - Company standard	47.71	45.00	41.42
Finished goods - Regular standard	31.18	32.05	31.61
Total finished goods	78.89	77.05	73.02
Semi-finished goods	165.52	155.80	154.57
Work in process	18.83	26.65	29.47
Direct raw materials	87.89	90.15	80.10
Indirect raw materials	6.98	4.12	3.98
Factory supplies and packages	5.48	5.10	5.11
Total	363.60	358.87	273.22
Less Allowance for devaluation of inventories	(49.71)	(52.42)	59.71
Inventories	313.89	306.45	286.53

The Company has inventories in 2012 for Baht 286.53 million decreased from Baht 306.45 million in 2011 or decreased by 6.50 percent because of decrease in revenues income. EIC used less of direct raw material only Baht 80.10 million in 2012 decreased from Baht 90.15 million in 2011. Decrease in revenues income in 2012 also affects to inventory turnover results in allowance for devaluation of inventories in 2011 for Baht 7.29 million and decreased in inventories.

Inventories in 2011 is Baht 306.45 million decreased from Baht 313.89 in 2010 or decreased by 2.37 percent because of decrease in revenues income and increase of sale of NON-BOI merchandises.

Restricted Investment

In 2012, EIC has restricted investment for Baht 64.84 million increased from 2011 because of joint venture in EIC ZHONGCHE against tender a bid for Diesel Electric Locomotives providing to the State Railway of Thailand. The Company has to reserve Baht 62.84 million in fixed account with financial institute as collateral for joint venture.

Property, Plant and Equipment

Property, Plant and Equipment in 2012 is Baht 144.16 million decreased from Baht 151.67 million in 2011 or decreased by 4.95 percent because of sales of assets during 2012 for Baht 14.40 million besides increase of accumulated depreciation expense.

Property, Plant and Equipment in 2011 is Baht 151.67 million decreased from Baht 159.95 million in 2010 or decreased by 5.18 percent because of increase of accumulated depreciation expense

Intangible assets

In 2012, EIC has intangible assets for Baht 5.61 million decreased from Baht 8.64 million in 2011 or decreased by 35.14 percent because of amortization for Baht 3.03 million.

In 2011, EIC has intangible assets for Baht 8.64 million decreased from Baht 11.42 million in 2010 or decreased by 24.30 percent because of amortization for Baht 3.12 million.

Liabilities

Total liabilities as of December 31st, 2012 is Baht 19.14 million increased from Baht 14.70 million in 2011 because trade and other payables in 2012 at Baht 13.16 million increased from Baht 9.54 million in 2011 or increased by Baht 3.62 million as parts of increase of projected liabilities for Baht 5.97 million. The projected liabilities is caused from agreement in Sale service by EIC Semi Ltd. During his overdue settlement term with EIC Semi Ltd. EIC Semi Ltd. allowed EIC to sell directly to EIC Semi Ltd.'s customers for 31 customers. Those transactions shall incur gab of 30-48 percent from sale price which is an effort of EIC Semi Ltd. Therefore EIC Semi Ltd. shall uses the beneficial to compensate with all unpaid amount with EIC which is Baht 14.64 million (USD 471,817.15). EIC would reduce the overdue only EIC has received the payment from customers. The unpaid balance shall be accrued in projected liabilities.

Total non-current liabilities for Baht 5.53 million in 2012 increased from Baht 4.88 million in 2011 because of increase in employee benefit obligations.

In 2011, EIC has total liabilities for Baht 14.70 million increased from Baht 8.11 million in 2010 because of increase in trade and other liabilities from Baht 7.57 million in 2010 to Baht 9.54 million in 2011, increase in foreign trade liabilities, and employee benefit obligations for Baht 4.68 million.

Increase in current liabilities in 2011 was initiate of use an employee benefit obligations in the amount of Baht 4.68 million.

Shareholders' Equity

In 2012, total shareholders' equity is Baht 599.94 million decreased by Baht 8.36 million from 2011 at Baht 608.30 million or decreased by 1.37 percent because of loss from operation in the amount of Baht 2.39 million and dividend payment in the amount of Baht 6.00 million.

In 2011, total shareholders' equity is Baht 608.30 million decreased by Baht 3.30 million from 2010 at Baht 611.60 million or decreased by 0.54 percent because of dividend payment for Baht 8.00 million and adjustment of beginning retained earnings for Baht 3.73 million from employee benefit obligations adjustment as of January 1st, 2011.

Financial Ratio Analysis

Liquidity ratio

Liquidity ratio in 2012 is 30.17 times decreases from 2011 at 56.72 times. Quick ratio in 2012 is 8.76 times decreases from 16.84 times in 2011. Cash Flow Ratio in 2012 is 3.51 times decreases from 2011 at 8.40 times. Decrease of liquidity ratio is caused by increase of trade and other payables especially projected liabilities in the amount of Baht 5.97 million. In 2012, receivables conversion period is 168 days decreases from 191 days in 2011. But inventory conversion period is increased from 840 days to 869 days, as well as increase of payables conversion period from 23 days to 33 days. Those changes are affects to cash cycle of the Company to decrease from 1008 days in 2011 to 1004 days in 2012 because of decrease in inventory conversion period and payables conversion period. Risk on Inventory is already explained in the part of Risk Factors.

Liquidity ratio in 2011 is 56.72 times increases from 2010 at 26.86 times. Quick ratio in 2011 is 16.84 times increases from 6.90 times in 2010. Cash Flow Ratio in 2011 is 8.40 times decreases from 2010 at (0.93) times. Increase of liquidity ratio is caused by increase of cash and cash equivalent from Baht 25.02 million in 2010 to Baht 86.36 in 2011. In 2011, receivables conversion period is 191 days increases from 145 days in 2010. Inventory conversion period is increased from 644 days to 840days, as well as increase of payables conversion period from 13 days to 23 days. Those changes are affects to cash cycle of the Company to decrease from 776 days in 2010 to 1008 days in 2011 because of increase in receivables conversion period and decrease of inventory conversion period. Risk on Inventory is already explained in the part of Risk Factors.

Profitability Ratio

In 2012, profitability ratio is decreased compare to 2011. Gross profit margin decreased from 20.05 percent to 12.90 percent. Operating profit margin decreased from 10.43 percent to (3.95) percent. Cash to profitability ratio decreased from 882.13 percent to (707.14) percent. Net profit margin decreased from 4.84 percent to (0.78) percent. Return on Equity decreased from 1.36 percent to (0.19) percent. Those changes are caused from decrease in revenues income and cost of goods sold to revenue ratio.

In 2011, profitability ratio is not significantly changed compare to 2011. Gross profit margin slightly decreased from 20.12 percent to 20.05 percent. Operating profit margin decreased from 19.10 percent to 10.43 percent. Cash to profitability ratio increased from (115.08) percent to 882.13 percent. Net profit margin increased from 4.30 percent to 4.84 percent. Return on Equity has not changed.

Efficiency Ratio

Return on Assets in the year 2012 is slightly decreased from 1.36 percent in 2011 to (0.19) percent. Return on fixed assets decreased from 12.70 percent in 2011 to 8.13 in 2012 because of decrease of net profit of Baht 8.43 million in 2011 to Baht (2.36) million in 2012. Asset turnover in 2012 is 0.24 times decreased from 0.28 times in 2011. All of decrease is caused from revenues income decrease in 2012.

Return on assets in the year 2012 is slightly decreased from 1.36 percent in 2011 to (0.19) percent. Return on fixed assets decreased from 12.70 percent in 2011 to 8.13 in 2012 because of decrease of net profit of Baht 8.43 million in 2011 to Baht (2.36) million in 2012. Asset turnover in 2012 is 0.24 times decreased from 0.28 times in 2011. All of decrease is caused from revenues income decrease in 2012.

Return on assets in the year 2011 is increased from 1.07 percent in 2010 to 1.36 percent. Return on fixed assets decreased from 18.97 percent in 2010 to 14.53 in 2011 because of return on fixed assets after reversion entry of depreciation in 2010 was greater than 2011.

Financial Policy Ratio

In the year 2012, debt to equity ratio is 0.03 times increased from 0.02 times in 2011 because of increase in total liabilities and decrease in shareholders' equity. Times interest earned in 2012 decreased from 5.35 times in 2011 to 3.53 times because of decrease in cash flow from operating activities from Baht 74.39 million in 2011 to Baht 39.37 million in 2012. Dividend payment in 2012 is paid from retained earnings because EIC has net loss in 2012.

In the year 2011, debt to equity ratio is 0.02 times increased from 0.01 times in 2010 because of increase in total liabilities and decrease in shareholders' equity. Times interest earned in 2011 increased from 1.39 times in 2011 to 5.35 times because of decrease in cash flow from operating activities from Baht (11.02) million in 2010 to Baht 74.39 million in 2011. Dividend payout ratio is increased from 0.00 percent in 2010 to 94.86 percent in 2011 because of no dividend payment in 2010.

Trends for future performance

In the present, the revenues from sales has high gross profit margin because of special design merchandise. This group of customers has high royalty to the product because rare manufacturer could be found. If the Company increases sale volume in this group of customers, return on equity shall be increased. EIC has realized this opportunity and plan to increased sale volume in this group of customers.

Moreover, EIC has developed and improved EIC Products in order to be recognized and qualified for several sectors of industry. EIC can provided wide range of Diodes for customers' satisfaction in every systems as follows:

Target Industry	Target Merchandise	Competency
Automobile	Automotive Rectifier and TVS	Provide several of products and also can design to satisfy customers' requirements with premium quality and shorter lead time.
Solar Panel	Schottky, Fast rectifiers	Provide several of products and also can design to satisfy customers' requirements with premium quality and shorter lead time.
Power Supply	Bridges, Schottkys, Zeners, High efficient rectifiers, TVS	Provide several of products and also can design to satisfy customers' requirements with premium quality and shorter lead time.
Lighting	Zeners, Fast and Super Fast rectifiers	Provide several of products and also can design to satisfy customers' requirements with premium quality and shorter lead time.
Motor Control	High Power Diode	Provide several of products and also can design to satisfy customers' requirements.
White Goods (New Clean Energy Source)	Fast rectifiers, Schottky	Provide several of products and also can design to satisfy customers' requirements with premium quality and shorter lead time.

ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED AND JOINT VENTURE
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

AUDITOR'S REPORT

To The Shareholders of ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED

I have audited the accompanying financial statements in which the proportionate consolidated method is applied of ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED AND JOINT VENTURE, which comprise statement of financial position in which the proportionate consolidated method is applied as at December 31, 2012, statement of comprehensive income in which the proportionate consolidated method is applied, statement of changes in shareholders' equity in which the proportionate consolidated method is applied, and statement of cash flows in which the proportionate consolidated method is applied and also audited the separate financial statements of ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED, which comprise statement of financial position as at December 31, 2012, statement of comprehensive income, statement of changes in shareholders' equity, and statement of cash flows for the year then ended, including notes of summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position in which the proportionate consolidated method is applied of ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED AND JOINT VENTURE as at December 31, 2012, and their financial performance in which the proportionate consolidated method is applied and cash flows in which the proportionate consolidated method is applied and the separate financial position of ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED as at December 31, 2012, and its separate financial performance and cash flows for the year then ended in accordance with the Thai financial reporting standards.

Emphasis of matter

Without qualifying opinion, as stated in notes 3.6, 4.2 and 9 to financial statements for the year ended December 31, 2012, the Company has changed the accounting policy for building and machinery from revaluation method to cost method since the Company's management deemed that such accounting policy is appropriated for the current situation and the Company's operation.

The financial statements as at December 31, 2011 and the statement of financial position as at January 1, 2011 have been retroactively adjustment for the effects of such change to be corresponded with the new accounting policy. I also audited the adjustments and in my opinion, such adjustments are appropriate and have been properly applied.

D I A International Audit Co., Ltd.
(Miss Somjintana Pholhirunrat)
C.P.A. (Thailand)
Registration No. 5599

February 26, 2013

Electronics Industry Public Company Limited and Joint Venture						
Statements of Financial Position						
As at December 31, 2012						
						(Unit : Baht)
			Financial statements in			
			which the proportionate			
			consolidated method is			
			applied	Separate financial statements		
Assets	Notes	December 31, 2012	December 31, 2012	December 31, 2011	January 1, 2011	
				(Restated)	(Restated)	
Current assets						
Cash and cash equivalents	5	54,934,541.39	53,606,626.90	86,364,298.77	25,015,501.13	
Trade and other receivables	6	62,426,700.37	64,967,954.70	69,332,590.02	108,799,027.46	
Inventories	7	286,530,102.39	286,530,102.39	306,445,501.74	313,891,514.03	
Other current assets		384,635.30	378,706.63	252,565.33	403,806.69	
Total current assets		404,275,979.45	405,483,390.62	462,394,955.86	448,109,849.31	
Non-current assets						
Restricted investments	8	64,836,197.40	64,836,197.40	0.00	0.00	
Property, plant and equipment	9	144,155,591.38	144,155,591.38	151,666,302.10	159,949,339.53	
Intangible assets	10	5,607,070.36	5,607,070.36	8,644,467.26	11,419,484.42	
Other non-current assets		202,697.76	202,697.76	298,297.47	233,141.84	
Total non-current assets		214,801,556.90	214,801,556.90	160,609,066.83	171,601,965.79	
Total assets		619,077,536.35	620,284,947.52	623,004,022.69	619,711,815.10	
Notes to the financial statements are an integral part of these financial statements.						

Electronics Industry Public Company Limited and Joint Venture						
Statements of Financial Position (Cont'd)						
As at December 31, 2012						
						(Unit : Baht)
			Financial statements in			
			which the proportionate			
			consolidated method is			
			applied	Separate financial statements		
Liabilities and shareholders' equity	Notes	December 31, 2012	December 31, 2012	December 31, 2011	January 1, 2011	
				(Restated)	(Restated)	
Current liabilities						
Trade and other payables	11	13,156,604.51	13,156,604.51	9,544,112.38	7,569,927.43	
Other current liabilities		241,293.79	241,293.79	276,763.08	330,428.73	
Total current liabilities		13,397,898.30	13,397,898.30	9,820,875.46	7,900,356.16	
Non-current liabilities						
Deposits received from tenants		206,000.00	206,000.00	205,000.00	206,500.00	
Employee benefit obligations	12	5,531,978.00	5,531,978.00	4,677,415.00	0.00	
Total non-current liabilities		5,737,978.00	5,737,978.00	4,882,415.00	206,500.00	
Total liabilities		19,135,876.30	19,135,876.30	14,703,290.46	8,106,856.16	
Shareholders' equity						
Share capital						
Registered share capital						
400,000,000 ordinary shares at Baht 1 each		400,000,000.00	400,000,000.00	400,000,000.00	400,000,000.00	
Authorized, issued and paid-up share capital						
400,000,000 ordinary shares at Baht 1 each		400,000,000.00	400,000,000.00	400,000,000.00	400,000,000.00	
Premium on share capital		93,000,000.00	93,000,000.00	93,000,000.00	93,000,000.00	
Retained earnings						
Appropriated for legal reserve	14	13,726,480.63	13,726,480.63	13,304,822.82	12,825,920.32	
Unappropriated		62,718,000.91	63,925,412.08	75,914,730.90	79,697,860.11	
Other components of equity		30,497,178.51	30,497,178.51	26,081,178.51	26,081,178.51	
Total shareholders' equity		599,941,660.05	601,149,071.22	608,300,732.23	611,604,958.94	
Total liabilities and shareholders' equity		619,077,536.35	620,284,947.52	623,004,022.69	619,711,815.10	
Notes to the financial statements are an integral part of these financial statements.						

Electronics Industry Public Company Limited and Joint Venture					
Statements of Comprehensive Income					
For the year ended December 31, 2012					
					(Unit : Baht)
			Financial statements in		
			which the proportionate		
			consolidated method is		
			applied	Separate financial statements	
			December 31, 2012	December 31, 2012	December 31, 2011
					(Revised)
Revenues					
Revenues from sales			140,961,594.89	140,961,594.89	166,314,542.01
Less Cost of goods sold			(122,770,622.88)	(122,770,622.88)	(135,690,638.57)
Gross profit			18,190,972.01	18,190,972.01	30,623,903.44
Other income					
Other income			6,846,841.97	6,844,596.40	2,306,537.10
Gain on exchange rates			0.00	0.00	5,703,203.85
Total other income			6,846,841.97	6,844,596.40	8,009,740.95
Profit before expenses			25,037,813.98	25,035,568.41	38,633,644.39
Expenses					
Selling expenses			(4,004,444.41)	(4,004,444.41)	(3,423,757.55)
Administrative expenses			(16,040,106.76)	(14,830,450.02)	(16,241,472.55)
Directors' remuneration			(2,050,000.00)	(2,050,000.00)	(1,925,000.00)
Management benefit expenses			(8,352,935.00)	(8,352,935.00)	(8,610,258.00)
Other expenses					
Loss on exchange rates			(1,365,404.31)	(1,365,404.31)	0.00
Total other expenses			(1,365,404.31)	(1,365,404.31)	0.00
Total expenses			(31,812,890.48)	(30,603,233.74)	(30,200,488.10)
Profit (loss) for the year			(6,775,076.50)	(5,567,665.33)	8,433,156.29
Other comprehensive income (expense)					
Revaluation surplus of assets - reappraisal			4,416,000.00	4,416,000.00	0.00
Other comprehensive income (expense) for the year			4,416,000.00	4,416,000.00	0.00
Total comprehensive income (expense) for the year			(2,359,076.50)	(1,151,665.33)	8,433,156.29
Basic earnings per share					
Earnings (loss) per share			(0.02)	(0.01)	0.02
Number of common shares (share)			400,000,000	400,000,000	400,000,000
Notes to the financial statements are an integral part of these financial statements.					

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Electronics Industry Public Company Limited and Joint Venture							
Statements of Changes in Shareholders' Equity							
For the year ended December 31, 2012							
							(Unit : Baht)
		Financial statements in which the proportionate consolidated method is applied					
		Registered	Premium on	Retained earnings		Other components	Total
		share capital	share capital	(deficit)		of equity	
				Appropriated for	Unappropriated	Revaluation surplus	
	Notes			legal reserve		of assets	
Balance as at December 31, 2011		400,000,000.00	93,000,000.00	13,304,822.82	75,914,730.90	26,081,178.51	608,300,732.23
Appropriated for legal reserve	14	0.00	0.00	421,657.81	(421,657.81)	0.00	0.00
Dividend paid	13	0.00	0.00	0.00	(5,999,995.68)	0.00	(5,999,995.68)
Total comprehensive income (expense) for the year		0.00	0.00	0.00	(6,775,076.50)	4,416,000.00	(2,359,076.50)
Balance as at December 31, 2012		400,000,000.00	93,000,000.00	13,726,480.63	62,718,000.91	30,497,178.51	599,941,660.05
Notes to the financial statements are an integral part of these financial statements.							

Annual Report 2012

Electronics Industry Public Company Limited and Joint Venture							
Statements of Changes in Shareholders' Equity							
For the year ended December 31, 2012							
							(Unit : Baht)
		Separate financial statements					
		Registered	Premium on	Retained earnings		Other components	Total
		share capital	share capital	(deficit)		of equity	
				Appropriated for	Unappropriated	Revaluation surplus	
	Notes			Legal reserve		of assets	
Balance as at December 31, 2010							
as previously reported		400,000,000.00	93,000,000.00	12,825,920.32	79,697,860.11	40,258,307.44	625,782,087.87
Effects of changes in accounting policy							
- Employee benefit obligations	4.1	0.00	0.00	0.00	(3,737,383.00)	0.00	(3,737,383.00)
- Revaluation surplus of assets	4.2	0.00	0.00	0.00	0.00	(14,177,128.93)	(14,177,128.93)
Balance as at December 31, 2010 - after restatement		400,000,000.00	93,000,000.00	12,825,920.32	75,960,477.11	26,081,178.51	607,867,575.94
Appropriated for legal reserve		0.00	0.00	478,902.50	(478,902.50)	0.00	0.00
Dividend paid		0.00	0.00	0.00	(8,000,000.00)	0.00	(8,000,000.00)
Total comprehensive income for the year		0.00	0.00	0.00	8,433,156.29	0.00	8,433,156.29
Balance as at December 31, 2011		400,000,000.00	93,000,000.00	13,304,822.82	75,914,730.90	26,081,178.51	608,300,732.23
Appropriated for legal reserve	14	0.00	0.00	421,657.81	(421,657.81)	0.00	0.00
Dividend paid	13	0.00	0.00	0.00	(5,999,995.68)	0.00	(5,999,995.68)
Total comprehensive income (expenses) for the year		0.00	0.00	0.00	(5,567,665.33)	4,416,000.00	(1,151,665.33)
Balance as at December 31, 2012		400,000,000.00	93,000,000.00	13,726,480.63	63,925,412.08	30,497,178.51	601,149,071.22
Notes to the financial statements are an integral part of these financial statements.							

Electronics Industry Public Company Limited and Joint Venture				
Statements of Cash Flows				
For the year ended December 31, 2012				
				(Unit : Baht)
		Financial statements in		
		which the proportionate		
		consolidated method is		
		applied	Separate financial statements	
		December 31, 2012	December 31, 2012	December 31, 2011
sh flows from operating activities				
Profit (loss) before corporate income tax		(6,775,076.50)	(5,567,665.33)	8,433,156.29
Adjustments to reconcile net profit to net cash provided by (used in) operating activities:				
Depreciation		13,183,483.84	13,183,483.84	14,200,820.55
Doubtful accounts		396,147.42	396,147.42	2,870,941.25
Reversed doubtful accounts		(2,873,919.59)	(2,873,919.59)	0.00
Amortized program development		51,727.63	51,727.63	34,361.13
Expenditure for project of program development		2,985,669.27	2,985,669.27	3,157,368.36
Loss on allowance for devaluation of inventories		7,289,637.44	7,289,637.44	2,714,258.85
Loss on provision for impairment of withholding income tax		170,141.84	170,141.84	0.00
(Gain) on sales of assets		(935,978.31)	(935,978.31)	(228,970.96)
Loss on damaged assets		711,294.91	711,294.91	0.00
Unrealized loss (gain) on exchange rates		840,296.88	840,296.88	(2,573,467.44)
Profit from operations before changes in operating assets and liabilities		15,043,424.83	16,250,836.00	28,608,468.03
(Increase) Decrease in trade and other receivables		8,764,695.41	6,223,441.08	38,661,120.68
(Increase) Decrease in inventories		12,625,761.91	12,625,761.91	4,731,753.44
(Increase) Decrease in other current assets		(132,069.97)	(126,141.30)	151,241.36
(Increase) Decrease in other non-current assets		0.00	0.00	(416,712.33)
Increase (Decrease) in trade and other payables		3,651,466.23	3,651,466.23	1,835,807.79
Increase (Decrease) in other current liabilities		(35,469.29)	(35,469.29)	(53,665.65)
Increase (Decrease) in other non-current liabilities		1,000.00	1,000.00	(1,500.00)
Increase (Decrease) employee benefit liabilities		854,563.00	854,563.00	940,032.00
Cash generated (paid) from operation		40,773,372.12	39,445,457.63	74,456,545.32
Corporate income tax paid		(74,542.13)	(74,542.13)	(65,155.63)
t cash provided by (used in) operating activities		40,698,829.99	39,370,915.50	74,391,389.69
tes to the financial statements are an integral part of these financial statements.				

Electronics Industry Public Company Limited and Joint Venture					
Statements of Cash Flows (Cont'd)					
For the year ended December 31, 2012					
					(Unit : Baht)
			Financial statements in		
			which the proportionate		
			consolidated method is		
			applied	Separate financial statements	
			December 31, 2012	December 31, 2012	December 31, 2011
Cash flows from investing activities					
	Restricted investments		(64,836,197.40)	(64,836,197.40)	0.00
	Purchases of fixed assets		(2,018,071.03)	(2,018,071.03)	(5,917,784.12)
	Proceeds from sales of fixed assets		985,981.31	985,981.31	228,971.96
Net cash provided by (used in) investing activities			(65,868,287.12)	(65,868,287.12)	(5,688,812.16)
Cash flows from financing activities					
	Dividend paid		(5,999,995.68)	(5,999,995.68)	(8,000,000.00)
Net cash provided by (used in) financing activities			(5,999,995.68)	(5,999,995.68)	(8,000,000.00)
Effect from changes in exchange rate					
	of cash and cash equivalents		(260,304.57)	(260,304.57)	646,220.11
Net increase (decrease) in cash and cash equivalents			(31,429,757.38)	(32,757,671.87)	61,348,797.64
Cash and cash equivalents as at January 1			86,364,298.77	86,364,298.77	25,015,501.13
Cash and cash equivalents as at December 31			54,934,541.39	53,606,626.90	86,364,298.77
Notes to the financial statements are an integral part of these financial statements.					

Electronics Industry Public Company Limited and Joint Venture
Notes to Financial Statements
For the year ended December 31, 2012

1. General information

- 1.1 Electronics Industry Public Company Limited "The Company" was registered as a company limited under the Civil and Commercial Code on February 17, 1984, registration no. 667/2527 and changed its status to a public company on February 21, 2003, new registration no. 0107546000041, and listed in the Stock Exchange of Thailand on December 22, 2003.
- 1.2 The office is located at 65 and 68, Chalong Krung 31 Road, Lumplatiw, Latkrabang, Bangkok 10520.
- 1.3 The Company's core businesses are produce and export electronics spare parts, import - export electronics spare parts.

2. Basis of preparation and presentation of financial statements

2.1 Financial statements preparation

The financial statements have been prepared in conformity with the financial reporting standards enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of Department of Business Development by the Ministry of Commerce dated September 28, 2011 regarding the condensed form should be included in the financial statements B. E. 2554 and the regulation of the Securities and Exchange Commission regarding the preparation of and presentation of the financial reporting under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

The Company's financial statements have included the operations in Joint Venture EIC ZHONGCHE ("the joint venture") which is jointed between the Company and Guangzhou Zhongche Railway Sales & Leasing Co. Ltd. against tender a bid for Diesel Electric Locomotives providing to the State Railway of Thailand. The counterparties commit to have mutual responsibility in the joint venture's operation result, source of fund management, liabilities obligation, and other matters in joint venture on the ratio at (50: 50) in accordance with the joint venture agreement date May 11, 2012.

2. Basis of preparation and presentation of financial statements (Cont.)

2.2 Financial reporting standards were not adopted

The Federation of Accounting Professions has issued the financial reporting standards which is pronounced in the Royal Gazette but have not been effective in the year 2012 as follows:

	<u>Topics</u>	<u>Effective date</u>
<u>Accounting Standards</u>		
TAS 12	Income tax	January 1, 2013
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013
TAS 21 (Revised 2009)	The Effect of Changes in Foreign Exchange Rates	January 1, 2013
<u>Financial Reporting Standards</u>		
TFRS 8	Operation Segments	January 1, 2013
<u>Standing Interpretations</u>		
TSIC 10	Government Assistance - No Specific Relation to Operating Activities	January 1, 2013
TSIC 21	Income Taxes - Recovery of Revalued Non - Depreciable Assets	January 1, 2013
TSIC 25	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders	January 1, 2013
TSIC 29	Service Concession Arrangements Disclosures	January 1, 2013
<u>Financial Reporting Interpretations</u>		
TFRIC 4	Determining whether an Arrangement contains a Lease	January 1, 2014
TFRIC 12	Service Concession Arrangements	January 1, 2014
TFRIC 13	Customers Loyalty Programmes	January 1, 2014
<u>Accounting Guidance</u>		
	Transfers of Financial Assets	January 1, 2013

The Company's management believes that the abovementioned standards will have no impacts on the financial statements when they are applied except for TAS 12 "Income Taxes".

TAS 12 “Income Taxes”

This standard requires the entity definite temporary differences which are differences between the carrying amount of an asset or liability in the accounting and its tax base in order to recognize the taxable affects as assets or deferred tax liabilities as determined. The Company will apply TAS 12 for the accounting period beginning on January 1, 2013 onwards. As a result, the Company incurred the increase in profit for the year 2012 by the amount of Baht 0.14 million (Baht 0.0003 per share) and increase in the 2012 beginning retained earnings amount of Baht 0.33 million (Baht 0.0008 per share)

3. Summary of Significant Accounting Policies

3.1 Recognition of Revenues

- a) Revenues from sales are recognized when the significant risks and rewards of ownership have been transferred to the buyer.
- b) Revenues from services are recognized when services are rendered.

3.2 Recognition of expenses

Expenses are recognized on an accrual basis.

3.3 Cash and cash equivalents

Cash and cash equivalents mean cash on hand and deposit at bank which are due within three months.

3.4 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are valued at net realizable value and estimated the allowance for doubtful accounts on aging and considers the financial position of each account and based on the collection experience of that accounts.

3.5 Inventories

- 3.5.1 Inventories are valued cost under FIFO method or net realizable value, whichever is the lower.
- 3.5.2 Cost of finished goods and instant goods consist of cost of raw materials, direct labour and factory overhead.

3. Summary of Significant Accounting Policies (Cont'd)

- 3.5.3 The Company uses basis to provide allowance for declining value of finished goods and instant products as follows:

Aging of inventories (years)	Rate of allowance (%)
Less than 1 year	0
Over 1 - 2 years	10
Over 2 - 3 years	20
Over 3 - 4 years	30
Over 4 years onwards	40

- 3.5.4 Net Realizable Value (NRV) basis for the value of inventories expected to be realized in the future. The academic specialists' opinion in relation to characteristic of inventories which is not out of date and maintain the original electric character.

3.6 Property, Plant and Equipment

- 3.6.1. Land is stated at revaluation less provision for impairment of assets (if any). Revaluation will be recorded at fair value by reference to market value as at revaluation date. Building and equipment are stated at cost less accumulated depreciation and impairment of assets (if any). Revaluation will be proceed by the independent appraiser, which has a policy to revalue such assets every 5 years for the purpose that the carrying value as at the statements of financial position date will not materially differ from their fair value. Any revaluation increase arising on the revaluation of such assets is credited in other comprehensive income as "revaluation surplus of assets", except to the extent that its reverses a revaluation decrease for the same asset previously recognized in the statements of comprehensive income, in which case the increase is credited to statements of comprehensive income to the extent of the decrease previous charged. A decrease on the revaluation of such assets is recognized in other comprehensive income (expense) to the extent that the decrease does not exceed the amount held in revaluation surplus in respect of the same assets, as a result, revaluation surplus in other comprehensive income is also decreased.

3. Summary of Significant Accounting Policies (Cont'd)

3.6.2 Building and equipment are depreciated on a straight-line basis over the estimated useful lives of those assets, the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with the cost that is significant in relation to the total cost of the item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

The estimated useful lives of assets are as follows:

Land and improvement	5 years
Building and factory	20-35 years
Building improvement	5-10 years
Machinery and equipment	5-20 years
Factory furniture and tools	5 years
Office furniture and equipment	5 years
Vehicles	5 years

Land and assets in progress were not depreciated.

3.7 Intangible Assets

Expenses incurred as a result of development or during development are recognized as intangible assets which are probable that the development of the project can get future economic benefits, by recognized at cost, less accumulated amortization and accumulated provision for impairment (if any). Cost consist of all expenses that directly related or can be allocated reasonable and consistently.

Development costs are amortized on a straight-line basis over estimated useful lives of five to ten year, when the project finished and can get future economic benefits.

3. Summary of Significant Accounting Policies (Cont'd)

3.8 Impairment

The Company has assessed the impairment of assets - property, plant and equipment, investment and intangible assets whenever events or changes indicated that the carrying amount of an asset exceeds its recoverable amount, the Company will recognize an impairment loss in the statements of comprehensive income for the year and the Company will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment. Recoverable amount mean net selling price of the assets under current operations or its utilization value whichever is higher. The impairment for each asset item or each asset unit generating cash flow will be assessed, whichever is practical.

3.9 Employees benefit

3.9.1 Provident fund

The Company has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in the statements of comprehensive income in the period in which they are incurred.

3.9.2 Post-Employment benefits

The Company provides for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the financial statements is estimated on an actuarial basis using Projected Unit Credit Method by the independent experts (Actuary). The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions.

3.10 Accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles required the management to make several estimation and assumption which affect the amounts in the financial statements and notes related thereto the consequent actual results may differ from these estimates.

3. Summary of Significant Accounting Policies (Cont'd)

3.11 Provisions

The Company recognizes a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.

3.12 Foreign Currencies

Items denominated in foreign currencies are recorded in Baht at the prevailing exchange rate when the transactions occur, and their balances of assets and liabilities at the end of period are converted into Baht by closing rate which is the prevailing exchange rate on that date. Profit or loss arising from such conversion is shown as revenues or expenses in the statement of comprehensive income.

3.13 Financial instruments

Financial instruments, financial assets carried on the statements of financial position include cash and cash equivalents, trade and other receivables, financial liabilities carries on the statements of financial position include trade and other payables, the particular accounting policies adopted for each item are disclosed in each individual section.

3.14 Income tax

The Company records corporate income tax to be paid as expenses in that fiscal period and calculated income tax base on the conditions as described in the Revenue Code.

3.15 Basic earnings per share

Basic earnings per share are calculated by dividing net profit (loss) for the year by the number of outstanding shares at the end of the period. In case of a capital increase, the number of shares weighted according to the time of subscriptions received. In the year of changes in par value, the number of shares of the prior year will be changed for comparison.

4. Changes in Accounting Policies

4.1 Accounting for employee benefits

Since January 1, 2011, the Company has applied TAS 19 “Employee Benefits”. Under the new policy, the Company’s obligation in respect of post-employment benefits, employee retirement and other long-term employee benefits are recognized in the financial statements based on calculations performed annually by a qualified actuary using the projected unit credit method. Previously, this obligation was recognized as expenses for the period when payments were made.

The Company’s liability for employee retirement and other long-term employee obligations as at January 1, 2011 has been determined amount of Baht 3.74 million. The Company has adopted to record the entire amount of this liability as an adjustment to retained earnings as at January 1, 2011, in accordance with the transitional provisions of TAS 19. The impact on the 2011 financial statements was as follows:

(Unit : Baht)

Statements of financial position as at December 31, 2011

Retained earnings as at December 31, 2010 - as previously reported	79,697,837.98
Increase in employee benefits obligation	3,737,383.00
Retained earnings as at January 1, 2011 (restatement)	<u>75,960,454.98</u>

4.2 Accounting for property, plant and equipment

For the year ended December 31, 2012, the Company has changed the accounting policy for building and machinery from revaluation method to cost method since the Company’s management deemed that such accounting policy appropriated for the current situation and the Company’s operation. The financial statements as at December 31, 2011 and the statement of financial position as at January 1, 2011 have been retroactively adjustment for the effects of such change to be corresponded with the new accounting policy (note 3.6).

Since the changes in accounting policy for building and machinery in the preceding paragraph, the Company then presented statement of financial position as at January 1, 2011 for comparison purpose to be corresponded with TAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

4. Changes in Accounting Policies (Cont'd)

The effects of changes in such accounting policy to the statement of financial position as at December 31, 2011 and January 1, 2011 are as follows:

			(Unit : Baht)
	Effects	December 31, 2011	January 1, 2011
Assets			
Property, plant and equipment	Decrease	10,137,832.28	14,177,128.93
Shareholders' equity			
Revaluation surplus of assets	Decrease	10,137,832.28	14,177,128.93

5. Cash and cash equivalents

(Unit : Baht)

	Financial statements in which the proportionate consolidated method is applied	Separate financial statements	
	December 31, 2012	December 31, 2012	December 31, 2011
Cash	240,000.00	240,000.00	240,020.00
Current accounts	69,387.50	39,415.00	40,033.75
Savings deposit	54,625,153.89	53,327,211.90	86,084,245.02
Total	54,934,541.39	53,606,626.90	86,364,298.77

6. Trade and other receivables:

(Unit : Baht)

	Financial statements in which the proportionate consolidated method is applied	Separate financial statements	
	December ₃₁ , 2012	December ₃₁ , 2012	December ₃₁ , 2011
Trade accounts receivable - foreign	54,051,933.66	54,051,933.66	62,844,685.00
Trade accounts receivable - domestic	4,377,696.27	4,377,696.27	5,170,378.08
Total trade accounts receivable	58,429,629.93	58,429,629.93	68,015,063.08
<u>Less</u> Allowance for doubtful accounts	(4,900,831.64)	(4,900,831.64)	(8,895,650.85)
Trade accounts receivable	53,528,798.29	53,528,798.29	59,119,412.23
Notes receivable	6,820,034.86	6,820,034.86	9,476,210.37
Trade accounts receivable	60,348,833.15	60,348,833.15	68,595,622.26
Other receivables	864,527.37	864,527.37	736,967.42
Advance to Joint Venture	1,213,339.85	3,754,594.18	0.00
Trade and other receivables	62,426,700.37	64,967,954.70	69,332,590.02
Trade accounts receivable analyzed by aging are as follows:			

(Unit : Baht)

	Financial statements in which the proportionate consolidated method is applied / Separate financial statements	Separate financial statements
	December ₃₁ , 2012	December ₃₁ , 2011
Undue	32,226,298.61	33,385,353.11
Overdue 1 - 30 days	4,661,782.38	5,664,915.25
Overdue 31 - 60 days	6,119,748.63	5,392,160.93
Overdue 61 - 90 days	4,399,774.89	9,634,485.08
Overdue 91 - 180 days	163,824.05	6,600,372.18
Overdue 181 - 365 days	54,977.93	3,027,321.29
Overdue 365 days onwards	10,803,223.44	4,310,455.24
Trade account receivables	58,429,629.93	68,015,063.08

6. Trade and other receivables (Cont'd)

During January 1, 2013 to February 21, 2013, the Company received the debt payment amount of Baht 14.33 million, by receiving from domestic trade accounts receivable amount of Baht 3.11 million and overseas trade accounts receivable amount of Baht 11.22 million.

7. Inventories

(Unit : Baht)

	Financial statements in which the proportionate consolidated method is applied /	
	Separate financial statements	Separate financial statements
	December ₃₁ , 2012	December ₃₁ , 2011
Finished goods - Company standard	41,415,370.79	44,997,615.70
Finished goods - Regular standard	31,605,548.86	32,049,368.09
Total finished goods	73,020,919.65	77,046,983.79
Semi-finished goods	154,566,868.48	155,804,939.39
Work in process	29,469,300.62	26,645,739.98
Direct raw materials	80,096,615.71	90,147,946.10
Indirect raw materials	3,976,667.91	4,120,073.22
Factory supplies and packages	5,113,028.71	5,103,480.51
Total	273,222,481.43	358,869,162.99
<u>Less</u> Allowance for devaluation of inventories	(59,713,298.69)	(52,423,661.25)
Inventories	286,530,102.39	306,445,501.74

The Company has a necessary to keep semi-finished goods and finished goods in several items to support the requirement of quantities of purchase orders of vital customers, to provide convenience and gain the advantage of delivery time, including decreasing customers' order cost (One Stop Shop) which is affected the increment of inventories.

8. Restricted investments

As at December 31, 2012, the Company has restricted investment in the form of fixed deposits at a commercial bank in the amount of Baht 62.84 million was used as guarantee the issuance of letter of joint venture guarantee and government bonds in the amount of Baht 2 million for electricity usage guarantee.

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Financial statements in which the proportionate consolidated method is applied / Separate financial statements									
	Land	Building and factory	Buildings improvement	Machinery and equipment	Factory furniture and tools	Office furniture and equipment	Vehicles	Work in progress	Total
Cost									
As at December 31, 2011	11,454,821.49	35,159,907.45	13,214,499.93	298,996,067.14	25,465,827.88	7,231,066.46	15,650,908.03	3,604,103.40	410,777,201.78
Purchase	0.00	0.00	21,000.00	501,355.11	673,002.24	650,040.51	0.00	172,673.17	2,018,071.03
Transfer in (out)	0.00	0.00	57,699.50	1,182,302.50	309,309.27	0.00	0.00	(1,549,311.27)	0.00
Disposal or amortization	0.00	0.00	0.00	7,728,154.35	2,202,562.21	1,357,176.09	3,108,000.00	0.00	14,395,892.65
As at December 31, 2012	11,454,821.49	35,159,907.45	13,293,199.43	292,951,570.40	24,245,577.18	6,523,930.88	12,542,908.03	2,227,465.30	398,399,380.16
Accumulated depreciation									
As at December 31, 2011	0.00	23,361,662.47	8,408,528.83	212,959,785.96	18,677,038.12	6,370,245.40	15,414,817.41	0.00	285,192,078.19
Depreciation	0.00	623,318.93	616,882.22	8,500,885.60	3,079,361.85	280,693.94	82,341.30	0.00	13,183,483.84
Transfer in (out)	0.00	0.00	0.00	(83,732.57)	83,732.57	0.00	0.00	0.00	0.00
Disposal	0.00	0.00	0.00	7,169,401.81	2,103,464.93	1,303,730.00	3,057,998.00	0.00	13,634,594.74
As at December 31, 2012	0.00	23,984,981.40	9,025,411.05	214,207,537.18	19,736,667.61	5,347,209.34	12,439,160.71	0.00	284,740,967.29
Net value - Cost									
As at December 31, 2011	11,454,821.49	11,798,244.98	4,805,971.10	86,036,281.18	6,788,789.76	860,821.06	236,090.62	3,604,103.40	125,585,123.59
As at December 31, 2012	11,454,821.49	11,174,926.05	4,267,788.38	78,744,033.22	4,508,909.57	1,176,721.54	103,747.32	2,227,465.30	113,658,412.87
Revaluation surplus									
As at December 31, 2011	26,081,178.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,081,178.51
Increase (Decrease)	4,416,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,416,000.00
As at December 31, 2012	30,497,178.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,497,178.51
Net value - revaluation surplus									
As at December 31, 2011	26,081,178.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,081,178.51
As at December 31, 2012	30,497,178.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,497,178.51
Net book value									
As at December 31, 2011	37,536,000.00	11,798,244.98	4,805,971.10	86,036,281.18	6,788,789.76	860,821.06	236,090.62	3,604,103.40	151,666,302.10
As at December 31, 2012	41,952,000.00	11,174,926.05	4,267,788.38	78,744,033.22	4,508,909.57	1,176,721.54	103,747.32	2,227,465.30	144,155,591.38

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Financial statements in which the proportionate consolidated method is applied / Separate financial statements									
	Land	Building and factory	Buildings improvement	Machinery and equipment	Factory furniture and tools	Office furniture and equipment	Vehicles	Work in progress	Total
Cost									
As at December 31, 2010	11,454,821.49	35,159,907.45	12,995,999.93	296,715,397.71	24,300,161.82	6,790,092.06	16,165,908.03	1,799,632.59	405,381,921.08
Purchase	0.00	0.00	190,000.00	359,696.01	866,279.91	440,974.40	0.00	4,060,833.80	5,917,784.12
Transfer in (out)	0.00	0.00	28,500.00	1,920,973.42	306,889.57	0.00	0.00	(2,256,362.99)	0.00
Disposal or amortization	0.00	0.00	0.00	0.00	7,503.42	0.00	515,000.00	0.00	522,503.42
As at December 31, 2011	11,454,821.49	35,159,907.45	13,214,499.93	298,996,067.14	25,465,827.88	7,231,066.46	15,650,908.03	3,604,103.40	410,777,201.78
Accumulated depreciation									
As at December 31, 2010	0.00	22,740,046.60	7,803,322.52	203,658,063.45	15,407,196.15	6,182,005.82	15,723,125.52	0.00	271,513,760.06
Depreciation	0.00	621,615.87	605,206.31	9,301,722.51	3,277,345.39	188,239.58	206,690.89	0.00	14,200,820.55
Disposal	0.00	0.00	0.00	0.00	7,503.42	0.00	514,999.00	0.00	522,502.42
As at December 31, 2011	0.00	23,361,662.47	8,408,528.83	212,959,785.96	18,677,038.12	6,370,245.40	15,414,817.41	0.00	285,192,078.19
Net Value as at Dec31, 2010	11,454,821.49	12,419,860.85	5,192,677.41	93,057,334.26	8,892,965.67	608,086.24	442,782.51	1,799,632.59	133,868,161.02
Net Value as at Dec31, 2011	11,454,821.49	11,798,244.98	4,805,971.10	86,036,281.18	6,788,789.76	860,821.06	236,090.62	3,604,103.40	125,585,123.59
Revaluation surplus									
As at December 31, 2010	26,081,178.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,081,178.51
Increase (Decrease)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at December 31, 2011	26,081,178.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,081,178.51
Net value - revaluation surplus									
As at December 31, 2010	26,081,178.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,081,178.51
As at December 31, 2011	26,081,178.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,081,178.51
Net value - Cost									
As at December 31, 2010	37,536,000.00	12,419,860.85	5,192,677.41	93,057,334.26	8,892,965.67	608,086.24	442,782.51	1,799,632.59	159,949,339.53
As at December 31, 2011	37,536,000.00	11,798,244.98	4,805,971.10	86,036,281.18	6,788,789.76	860,821.06	236,090.62	3,604,103.40	151,666,302.10

9. Property, plant and equipment (Cont'd)

9.1 Depreciation for the years ended December 31, 2012 and 2011 amounted to Baht 13.18 million and Baht 14.20 million respectively.

10. Intangible asset

10.1 As at December 31, 2012, Intangible asset consists of:

	(Unit : Baht)		
	Financial statements in which the proportionate consolidated method is applied /		
	Separate financial statements		
	Accounting Software Development Project	Products development Project	Total
Cost			
As at December 31, 2011	516,287.33	15,906,825.90	16,423,113.23
Increase	0.00	0.00	0.00
As at December 31, 2012	516,287.33	15,906,825.90	16,423,113.23
Accumulated amortization			
As at December 31, 2011	82,008.80	7,696,637.17	7,778,645.97
Amortization for the year	51,727.63	2,985,669.27	3,037,396.90
As at December 31, 2012	133,736.43	10,682,306.44	10,816,042.87
Net book value			
As at December 31, 2011	434,278.53	8,210,188.73	8,644,467.26
As at December 31, 2012	382,550.90	5,224,519.46	5,607,070.36
Amortization for the year			
As at December 31, 2012	51,727.63	2,985,669.27	3,037,396.90

10. Intangible asset (Cont'd)

10.2 As at December 31, 2011, Intangible asset consists of:

(Unit : Baht)			
Separate financial statements			
	Accounting		Total
	Software	Products	
	development	development	
	Project	project	
Cost			
Balance as at December 31, 2010	99,575.00	15,906,825.90	16,006,400.90
Increase	416,712.33	0.00	416,712.33
Balance as at December 31, 2011	516,287.33	15,906,825.90	16,423,113.23
Accumulated amortization			
Balance as at December 31, 2010	47,647.67	4,539,268.81	4,586,916.48
Amortization for the year	34,361.13	3,157,368.36	3,191,729.49
Balance as at December 31, 2011	82,008.80	7,696,637.17	7,778,645.97
Book value			
Balance as at December 31, 2010	51,927.33	11,367,557.09	11,419,484.42
Balance as at December 31, 2011	434,278.53	8,210,188.73	8,644,467.26
Amortization for the year :			
Balance as at December 31, 2011	34,361.13	3,157,368.36	3,191,729.49

11. Trade and other payables

(Unit : Baht)		
Financial statements in which the proportionate consolidated method is applied / Separate financial statements		
	December 31, 2012	December 31, 2011
Trade accounts payable - foreign	3,003,632.97	6,131,728.34
Trade accounts payable - domestic	217,625.92	499,049.16
Total trade accounts payable	3,221,258.89	6,630,777.50
Other payables	9,935,345.62	2,913,334.88
Trade and other payables	13,156,604.51	9,544,112.38

11. Trade and other payables (Cont'd)

As at December 31, 2012, the Company has other payables amount of Baht 9.94 million, a part is provisions amount of Baht 5.97 million arising from the Company entered into covenants for Sale service by EIC Semi Ltd. During his overdue settlement term signed with EIC Semi Ltd., an agent. Under the covenants, the Company was allowed by EIC Semi Ltd. to sale directly its goods to 31 customers of EIC Semi Ltd. Such selling will incur the different from selling price which sold to EIC Semi Ltd. for approximately 30 - 48%. Such different incurred from the selling ability of EIC Semi Ltd. which is beneficial of EIC Semi Ltd. for offset the outstanding debts amount of Baht 14.64 million (USD 471,817.15) until the payment is completed. The Company will offset the outstanding debt when the Company received the payment from customers in part of the company's selling directly. The Company has set provisions for the different of selling directly but has not yet received the payment.

However, expenses incurred from provisions for such goods selling were deducted from revenues from sales of goods in the statements of comprehensive income.

12. Employee benefit obligations

The Company has paid the post employment benefits and employee retirement benefits under the Thai Labor Protection Act. B.E. 2541 for providing employee retirement and other long-term employee benefits to the employees based on their right and length of services.

Changes in value of employee benefit obligations

(Unit : Baht)

Financial statements
in which the
proportionate
consolidated method
is applied /
Separate financial
statements

	December 31, 2012
Employee benefit obligations as at December 31, 2011	4,677,415.00
Current cost of service and interest (Baht)	854,563.00
Employee benefit obligations as at December 31, 2012	5,531,978.00
The estimated actuarial assumption :	Percent
Discount rate (%)	3.89
Salary increment rate (%)	3
Employee turnover (%)	
Management / Employee	0-8*
Daily staff	0-30*
Mortality	60 % of Mortality**
* Age related scale and kind of employee	
** Thailand TMO97	

13. Dividend

The Annual general shareholders' meeting of 2012 held on April 26, 2012, passed the resolution to appropriate net profit for the year ended December 31, 2011 for paying dividend to shareholders at Baht 0.015 per share totaling Baht 6.00 million and set aside a legal reserve in the amount of Baht 0.42 million where by the Company had already paid the dividend on May 24, 2012.

The general shareholders' meeting of 2011 held on April 22, 2011, unanimously resolved to appropriate net profit for the year ended December 31, 2010 for paying dividend to shareholders at Baht 0.02 per share totaling Baht 8.00 million and legal reserve in the amount of Baht 0.48 million where by the Company had already paid the dividend on May 20, 2011.

14. Legal reserve

In accordance to the Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income deduction with deficit brought forward (if any) as a legal reserve until the reserve reach an amount 10% of the registered capital. This legal reserve is not available for dividend distribution.

15. Transactions with related parties

Significant transactions with related parties could be summarized as follows:

		(Unit : Baht)	
		Financial statements	
		in	
		which the	
		proportionate	
		consolidated	
		method is	
		applied / Separate	Separate
		financial statements	financial
		statements	
		For the year ended	
		December 31, 2012	December 31, 2011
Incomes/Expenses	Relationship		
Rental incomes			
First Silicon Electronics Co., Ltd.	Common management	0.00	660,000.00
(pricing policy - at the agreed rate)			
Unitop Rubber Co., Ltd.	Common management	660,000.00	0.00
(pricing policy - at the agreed rate)			

16. Transactions with agents

The Company has dealers in 4 agents, which signed contracts to appoint 3 agents and 1 agent without the contract for oversea sales, credit term 90 days from the invoice date (invoices are placed on every 15th day of the next month). The Company will sell in the comparative price with the external person which is higher than cost and purchase from agents in order to export to overseas customers in the comparative price with the external persons.

The balances of assets and liabilities of the overseas sale agents are as follows:

(Unit: Baht)

	Country	Financial statements in which the proportionate consolidated method is applied / Separate financial statements	Separate financial statements
		December 31, 2012	December 31, 2011
Trade accounts receivable			
EIC International Co., Ltd.	Hong Kong	29,481,015.12	32,160,963.35
EIC Semiconductor Inc.	USA	4,445,448.91	6,449,911.31
EIC Semi Ltd.	United Kingdom	8,349,307.97	11,345,812.54

Trade accounts receivable of the overseas sale agents analyzed by aging are as follows:

(Unit: Baht)

	Financial statements in which the proportionate consolidated method is applied / Separate financial statements	Separate financial statements
	December 31, 2012	December 31, 2011
Undue	20,623,159.40	22,882,161.02
Overdue 1 - 30 days	4,661,782.38	5,435,214.42
Overdue 31 - 60 days	5,482,338.54	3,723,295.65
Overdue 61 - 90 days	3,159,183.71	8,927,183.04
Overdue 91 - 180 days	0.00	6,379,622.17
Overdue 181 - 365 days	0.00	2,609,210.90
Overdue 365 days	8,349,307.97	0.00
Total	42,275,772.00	49,956,687.20

16. Transactions with agents (Cont'd)

The balances of assets and liabilities of the overseas sale agents are as follows:
(Unit: Baht)

	Country	Financial statements in which the proportionate consolidated method is applied / Separate financial statements	Separate financial statements
		December 31, 2012	December 31, 2011
Trade accounts payable			
Sun Light Electronics (HK) Ltd.	Hong Kong	0.00	752,799.99
Other payable			
EIC Semi Ltd.	United Kingdom	5,967,662.32	289,042.69

Revenues and expenses of foreign agent are as follows:

(Unit: Baht)

	Country	Financial statements in which the proportionate consolidated method is applied / Separate financial statements	Separate financial statements
		For the years ended	December 31, 2011
		December 31, 2012	2011
Revenue from sales			
EIC International Co., Ltd.	Hong Kong	49,094,247.91	62,655,960.47
EIC Semiconductor Inc.	USA	13,376,292.31	21,207,075.70
EIC Semi Ltd.	United Kingdom	0.00	11,963,197.14
Purchases of goods			
Sun Light Electronics (HK) Ltd.	Hong Kong	2,464,919.03	3,517,122.53

For the years ended December 31, 2012 and 2011, revenues from sales are mostly sold through 2 and 3 agents respectively (estimated 44.32% and 57.62% respectively). For the year ended December 31, 2012, the Company has directly sold with EIC Semi Ltd.'s customers in the amount of Baht 32.32 million.

17. Directors' remuneration

Directors' remuneration was paid to the Company's directors under Section 90 of Public Limited Company Act, excluding salaries and related benefits paid to the Company's executive directors

For the years ended December 31, 2012 and 2011, the Company has directors' remuneration in the amount of Baht 2.05 million and Baht 1.93 million respectively.

18. Management benefit expenses

Management benefit expenses focuses expenses relating to salaries, remunerations and other benefits to the directors and management, in accordance with the definitions of the Office of Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels.

For the years ended December 31, 2012 and 2011, management benefit expenses amounted to Baht 8.35 million and Baht 8.61 million respectively.

19. Expenses analyzed by nature

(Unit :
Baht)

	Financial statements in which the proportionate consolidated method is applied / Separate financial statements	Separate financial statements	
		For the years ended	
		December 31, 2012	December 31, 2012
			December 31, 2011
Changes in finished goods	4,387,417.25	4,387,417.25	11,177,243.52
Raw materials and consumable used	56,914,299.28	56,914,299.28	66,705,521.35
Directors' remuneration	2,050,000.00	2,050,000.00	1,925,000.00
Management benefit expenses	8,352,935.00	8,352,935.00	8,609,758.00
Employees benefits expenses	35,197,522.42	35,197,522.42	34,004,616.53
Depreciation and amortization	16,219,916.53	16,219,916.53	17,393,008.80
Loss on allowance for devaluation of inventories	7,289,637.44	7,289,637.44	2,714,258.85
Loss (Gain) on exchange rate	1,365,404.31	1,365,404.31	(5,703,203.85)
Doubtful accounts	396,147.42	396,147.42	2,870,941.25
Utilities expenses	8,004,454.56	8,004,454.56	8,105,383.87
Other expenses	14,405,779.15	13,196,122.41	12,385,394.50

20. Income tax

The Company records corporate income tax to be paid in each accounting period by calculating at the rate of 23% of net profit added back any allowances and other expenses which shall not be allowed as expenses in tax calculation except for profit from promoted activities exemption.

21. Reporting financial information by segment

The Company operates in only one business sector, namely produces and distributes electronics components, all income, profit and entire assets shown in the financial statements are related to the same business sector and geographical segment. The Company's financial statements are related to geographical segment as follows:

Financial information by segment for the year ended December 31, 2012

	Financial statements in which the proportionate consolidated method in applied			
	For the years ended December 31, 2012			
	Overseas	Domestic		Total
		For exports	General	
Revenue from sales	111,532,296.41	330,328.29	29,098,970.19	140,961,594.89
Cost of sales	(96,967,545.58)	(289,625.88)	(25,513,451.43)	(122,770,622.88)
Gross profit	14,564,750.83	40,702.41	3,585,518.76	18,190,972.01
Other income				6,846,841.97
Selling and administrative expenses				(31,812,913.48)
Net loss				(6,775,076.50)

Financial information by segment for the years ended December 31, 2012 and 2011

	Separate financial statements				
	For the years ended				
	December 31, 2012				December 31, 2011
	Overseas	Domestic		Total	Total
		For exports	General		
Revenue from sales	111,532,296.41	330,328.29	29,098,970.19	140,961,594.89	166,314,542.01
Cost of sales	(96,967,545.58)	(289,625.88)	(25,513,451.43)	(122,770,622.88)	(135,690,638.57)
Gross profit	14,564,750.83	40,702.41	3,585,518.76	18,190,972.01	30,623,903.44
Other income				6,844,596.40	8,009,740.95
Selling and administrative expenses				(30,603,233.74)	(30,200,488.10)
Net profit (loss)				(5,567,665.33)	8,433,156.29

Net domestic sales for export are revenues from sales to companies which were granted investment promotion for export from the Office of Board of Investment.

22. Investment promotional benefits and privileges

The Company received privileges in accordance with the Investment Promotion Act B.E. 2520 as follows:

Classify by investment promotional activities	Electronics components (Wafer, Diode, Transistor)
The date the Company was granted privileges	October 27, 2006
The date the Company generates revenue	October 30, 2006
Promotional benefits and privileges was granted	
1. Exemption from corporate income tax commenced from the date the Company generates revenue from business (mature October 29, 2011).	5 years
2. Exemption from corporate income tax additional from 1 investment in skill, technology and innovation (mature October 29, 2014) certain conditions investment promotional benefits and privileges as follow :	8 years
2.1. The Company has to investment or research and development or design, high technology training expenses or expenses relating to education supporting or research institution not less than 3% of total sales in the first 3 years.	
2.2. There are total expenses not less than Baht 450 million, whichever is the lower.	

22. Investment promotional benefits and privileges (Cont'd)

As at December 31, 2012 and 2011 the accumulated expenses amounting to Baht 15.91 million, expenses from the project of products development consists of 2 parts, the first part is monetary for supporting to the King Mongkut's Institute of Technology Ladkrabang, according to the period of the project and the another part is monetary for the Company's products development and recorded expenses directly with the development as intangible assets (note 10).

The allocation of incomes and expenses of promotional investment activities according to the investment promotional certificate No. 2017 (2)/2006

Description	Allocation
1. Incomes	
1.1 Revenues from sales - wafer	Actual, not exceed 600,000 pieces per year
1.2 Revenues from sales - wafer connection	Actual, not exceed 497,836,080 pieces per year
1.3 Sales of by product - waste from production	Actual
1.4 Interest incomes	Ratio of income
1.5 Gain (Loss) on exchange rates	Ratio of income
2. Expenses	
2.1 Cost of sales	Actual
2.2 Selling and administrative expenses - wafer	Actual
2.3 Selling and administrative expenses - general	Ratio of income (except wafer)

22. Investment promotional benefits and privileges (Cont'd)

Detail of the statements of comprehensive income classified by promoted activities and non-promoted activities as follows:

	(Unit : Baht)		
	Financial statements in which the proportionate consolidated method in applied		
	For the year ended December 31, 2012		
	Promoted activities	Non-promoted Activities	Total
Revenue from sales	79,915,304.41	61,046,290.48	140,961,594.89
<u>Less</u> Cost of goods sold	<u>(66,975,334.64)</u>	<u>(55,795,288.24)</u>	<u>(122,770,622.88)</u>
Gross profit	12,939,969.77	5,251,002.24	18,190,972.01
Other income			
Other income	2,440,827.54	4,406,014.43	6,846,841.97
Total other income	2,440,827.54	4,406,014.43	6,846,841.97
Profit before expenses	15,380,797.37	9,657,016.67	25,037,813.98
Expenses			
Selling expenses	(2,232,473.28)	(1,771,971.13)	(4,004,444.41)
Administrative expenses	(8,311,353.11)	(7,728,753.65)	(16,040,106.76)
Directors' remuneration	(1,162,205.74)	(887,794.26)	(2,050,000.00)
Management benefit expenses	(4,735,526.32)	(3,617,408.68)	(8,352,935.00)
Other expenses			
Loss on exchange rates	(774,088.16)	(591,316.15)	(1,365,404.31)
Total other expenses	(774,088.16)	(591,316.15)	(1,365,404.31)
Total expenses	(17,215,646.61)	(14,597,243.87)	(31,812,890.48)
Net loss	<u>(1,834,849.30)</u>	<u>(4,940,227.20)</u>	<u>(6,775,076.50)</u>

22. Investment promotional benefits and privileges (Cont'd)

	(Unit : Baht)		
	Separate financial statements		
	For the year ended December 31, 2012		
	Promoted activities	Non-promoted Activities	Total
Revenue from sales	79,915,304.41	61,046,290.48	140,961,594.89
<u>Less</u> Cost of goods sold	<u>(66,975,334.64)</u>	<u>(55,795,288.24)</u>	<u>(122,770,622.88)</u>
Gross profit	12,939,969.77	5,251,002.24	18,190,972.01
Other income			
Other income	2,440,827.54	4,403,768.86	6,844,596.40
Total other income	<u>2,440,827.54</u>	<u>4,403,768.86</u>	<u>6,844,596.40</u>
Profit before expenses	15,380,797.37	9,657,016.67	25,037,813.98
Expenses			
Selling expenses	(2,232,473.28)	(1,771,971.13)	(4,004,444.41)
Administrative expenses	(8,311,353.11)	(6,519,096.91)	(14,830,450.02)
Directors' remuneration	(1,162,205.74)	(887,794.26)	(2,050,000.00)
Management benefit expenses	(4,735,526.32)	(3,617,408.68)	(8,352,935.00)
Other expenses			
Loss on exchange rates	(774,088.16)	(591,316.15)	(1,365,404.31)
Total other expenses	<u>(774,088.16)</u>	<u>(591,316.15)</u>	<u>(1,365,404.31)</u>
Total expenses	<u>(17,215,646.61)</u>	<u>(13,387,587.13)</u>	<u>(30,603,233.74)</u>
Net loss	<u>(1,834,839.30)</u>	<u>(3,732,816.03)</u>	<u>(5,567,665.33)</u>

22. Investment promotional benefits and privileges (Cont'd)

(Unit : Baht)

Separate financial statements			
For the year ended December 31, 2011			
	Promoted Activities	Non-promoted activities	Total
Revenue from sales	78,090,937.63	88,223,604.38	166,314,542.01
<u>Less</u> Cost of goods sold	<u>(60,306,135.40)</u>	<u>(75,384,503.17)</u>	<u>(135,690,638.57)</u>
Gross profit	17,784,802.23	12,839,101.21	30,623,903.44
Other income			
Other income	303,051.44	2,003,485.66	2,306,537.10
Gain on exchange rates	<u>2,677,868.88</u>	<u>3,025,334.97</u>	<u>5,703,203.85</u>
Total other income	<u>2,980,920.32</u>	<u>5,028,820.63</u>	<u>8,009,740.95</u>
Profit before expenses	20,765,722.55	17,867,921.84	38,633,644.39
Expenses			
Selling expenses	(1,519,458.94)	(1,904,298.61)	(3,423,757.55)
Administrative expenses	(6,848,889.65)	(9,392,582.90)	(16,241,472.55)
Directors' remuneration	(903,859.96)	(1,021,140.04)	(1,925,000.00)
Management benefit expenses	<u>(3,671,509.24)</u>	<u>(4,938,748.76)</u>	<u>(8,610,258.00)</u>
Total expenses	<u>(12,943,717.79)</u>	<u>(17,256,770.31)</u>	<u>(30,200,488.10)</u>
Net profit	<u>7,822,004.76</u>	<u>611,151.53</u>	<u>8,433,156.29</u>

23. Financial instruments

23.1 Management risk

The Company does not constitute any policy related to financial instruments for trading or speculating.

23.2 Interest rates risk

Interest rate risk arises from the fluctuation of interest rates in the future which will affect operations and cash flows of the Company. The Company exposed to interest rate risk in respect of assets and liabilities as follows:

(Unit : Baht)

	Financial statements in which the proportionate consolidated method is applied			
	December 31, 2012			
	Floating interest rate	Fixed interest rate	Non-interest rate	Total
Savings deposit	54,625,153.89	-	-	54,625,153.89
Current accounts	-	-	69,387.50	69,387.50
Fixed deposit	-	62,836,197.40	-	62,836,197.40
Government bonds	-	2,000,000.00	-	2,000,000.00

(Unit : Baht)

	Separate financial statements			
	December 31, 2012			
	Floating interest rate	Fixed interest rate	Non-interest rate	Total
Savings deposit	53,327,211.90	-	-	53,327,211.90
Current accounts	-	-	39,415.00	39,415.00
Fixed deposit	-	62,836,197.40	-	62,836,197.40
Government bonds	-	2,000,000.00	-	2,000,000.00

(Unit : Baht)

	Separate financial statements			
	December 31, 2011			
	Floating interest rate	Fixed interest rate	Non-interest rate	Total
Savings deposit	86,084,245.05	-	-	86,084,245.05
Current accounts	-	-	40,033.75	40,033.75

23.3 Exchange rates risk

The Company has risk from exchange rates derived from fluctuation of exchange rates in the foreign currencies in respect of the settlement of export-import goods with overseas counter-trader in foreign currencies. The Company has forward exchange rate contract with a commercial bank amounting to Baht 50 million in order to hedge the risk and using foreign currencies savings deposit in respect of the settlement of export - import goods.

As at December 31, 2012 and 2011, the Company had financial assets consist of trade accounts receivable and bank deposits, and had liabilities consist of trade and other payables in foreign currencies as follows:

		Assets			
		Financial statements in which the proportionate consolidated method is applied / Separate financial statements		Separate financial statements	
				December 31, 2011	
		December 31, 2012		December 31, 2011	
		Foreign	Baht	Foreign	Baht
U.S. Dollar	USD	3,212,569.05	97,937,416.30	3,066,668.79	96,754,933.66
H.K. Dollar	HK	0.00	0.00	1,341,087.25	5,431,269.25
Total			97,937,416.30		102,186,202.91

		Liabilities			
		Financial statements in which the proportionate consolidated method is applied / Separate financial statements		Separate financial statements	
				December 31, 2011	
		December 31, 2012		December 31, 2011	
		Foreign	Baht	Foreign	Baht
U.S. Dollar	USD	279,314.37	8,637,296.83	176,289.55	5,602,536.44
H.K. Dollar	HK	0.00	0.00	63,707.20	261,772.88
Japanese YEN	JPY	1,825,936.00	653,502.49	700,000.00	288,680.00
Taiwan Dollar	TWD	13,800.00	14,626.62	245,000.00	257,691.00
Total			9,305,425.94		6,410,680.32

23.4 Credit providing risk

The Company is exposed to credit providing risk in respect of any trade accounts receivable and agents receivable. To reduce this risk that the management has policy and controlling method for credit provided to any trade accounts receivable by determining the credit line amount and review the settlement ability but did not determine the credit line amount for agents receivable. Loss may be occurred from the maximum credit providing based on carrying value of agents receivable shown in statements of financial position, since the management believes that there is no risk from the settlement of agents receivable.

23.5 Fair value

Due to the most of financial assets and liabilities are classified under the short-term type. The Company's management believes that the book value of such financial assets and liabilities are reflected in the value not materially different from their fair value.

24. Provident fund

The Company and its employees have jointly established a provident fund and the Company paid a contribution to the fund in rate of 3% of monthly the basic salaries in accordance with the Provident fund regulation and assigned the authorized manager to manage this fund. The Company paid a contribution to the fund for the years ended December 31, 2012 and 2011 amounted to Baht 0.58 million and Baht 0.42 million respectively.

25. Obligation and contingent liabilities

25.1 As at December 31, 2012, the Company has overdraft line, promissory notes, letter of credit, trust receipt and packing credit lines from a commercial bank total amount of Baht 65 million (as at December 31, 2011, the Company has overdraft line, promissory notes, letter of credit, trust receipt and packing credit lines with a commercial banks total amount of Baht 65 million).

25.2 As at December 31, 2012, the Company has obligations from a commercial bank issued two letters of guarantee instead of joint venture in the amount of Baht 38.50 million and Baht 165 million respectively, guaranteed by fixed deposit amount of Baht 62.84 million (note 8).

25.3 As at December 31, 2012, the Company has guaranteed electricity by using government bonds amount of Baht 2 million as collateral (note 8).

26. Approval of financial statements

On February 26, 2013, these financial statements were approved and authorized for issue by the Company's Board of directors.

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