

# Annual Report

For the year ended December 31, 2013

Electronics Industry Public Company Limited



For more details of the Company, investor may refer to Annual Registration Statement Form (Form 56-1) at [www.sec.or.th](http://www.sec.or.th)

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### Message from Board of Directors




Mr. Patiparn Karnjanaviroje  
Chairman of the Board of Director




Mr. Withaya Chakphet  
Managing Director

Semiconductor Devices industry can be categorized into several types such as Memories, MPUs and MCUs, Logic, Analog IC, Discrete Semiconductor, Optical Semiconductor and Sensors and Actuators. Products of Electronics Industry Public Company Limited (“**Company**”) i.e. Wafer and Diodes can be categorized as Discrete Semiconductor. In 2013, the advance of technology together with the endless demand of customers is a drive to create new products with higher efficiency for Discrete Semiconductor. However, the economic crisis affects the decrease of consumption by customers. The price of technology products is decreased continuously and the demand to stock parts for manufacturing is also decreased. As a result, the sales volume of the product group of Opto, Sensor and Discrete semiconductor was also decreased in 2013. Pursuant to the report from IC Insights News, in 2013 the sales volume of Opto, Sensor and Discrete semiconductor was only \$ 58.6 billion which was increased by 1% when compared with the sales volume of 2012 in the amount of \$ 58.2 billion. Said increase is lower than the increase rate of the compound annual growth rate of 7.8% per year in the last 15 years (1997-2012). Power Transistor used to have a market share of more than 50% but in 2013 it was dropped to 9%.

As at 31 December 2013, the Company has a total income of Baht 199.85 million comprising of Baht 187.03 million from the sales of goods. The income from selling goods to general customers is equal to Baht 116.96 million or 62.53% of the total sales volume. Said sales to general customers especially to European customers was the sales of Rectifier Diodes for the car industry. This is in line with the Discrete Semiconductor which is needed in

manufacturing of all industries especially the manufacturing of Cellular Handsets, Infrastructure, Consumer, Computer & Office Equipment, Industrial, Renewable Energy, Medical, Lighting and Transportation, Server, Power Supply, Data Centers. The demand is higher for the car industry and the energy industry i.e. windmill and solar system. However, the Company imported LED diodes for sales to general customers and sold goods by way of stock offering which affected the increase of cost of goods sold.

Under this reorganization, the Company will maintain its policy of selling electronic parts. The Company plans to improve its manufacturing process in order to produce LED type Diodes that have a higher demand in the market whilst at the same time expanding its Diode product range and increasing international distribution channels. However, the Company plans to diversify into higher value added businesses which create synergy with its core electronics parts business while at the same time reducing its dependency on consumer and industrial electronics. This change in business strategy is aimed at generating higher income with higher profit margins in order to achieve sustained growth. The Company has identified several opportunities, the first of which is Smart Traffic Co., Ltd., a leading systems integrator for Electronic Toll Collection systems (Easy Pass), Prepaid Card System for public transport, Loyalty Programs related to retail and public transport, Parking Revenue Collection System, accounting system for Central Clearing House and Automated Fare Collection systems. Pursuant to the Extraordinary Meeting of Shareholders held on February 13<sup>th</sup>, 2014, the shareholders approved the investment in Smart Traffic Co., Ltd. up to 49% of total issued shares. We are excited by the prospect of increasing the Company's growth through selective acquisitions in related fields.

The Board and management would like to extend their sincere appreciation to all shareholders, business partners, financiers and all related parties for their continued support and trust. The Board remains committed to achieving growth for all stakeholders and we appreciate your confidence in our ability to do so.

Electronics Industry Public Company Limited

March 31, 2014

## **Report of Audit Committee**

To: The Board of Directors

Electronics Industry Public Company Limited

1. The Board of Directors No. 5/2012 held on 2 July 2012 unanimously approved the appointment of new Audit Committee replacing resigned directors. The Audit Committee consists of the following directors:

(1) Mr. Kamol Juntima, Independent Director and Chairman of Audit Committee;

(2) Assoc. Prof. Dr. Wisut Thitiroongruang, Independent Director and Audit Committee

Member; and

(3) Mr. Prateep Buphaintr, Independent Director and Audit Committee Member.

Later on, the above 3 Audit Committee Members resigned and the Board of Directors No. 5/2013 held on 31 October 2013 appointed new Audit Committee replacing resigned directors with remaining terms as follows:

(1) Dr. Chaipant Pongtanakorn (PhD), in replacement of Mr. Kamol Juntima, Independent Director and Chairman of Audit Committee;

(2) Mr. Porameth Chantanakomes, in replacement of Assist.Prof. Dr. Wisut Titirungruang, Independent Director and Audit Committee Member; and

(3) Mr. Yuttana Taepangthong, in replacement of Mr. Prateep Buphaintr, Independent Director and Audit Committee Member.

On 2 December 2013, Mr. Porameth Chantanakomes resigned from every position. The Board of Directors No. 7/2013 held on 2 December 2013 approved the appointment of Mrs. Krishna Jitpatima as a new Audit Committee Member replacing the resigned director for the remaining term.

On 4 December 2013, Dr. Chaipant Pongtanakorn (PhD) and Mr. Yuttana Taepangthong resigned from every position. The Board of Directors No. 8/2013 held on 4 December 2013 approved the appointment of new Audit Committee Members replacing the resigned directors for the remaining term as follows:

(1) Mr. Somkad Sueptrakul, in replacement of Dr. Chaipant Pongtanakorn (PhD), Independent Director and Chairman of Audit Committee; and

(2) Mr. Tawich Pimpapan, in replacement of Mr. Yuttana Taepangthong, Independent Director and Audit Committee Member.

Currently, the Company has the following Audit Committee:

- (1) Mr. Somkad Sueptrakul, Independent Director and Chairman of Audit Committee;
- (2) Mr. Tawich Pimpapan, Independent Director and Audit Committee Member; and
- (3) Mrs. Krishna Jitpatima, Independent Director and 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 9 meetings during 2013 with the attending rate of 100% of the total meetings.

The essence of the meetings is as follows:

- (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 6 February 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 Mr. Surachai Damnoenwong, auditor registration no. 4721 or Miss Lehum Chinnapan, auditor registration no. 7306 from RSM Audit Services (Thailand) Limited as the Company's auditor, with the audit fee for 2014 in the amount of Baht 810,000.

3. The Audit Committee and the Auditor arranged one meeting on 25 February 2014 to allow the Company's auditor giving their comments and to review the audited Financial Statement as ended of 31 December 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 and 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. Somkad Sueptrakul

Chairman of Audit Committee

31 March 2014

## **1. Business overview and policies**

Electronics Industry Public Company Limited (“**Company**”) was established on 17 February 1984 with the primary objective of engaging in the business of designing, manufacturing and selling semiconductor devices (diodes) which is one of the basic components in electronic circuits, for the electronic appliances and electronic equipment industries.

### **1.1. Vision, Objectives and Goals**

Vision, Mission and Social and Environmental Policies.

#### Vision

“To be the manufacturer of semiconductors which leading quality equivalent to international manufacturers.”

#### Objectives

“To build the “EIC” brand to stand for high quality products, recognized by manufacturers in every industry.”

#### Goals

“To be the manufacturer of semiconductors (diodes) which are of a quality accepted by every industry.”

#### Social and Environmental Policies

- (1) To prioritize our customer’s highest satisfaction;
- (2) To operate with honesty and in good faith, in accordance with relevant regulations and laws;
- (3) To analyze problems, continuously develop, create innovations and minimize loss; and
- (4) To Attend to and prioritize safety and living and employment standards for our employees;

### **1.2 Important Changes and Developments**

The history and important developments of the Company can be summarized as follows:

1984                      On 17 February 1984, Mr. Sarawuth Jinwuth, founded Electronics Industry (USA) Co., Ltd with a registered capital of Baht 103 million, with the main objective of engaging in the business of



designing, manufacturing and distributing semiconductor devices (diodes) which is one of the fundamental components in electronic circuits, for the electronic appliances and electronic equipment industries. The Company's first factory was located in an export zone 1 industrial estate, Latkrabang Industrial Estate and was opened in 1984. The first business was the sale and purchase of transistors.

- 1990 Commenced the manufacture of semiconductors (diodes).
- 1996 Increased the registered and paid-up capital to Baht 300 million.
- 1997-2000 Received ISO 9001 and ISO 14001 certification from SGS Yarsley International Certification Services, England.
- 2002 Introduced a new product, glass diodes and SMD (Surface Mounted Devices), and also received investment promotion from the Board of Investment.
- 2003 Converted into a public limited company and changed the Company's name to Electronics Industry Public Company Limited, increased the registered and paid-up capital to Baht 400 million and became a listed company in the Stock Exchange of Thailand. The Company's securities were first traded on 22 December 2003, in the Electronic Parts Sector, under the name "EIC".
- 2006 Expanded the business to become a manufacturer and seller of silicon wafers, manufacturing both Open Junction and Glass Passivated Processed (GPP) products.  
  
Received investment promotion under the Investment Promotion Act B.E. 2520, being exempted from corporate income tax for 8 years for investment in the development of technological skills and innovation (commenced on 30 October 2006 and ending on 29 October 2014) under the following condition: the Company must have an investment or have research or design expenditure, high technology training expenditure, or learning support or research facility expenditure of no less than 3% of the Company's total sales in the first 3 years or have a total expenditure of no less than Baht 450 million, whichever is lower.
- 2007 Received ISO/TS 16949 standard certification from SGS Yarsley International Certification Services, England.
- 2013 On 29 November 2013 and 2 December 2013 a big lot sale and purchase, on board, between the major shareholders of the Company occurred. The transaction occurred between 4 shareholders, as the sellers, and Thai Prime Co., Ltd and Mr. Bee Taechaubol and 6 others as follows: 1) Mr. Sawaeng Sirijuntharopas 2) Ms. Phannee Akkaraj 3) Ms. Uthumporn Junkabutr 4) Mr. Suthep Sirichanropas 5) Quam Securities Limited 6) Siam Knight Fund Management Co., Ltd., whom

purchased the shares of the Company on the Stock Exchange, engaging in a big lot, at Baht 1.25 (One Baht and Twenty Five Satang) per share, constituting a total of 267,809,600 shares or 66.95 percent of the total issued and sold shares of the Company. This resulted in a change of management control, shareholder structure and board composition of the Company.

#### **Change of management control in the Company**

After the big lot transaction on 29 November 2013 and 2 December 2013, the structure of the major shareholders of the Company became as detailed in the table below:

No.	Name of Shareholder	Before Transaction		After Transaction	
		Number of Shares	Percentage	Number of Shares	Percentage
1	Mr. Sarawuth Jinwuth	204,000,000	51.00	0	0
2	Mr. Withaya Chakphet	38,327,000	9.58	0	0
3	Mr. Sanga Wanasinchai	20,000,000	5.00	0	0
4	Mr. Worakorn Chakphet	5,482,600	1.37	0	0
5	Thai Prime Co., Ltd.	0	0	173,409,600	43.35
6	Mr. Bee Taechaubol	0	0	32,000,000	8.00
7	Mr. Sawaeng Sirijuntharopas	0	0	14,800,000	3.70
9	Ms. Utumporn Junkabutr	0	0	7,900,000	1.95
10	Ms. Phanee Akaraj	0	0	11,900,000	2.98
11	Mr. Suthep Sirijantharopas	0	0	7,800,000	1.98
12	Siam Knight Fund Management Securities Co., Ltd.	0	0	12,000,000	3.00
13	Quam Securities Limited	0	0	8,000,000	2.00
<b>Total</b>		<b>267,809,600</b>	<b>66.95</b>	<b>267,809,600</b>	<b>66.95</b>

**Remarks:** On 13 December 2013 Mr. Bee Taechaubol and Thai Prime Co., Ltd. restructured their shareholding in the Company between themselves. Thai Prime Co., Ltd. transferred 31,409,600 shares to Mr. Bee Taechaubol, increasing Mr. Bee Taechaubol's shareholding to 63,409,600 shares or 15.85 % and decreasing Thai

Prime Co., Ltd's shareholding to 142,000,000 shares or 35.50 %. There was no change in the total number of shares held between them, namely 51.53 % of the total issued and sold shares.

### **New Composition of the Board after the Big Lot**

After the big lot transaction, the composition of the board of directors of the Company became as follows:

<b>No.</b>	<b>Name of Director</b>	<b>Position</b>
1	Mr. Patiparn Karnjanaviroje	Chairman of the Board
2	Mr. Somkad Sueptrakul	Vice-Chairman of the Board of Directors/Chairman of the Audit Committee/Independent Director
3	Mr. Withaya Chakphet	Managing Director
4	Mrs. Tippawan Chakphet	Director
5	Mr. Thanabodhi Swadsiri	Director
6	Mrs. Krishna Jitpatima	Independent Director /Audit Committee Member / Acting Company Secretary
7	Mr. Tawich Pimpapan	Independent Director /Audit Committee Member

On 4 December 2013, the Company established a subsidiary, EIC Semiconductors Co., Ltd (“**Subsidiary**”), based on the resolution of board of directors’ Meeting No. 7/2013, held on 2 December 2013, approving the establishment of the Subsidiary in order to improve the business structure of the Company. This transaction has been completed in accordance with the details summarized under 1.3.

### **1.3 Shareholding Structure of the Group Companies**

The Company established EIC Semiconductors Co., Ltd. as a subsidiary on 4 December 2013 for the benefit of improving the business structure of the Company. The Company will transfer its manufacturing and distribution of electronic parts business, comprised of all assets, liabilities, business licenses and employees related to the business for the purpose of making payment for the shares resulting from the capital increase and for the allocation of a certain amount of working capital not exceeding Baht 20 million for the Subsidiary. This is to ensure that the Subsidiary has sufficient cash to continue its business. The Board of Directors of the Company proposed the transfer of assets related to the manufacture of diodes to the Subsidiary to make payment for the shares from the capital increase of the

Subsidiary in kind and cash, to the Extraordinary Shareholders' Meeting No. 1/2014 on 13 February 2014. The shareholder's meeting subsequently obtained a resolution for the Company to improve its business accordingly.

A summary of details of the Subsidiary is provided below:

<b>Name of Company</b>	:	EIC Semiconductors Co., Ltd.
<b>Date of Incorporation</b>	:	4 December 2013
<b>Registration No.</b>	:	0105556191882
<b>Directors</b>	:	3 persons (1) Mr. Withaya Chakphet (2) Mrs. Tippawan Chakphet; and (3) Mr. Luca Giacomo Pietro Roveda
<b>Authorized Directors</b>	:	Mr. Withaya Chakphet or Mrs. Tippawan Chakphet may sign to bind the Company
<b>Registered Capital</b>	:	Baht 100,000
<b>Head Office</b>	:	No. 65 and 68, Chalong Krung 31 Road, Lumplatiew Sub-district, Latkrabang District, Bangkok 10520
<b>Shareholders</b>	:	Registered Capital of Baht 100,000 divided into 1,000 shares with a value of Baht 100 each.

	<b>Name</b>	<b>Number of Shares</b>	<b>Percentage</b>
1	Mr. Withaya Chakphet	1	0.10
2	Mrs. Tippawan Chakphet	1	0.10
3	Mr. Teethawat Havarungsi	1	0.10
4	Electronics Industry Public Company Limited	997	99.70

#### 1.4 Relationship with Business of Majority Shareholders

The Company and the Subsidiary has no relationship with the business of the original majority shareholders or the new majority shareholders after the Big Lot. Further, due to the nature of the main business of the Company and the Subsidiary, there is no relationship of dependence or competition with the other business of the majority shareholders which is of significance.

## **2. The Company's Business**

Currently, the Company is the first designer, manufacturer and seller of the full range of discrete semiconductors (manufacturer with wafer fabrication) in the country. The Company is also a manufacturer of silicon wafers for use in the assembly of diodes.

Apart from this, the Company also provides design and manufacturing services for discrete semiconductors (diodes), with specific characteristics in accordance with the requirements of our customers, for example Sew Motor Driver GmbH in Germany

The Company received ISO 9001, ISO 14001 and ISO/TS 16949 standard certification and has a factory located in Latkrabang Industrial Estate with a capacity of approximately 400 million parts per year.

The Company separates income according to the type of sale, namely, direct sales to overseas customers, sale to customers located in export zones and sales to domestic customers. The structure of the Company's income is as follows:

Type	2013 (Baht)	2012 (Baht)
Income from sales		
- Direct sales to overseas customers	152,138.04	111,532.31
- Sales to domestic customers	34,901.19	29,429.28
Total Income from Sales	187,039.23	140,961.59
Other Income	12,815.06	6,450.69
<b>Total Income</b>	<b>199,854.29</b>	<b>147,412.28</b>

The Company's income structure by the type of products sold is as follows:

Type of Products	Percentage of Total Sales
1. Rectifier Diodes	39.00
2. High Speed Switching Diodes	3.20
3. Zener Diodes	33.60
4. Transient Voltage Suppressor Diodes	18.78

5. Transistors	1.71
6. Wafer	3.58

## 2.1 Company's Products

### 2.1.1 Wafer Products (Open Junction Wafers and Glass Passivated Processed Wafers)

The Company began to manufacture wafers in 2006. The objective of the wafer project was for sale and use as one of the raw materials in the assembly of diodes manufactured by the Company.

The wafers and dices which the Company produces, for use as raw material in the assembly of its own diodes, can be classified into 4 categories:

- (1) Zener Wafer
- (2) TVS Wafer
- (3) Standard Rectifier Wafer
- (4) Unipolar & Bipolar Wafer

The production of wafers also assists the Company in the design of products according to customer requirements. Further, the Company has also developed an innovation in using GPP Wafers or Glass Passivated Processed Wafers as raw materials in the assembly of diodes. Using Glass Passivated Processed Wafers improves the quality and use of the product, in particular for Zener Diodes, Rectifiers, TVS and Bridges, Rectifiers, increasing the reverse breakdown voltage by approximately 10%, and increasing the working life of the products by approximately 30%. Further this also reduces the reverse leakage at high temperatures and, for TVS and Zener Diodes, the transient protection also increases by approximately 12%.

### 2.1.2 Diode Products

The diodes which the Company manufactures can be classified into 4 groups as follows:

- (1) Zener Diodes are a special type of diode which allows the reverse flow of electrical current and is capable of withstanding extremely high reverse currents. Therefore, they are used to regulate and stabilize voltage. This is because if the incoming electrical voltage is unstable, the electrical appliance will not function properly. As an example, flickering light bulbs, thus, Zener Diodes are used in automobile light control systems.

The Company's Zener Diode products have over 4000 part numbers, including both Axial Leads and SMDs ranging from 2V-200V, 0.25W -5W, Low Power Zeners, Medium Power Zeners and High Power Zeners, for use in designing products in accordance with customer requirements.

(2) Transient Voltage Suppressor Diodes (TVS) are diodes used to cut-off electricity flowing into various types of parts or protect against power surges. For example, where lightning strikes, this type of diode will direct the excess electricity into the ground. These diodes are used in various telephones, water sprinkler controller systems, automobile windscreen wiper systems and machinery controller systems.

The Company's Transient Voltage Suppressor Diodes (TVS) products range from 200W to 50kW and 6.2V to 462V. The Company has also designed 150kW products based on our customer's requirements. For SMA/SMB/SMC products, the Company is capable of manufacturing up to 3000W and 660W for D2PAK products, based on customer requirements.

(3) Rectifier Diodes are diodes which only allow current to flow in one direction. Thus, it has the feature of converting current from Alternating Current (AC) to Direct Current (DC) and is used in power supplies. This feature is a basic feature and is important for most types of electrical appliances and electronic equipment. This is because the current generally supplied is AC whereas electrical appliances and electronic equipment use only DC. Therefore it is necessary to convert AC into DC before sending the current into the circuits in the electrical appliances and electronic equipment.

For the above products, the Company has sub-categories as follows:

- Standard Rectifiers are diodes for general use in circuits with low frequency (not exceeding 1 KHz) which are used in converting current for general household electrical appliances.
- Fast Recovery Rectifiers (FR) are diodes for use in higher frequencies compared to normal diodes (not exceeding 30 KHz) in switching power supply circuits such as small telephones and ballasts for lighting equipment.
- High Efficient Rectifiers (HER) are diodes used in switching circuits which have a frequency of over FR (not exceeding 200 KHz) such as switching power supplies for printers and automatic braking systems (ABS) in automobiles, as well as other equipment.
- Super Fast Rectifiers (SF) are diodes used in switching circuits which have a frequency of higher than HER (not exceeding 1 MHz) such as voltage control circuits in televisions and inverters for air conditioners.

- Schottky Rectifiers are diodes which are designed for use in switching circuits which have high frequencies (exceeding 1 MHz) and low voltages. These diodes are capable of short time reverse, which allows current to flow continuously. With these features, they are used in switching power supply circuits for computers.

- Bridge Rectifier Diodes are a combination of 4 to 6 diodes allowing a full wave conversion of current as well as providing more resistance to current. These are used in power supplies for air conditioners and amplifiers.

- Rectifier Diodes manufactured by the Company range from standard to super-fast recovery, along with Schottky ranging from 1A-50A (20V-10,000V). Further, these can be designed in accordance with the requirements of the customer.

(4) High Speed Switching Diodes are diodes used in circuits for electronic equipment which require fast on & off switching, such as digital circuits or small signal circuits with high frequencies. Currently products in the high speed category will be glass diodes, which are different from normal diodes in that they are encased in glass instead of epoxy compound used in normal diodes. These diodes are used for equipment or electrical circuits which must receive and separate signals with low current or voltage.

The diodes which the company manufactures have more than 14,000 part numbers or more than 50 packages. When considering the standard of the products, they can be categorized into 2 categories:

(1) The Company's standard products means products which the company manufactures to comply with electrical requirements specified by the Company. These products are generally manufactured for the Company's customers.

(2) General standard products means products which the company manufactures having different electrical properties from those specified by the Company. These are a result of manufacturing defects and are not products which the company intended to manufacture. However, these products are still of international standard and can be used generally. The Company sells these products without using the "EIC" brand.

## **2.2 The Market and Competition Conditions**

### **2.2.1 Marketing Policy**

Diodes which the Company manufactures are used as components in electricity control systems in electrical appliances and electronic equipment. The Company's main customers are manufacturers of electrical appliances and electronic equipment (Original Brand name Producers), companies which are contracted to manufacture components



or parts of electrical appliances and electronic equipment and companies which are agents selling semiconductors. The majority of the Company's customers focus on the quality of the products

Apart from this, the Company also designs products with special characteristics based on customer requirements, for example, Sew Motor Driver GmbH in Germany.

Regarding product distribution channels, the Company sells its products through its appointed distributors as well as directly to customers, both foreign and domestic, as follows:

The Company has 3 appointed distributors as follows:

- (1) EIC Semi Ltd., responsible for distributing products in England;
- (2) EIC International Co., Ltd., responsible for distributing products in Hong Kong and China; and
- (3) EIC Semiconductor, responsible for distributing products in the United States of America.

Sales through agents are under the terms and conditions in the "Sole Agent Agreement", the contents of which can be summarized below:

(1) The Agent is appointed to be a distributor for the Company and to sell products under the brand "EIC". The Agent is authorized to use the Company's brand for advertising purposes and the Agent will be responsible for promoting, advertising and conducting marketing activities, or appointing sales staff, to promote the Company's products, in the sales area mutually agreed upon between the parties.

(2) The relationship between the Company and the Agent is only that of seller and purchaser. Each party may terminate the agreement, and the agreement does not specify an expiry date.

(3) The value and quantity of products ordered must coincide with the criteria set by the Company.

(4) The price of the products sold to the Agent is the Sole Agent Price, a form of discount, which is different from that sold to general customers.

The details of sales through the distributors appointed by the Company in 2013 are as follows:

Distributor	2013		2012		2011	
	Sales (Thousand Baht)	% of Total Sales	Sales (Thousand Baht)	% of Total Sales	Sales (Thousand Baht)	% of Total Sales
1. EIC International Co., Ltd.	58,673.63	31.37	49,094.25	34.83	62,655.96	37.67
2. EIC Semiconductor Inc.	11,408.23	6.10	13,376.29	9.49	21,207.08	12.75
3. EIC Semi Ltd.	0.00	0.00	0.00	0.00	11,963.20	7.19
4. General Customers (direct sales)	116,957.36	62.53	78,491.09	55.68	70,488.30	42.39
<b>รวม</b>	<b>187,039.22</b>	<b>100.00</b>	<b>140,961.63</b>	<b>100.00</b>	<b>166,314.54</b>	<b>100.00</b>

## 2.2.2 Competition Condition

The Semiconductor Industry Association has divided products in the semiconductor devices industry, in the world market, as follows (1) Discrete Semiconductors; (2) Optoelectronics; (3) Sensors; and (4) Integrated Circuits.

Discrete Semiconductor consists of 1) Photosensitive and LED semiconductor devices; 2) Transistors; 3) Diodes; 4) Mounted Piezo-electronics crystals; 5) Diacs, thyristors and triacs. These components are important elements of electronic equipment.

Manufacturers and sellers of semiconductors can be divided into 3 groups as follows:

### Group 1

Manufacturers of semiconductors (diodes) for use as a component for products produced by the manufacturer itself, with no sales of the semiconductors. For example, Toshiba, which has subsequently changed its policy and outsourced this activity.

### Group 2

Manufacturers of semiconductor (diodes) for use as a component for the products produced by the manufacturer itself. These manufacturers also sell the semiconductors to other manufacturers of electrical appliances and electronic equipment. For example, Phillips Semiconductor, Onsemi and Hitachi.

### Group 3

Manufacturers of semiconductors for sale in all industries. These are large scale manufacturers and sells all types of semiconductors including 1) Photosensitive and LED semiconductor devices; 2) Transistors 3) Diodes; 4) Mounted Piezo-electronics crystals; 5) Diacs, thyristors and triacs. These manufacturers have manufacturing bases around the world, such as in China, Taiwan and South Korea and offer the full range of products, prices and quality of products. Usually these manufacturers use take overs as a strategy in expanding their business which allows for rapid growth.

Large scale manufacturers and sellers of semiconductors in the world market whom manufacture and sell the full range of discrete semiconductors, have a variety of products, and whom have manufacturing bases in many countries around the world include Infineon, Mitsubishi Electric, Toshiba, STM Microelectronics, International Rectifier, Fuji Electric, Fairchild, Vishay, Renesa and Semikron.

The competition condition analysis is limited to manufacturers and distributors of the second and third groups only.

The Company is classified as a small manufacturer and seller which focuses on the quality of products. The Company only has one type of product, namely diodes, and the Company focuses on customers who require quality products, as these customers have relatively high loyalty and are less likely to look for another manufacturer.

## **2.3 Procurement of Products**

Currently, the Company has only one factory in Latkrabang Industrial Estate, Bangkok, with an area is approximately 12,000 square meters. This factory is used to produce wafers and diodes. The capacity of the factory for wafers is approximately 30,000 units per month for wafers and 400 million per year for diodes.

The Company's diode production lines are divided according to the shape of the diode, and can be categorized as follows:

- Axial Lead (Standard) are diodes which have standard shape, having legs coming out of both sides;
- SMD (Surface Mounted Diodes) are special diodes, having no legs and are mounted on their surface;
- Diode Bridges are a combination of 4 to 6 diodes arranged together in a straight line or in a square; and
- Glass Diodes.

The Company manages the source of its principal raw materials used in the production of diodes, namely silicon wafers, solder, lead wires, terminals, lead frames, silicon resin, compounds and chemicals, which are imported from countries such as Japan, Germany, Taiwan, and the United States of America. The Company's policy is to conduct business with many raw material suppliers to eliminate dependence on a single supplier. Throughout its history, the Company has always maintained good relationships with all raw material suppliers and has never experienced a shortage of raw materials.

However, the Company does not source its raw materials from any single supplier having a value exceeding 30% of the total value of supplies. The imported raw materials constitute 80% of the total raw materials while domestic supplies constitute 20%.

In relation to the procurement of raw materials, the Company will order the supplies from a list of suppliers whom has passed quality and standard verification by the Company, this is so that the Company can be certain and confident in the quality of raw materials used to manufacture the Company's products. The list of suppliers is updated every year, for the benefit of the Company in terms of allocation of risk in procurement and in terms of price advantages.

For its past operations, the Company has never encountered a critical situation of a shortage of raw materials for production.

## **2.4 Undelivered Products**

Apart from the specifications of products, which must be manufactured to the customer's satisfaction, on time delivery with a short manufacturing time, is another factor which provides the Company with a competitive advantage. Therefore, currently, the manufacturing process is tightly controlled so that deliveries for all orders can be made on time, and so that there are no late deliveries or undelivered products.

### **3. Risk Factors**

#### **3.1 Risks relating to the Company's business**

##### **3.1.1 Risks from economic conditions**

Semiconductors, especially diodes, is a basic component for all types of electronic equipment and is tied to technological changes, which affects end user habits as well as economic growth and the GDP of the country. The risk from the economic conditions may cause the growth of the Company's sales to be below target. Therefore the Company pushed for the "EIC" brand to be accepted in terms of quality by manufacturers from all industries, in order for customers to use the Company's products as a highly effective component for all types of electronic equipment and electrical appliances (EIC Quality Diodes behind every great system) and to create a variety of products to match customer requirements.

##### **3.1.2 Risk from technological changes**

As the diodes manufactured by the Company are basic components in electrical circuits used in the manufacture of electrical appliances and electronic equipment, changing with the constant changes in technology, such as televisions and electronic equipment in automobiles for instance. These changes also result in changes to the semiconductor technology (diodes). The majority of changes are in 2 stages, namely changes to electrical properties and shape. Changes to electrical properties include the maximum and minimum amount of current and voltage which can flow through the diodes. For changes in relation to shape, these include diodes with shorter legs, with no legs, or are smaller for instance. Therefore manufacturers of semiconductor (diodes) must be ready for such changes and capable of responding to the requirements of manufacturers in different industries.

In 2002 the Company expanded the area of its factory by an additional 4,000 square meters to support the production of glass diode products, which are different from normal diodes, i.e. the product is encased in glass instead of epoxy compound, as well as surface mounted diodes, which are special diodes having no legs. Since 2006 the Company expanded its business into an upstream industry, becoming a manufacturer and designer of wafers, an important component for the manufacture of diodes, in order to support the design process and better respond to technological changes. Furthermore, in relation to the Company's production lines, they are able to support many types of packaging as well as the improved production of products with special properties, based on customer requirements. The Company has also formed alliances with other foreign manufacturers, whom have potential, in order to develop the manufacturing process in line with the constantly changing technology.

### 3.1.3 Risks relating to Inventory

It is necessary for the Company to stockpile raw materials and a variety of products as:

(1) It is necessary for the Company to store semi-complete and complete products to meet the usage demands of customers. This is because in the logistics system for the modern semiconductor industry, manufacturers of all types of electrical appliances, automobile parts and electronic equipment will transfer their cost in storing and distributing products and raw materials, to suppliers, who are the manufacturers of important parts. For the Company's business, a manufacturer of diodes, it is necessary to store a variety of semi-complete and complete products to meet the usage demands of customers, in accordance with purchasing plans, especially for important customers.

(2) To create an advantage in terms of the timing of delivery and to respond to the policy of manufacturing a variety of products to cater for customer's demands (which change in accordance with the technology) and to facilitate customers who can order a variety of products, without having to purchase products from other manufacturers, it is necessary for the Company to store a sufficient amount of raw materials for production.

However, the Company's products, namely diodes, wafers, chips and dices are stored at the Company's warehouse. The Company has received an academic opinion from the Electronics Research Center at King Mongkut's Institute of Technology Ladkrabang and the National Electronics and Computer Technology Center at the National Science and Technology Development Agency in relation to the non-obsolescence and non-deterioration. The opinion states that diodes, wafers, chips, and dices stored in the Company's warehouse will retain their electrical properties without any deterioration in properties, for the following academic reasons:

(1) All diodes, wafers, chips and dices are manufactured from semiconductor material which have a high melting point. For example, silicon which has a melting point of 1,416 degrees Celsius. Therefore any damage due to the temperature at room temperature is minimal, to the extent of being deemed as non-existent.

(2) The structure of the diodes are created from doping N-type or P-type (depending on the type of the base) to create a P-N junction. The doping is done at high temperatures (exceeding 800 degrees Celsius only) and cannot be performed at room temperature as the atoms of the substances will not diffuse.

(3) The main reason for the changes to the properties of diodes, wafers, chips and dices is the diffusion of the substances at the P-N junction and at the junction between the semiconductor and the metal use to make the pole. However, as at room temperature the atoms of the substances will not diffuse, it can be said that at room temperature, the deterioration of semiconductors from the diffusion of substances can be eliminated.

(4) Changes to the properties of diodes, wafers, chips, and dices which have a metal pole may face deteriorate due to the metal itself for instance, the metal may react with air becoming an oxide of the metal. This can be countered with encasing the product, creating a protective layer or storing in a place with no oxygen. Another reason which may cause the metal to deteriorate is the temperature. Normally metals used for the poles connected to semiconductors cannot withstand high temperatures (lower than 500 degrees Celsius). However, at room temperature, there will be no changes to these metals. Thus deterioration of the metal will not occur if the products are at room temperature and there is no contact with oxygen.

Si Diodes stored in the Company's warehouse are non-obsolete equipment and there is no replacement. The academic reasons for this are as follows:

(1) As diodes are basic components for all types of electrical appliances, electronic equipment and computers, in particular switching power supplies from AC to DC. These circuits have been widely used for over 20 years and demonstrates the importance of the diodes which are unreplaceable and have always been innovative.

(2) Although the technology relating to electronic equipment is rapidly changing, integrated circuits are constantly being created and improved. However, such equipment will have limited functions used to control very complicated mechanisms, which require constant development. Despite this, Si diodes remain a necessary component for such circuits. Further, other uses for diodes have been developed, for example, to protect against damage which may occur from integrated circuits for instance.

(3) Where it is necessary to use high power devices, choosing to use integrated circuits alone will not allow the supply of high power. It is necessary to use Si Diodes in combination with the circuit. Moreover, if circuit techniques are used instead of Si Diodes, the cost will be many times more than using Si Diodes and may cause additional problems, for example, accumulating heat.

(4) Although there is currently research to find new materials to replace silicon, such as GaAs or diamond film, but when compared to silicon, the manufacturing process is much more complicated, resulting in a higher cost compared to silicon. Therefore it is not commercially viable to use these new materials in the production of diodes.

However, in 2013, loss from reserve for depreciation of goods, which according to accounting standards must be recorded as cost of goods sold, affected the Company's profit/loss as follows:

(1) In quarter 1, ending 31 March 2013, the Company obtained a net loss of Baht 6.78 million, resulting from loss of foreign exchange, Baht 3.81 million and loss from reserve for depreciation of goods, recorded as costs of goods sold, in the amount of 1.90 million.

(2) In quarter 3, ending 30 September 2013, the Company obtained a net loss of Baht 8.62 million, resulting from the cost of goods which were, in turn, a result of the reserve for depreciation of goods, which, according to accounting standards, must be recorded as cost of goods sold, in the amount of Baht 15.50 million. This increased the cost of goods sold for quarter 3, ending on 30 September 2013 compared to quarter 3 for 2012.

#### **3.1.4 Risk from foreign exchange rates**

As the majority of raw materials used in production are imported from overseas and must be paid for in foreign currencies, the Company has a risk in regarding foreign exchange rates. However, due to the way the Company sells its products, focusing on exports and receiving payment in foreign currencies, this is a natural hedge against this risk. Although this is not a complete shield against the risk from foreign exchange rates, it assists the Company to reduce such risks, as the amounts of income and expenditure are not high. Apart from this, the company has also been approved for a FWC from a commercial bank where the company wishes to protect itself from this risk.

#### **3.1.5 Risk of dependence on Distributors**

The Company distributes products through 2 channels, namely directly to customers and through distributors (Sole Agent – AG) appointed by the Company to assist with the marketing and distribution in each area determined by the relevant contract. The appointed distributors must market the products, regardless of whether through booths at events or the development of websites in order for customers to easily find information on the Company.

In 2013 the Company had an open policy regarding persons who wished to become distributors for the Company's products in parallel with direct sales to different groups of customers in order to reduce the risks to the Company as the Company will have less sales through distributors when compared to direct sales to different groups of customers, both domestic, in Asia and in Europe.

### **3.2 Risk on Investment by Securities Holders**

Shareholders will not receive dividends if the Company suffers losses.



## **4. General Information and Other Important Information**

### **4.1 General Information**

<b>Name of Company</b>	: Electronics Industry Public Company Limited (“EIC”)
<b>Location of Head Office</b>	: 65 and 68, Chalong Krung 31 Road, Lumplatiew Sub-district, Latkrabang, District, Bangkok 10520
<b>Telephone</b>	: (+66) 02 326 1234 and 02 739 4580
<b>Facsimile</b>	: (+66) 02 326 1020
<b>Website</b>	: <a href="http://www.eicsemi.com">www.eicsemi.com</a>
<b>E-mail</b>	: <a href="mailto:eic@eicsemi.com">eic@eicsemi.com</a>
<b>Registration No.</b>	: BorMorJor. 40854600004
<b>Business</b>	: Design, manufacture and sale of semiconductors (silicon wafers and diodes)
<b>Registered Capital</b>	: Baht 400,000,000
<b>Number and Type of Shares</b>	: 400,000,000 ordinary shares
<b>Par Value</b>	: Baht 1
<b>Auditor</b>	: Miss Somjintana Pholhirunra CPA License No. 5599 Mrs. Vilairat Rojnuckarin CPA License No. 3104 Mrs. Suvimol Krittayakiern CPA License No. 2982 DIA International Auditing Co., Ltd. No. 316/32 Sukhumvit 22, Sukhumvit Road, Klongtoey Sub- district, Klongtoey District, Bangkok 10110 Tel. 02 22595300 Fax. 022601553

### **4.2 Other Important Information**

Apart from the information provided in 1.2: important changes and development and 1.3 shareholding structure of the Company, the Company has no further important information which may materially affect the decision of shareholders or affect equal in access to information for any investor.

## 5. Information of Securities and Shareholders

### 5.1 Registered and Paid-up Capital

The Company has a registered and paid-up capital of Baht 400,000,000, divided into 400,000,000 shares with a par value of Baht 1 each.

### 5.2 Shareholders

#### (1) Names of Majority Shareholders

The names of the major shareholders of the Company, as of the date the shareholders' register was closed on 3 January 2014, was as follows:

No.	Name of Shareholder	Number of Shares	Percentage of Shares Held
1.	Thai Prime Co., Ltd <sup>* and **</sup>	142,000,000	35.50
2.	Mr. Bee Taechaubol <sup>*</sup>	63,409,600	15.85
3.	Mr. Saweang Sirichantaropas	14,800,000	3.70
4.	Thai NVDR Co., Ltd.	13,028,400	3.26
5.	Ms. Phannee Akkaraj	11,900,000	2.98
6.	Ms. Phenchana Yothin-uppamai	11,730,100	2.93
7.	Quam Securities Company Limited - A/C Client	9,615,400	2.40
8.	Ms. Wiphawee Thanomjaturong	8,788,300	2.20
9.	Ms. Patunya Wongkusollert	8,650,000	2.16
10.	Ms. Uthumporn Junkabutr	7,900,000	1.98
11.	Mr. Suthep Sirijuntarophas	7,800,000	1.95

#### **Remarks:**

\* Shareholder No. 1: Thai Prime Co., Ltd. and No. 2: Mr. Bee Taechaubol are 'acting in concert' group pursuant to the Notification re: Prescription of relationships and behavior which constitute an act in concert, in compliance with sections 246 and 247, as they hold a total of 205,409,600 shares or 51.35 % of the total issued and sold shares. They are also majority shareholders which, by inference, may significantly influence the policies, management and operations of the Company

\*\* Shareholder No. 1, Thai Prime Co., Ltd, has investments in businesses both in and out of the Stock Exchange of Thailand, with a capital Baht 809,934,464 and its list of shareholders is as follows:

Name	Number of Shares	Percentage compared to shares sold	Percentage compared to voting rights
1. Mr. Bee Taechaubol	99,999	49.9995	49.9995
2. Mr. Ayupan Kannasood	99,999	49.9995	49.9995
3. Ms. Thanaporn Soontaraekanon	2	0.0010	0.0010
<b>Total</b>	<b>200,000</b>	<b>100.0000</b>	<b>100.0000</b>

## (2) Shareholding in other companies as subsidiaries

Please refer to the content in part 1.3.

## (3) Agreements between majority shareholders

- None -

## **6. Dividend Policy**

The Company has a policy of distributing dividends no less than 50 percent net profits after corporate income tax. However, the Company may distribute dividends in a lesser amount if the Company finds it necessary to use the net profits to expand the business of the Company.

## **7. Management Structure**

### **7.1 The Board of Directors**

Currently, the Board of Directors consists of 7 Directors, consisting of 4 Directors whom are also part of the Executive Committee. There are 3 Independent Directors, constituting one third of the total number of Directors.

(1) Names of the Directors of the Company as of 31 December 2013

<b>Name</b>		<b>Position</b>	<b>Date of First Appointment</b>
1.	Mr. Patiparn Karnjanaviroje	Chairman of the Board	4 December 2013
2.	Mr. Somkad Sueptrakul	Vice-Chairman of the Board Chairman of the Audit Committee Independent Director	4 December 2013
3.	Mr. Tawich Pimpapan	Audit Committee Member Independent Director Director	4 December 2013
4.	Mrs. Krishna Jitpatima	Audit Committee Member Independent Director Director	2 December 2013
5.	Mr. Withaya Chakphet	Executive Director Director	14 February 2003
6.	Mr. Thanabodhi Swasdisri	Executive Director Director	2 December 2013
7.	Mrs. Tippawan Chakphet	Executive Director Director	14 February 2003

## (2) Resignation of Directors during 2013

Name		Position	Date of First Appointment	Date of Resignation
1	Mr. Pateep Buphaintr	Audit Committee Member Director Remuneration Committee Member	2 July 2012	9 October 2013
2.	Assoc. Prof. Dr. Wisut Thitiroonruang	Audit Committee Member Director Chairman of Nomination Committee Remuneration Committee Member	14 February 2003	9 October 2013
3	Mr. Kamol Juntima	Chairman of the Audit Committee Vice-Chairman of the Board Director Independent Director	14 February 2003	10 October 2013
4	Mr. Sarawuth Jinwuth	Chairman of the Board	14 February 2003	2 December 2013
5.	Mr. Sa-nga Wanasinchai	Director Executive Committee Member Nomination Committee	14 February 2003	2 December 2013
6	Dr. Chaipan Pongthanakorn	Chairman of the Audit Committee Vice-Chairman of the Board Director Independent Director	31 October 2013	4 December 2013
7.	Mr. Poramate Janthanagomek	Director Independent Director Chairman of the Nomination Committee Remuneration Committee Member	31 October 2013	2 December 2013
8.	Mr. Yutthana Taepangthong	Director Independent Director Remuneration Committee Member	31 October 2013	4 December 2013

**(3) Board of Directors' Meetings in 2013**

Board of Directors for quarter 1-2 for 2013 can be summarized as follows:

Name of Director	Date of First Appointment	Date of Resignation	Attendance at Meetings				
			Annual General Meeting for 2013	Board of Directors	Audit Committee	Nomination Committee	Remuneration
1. Mr. Sarawuth Jinwuth	14 Feb 2003	2 Dec 2013	Attended	5/5	-	-	-
2. Mr. Kamol Juntima	14 Feb 2003	10 Oct 2013	Attended	5/5	7/7	-	-
3. Assoc.Prof.Dr. Wisut Thitirungruang	14 Feb 2003	9 Oct 2013	Attended	5/5	7/7	1/1	1/1
4. Mr. Prateep Buphaintr	14 Feb 2003	9 Oct 2013	Attended	5/5	7/7	-	1/1
5. Mr. Withaya Chakphet	14 Feb 2003	-	Attended	9/11	-	1/1	1/1
6. Mr. Sa-nga Wanasinchai	14 Feb 2003	2 Dec 2013	Attended	5/5	-	1/1	-
7. Mrs. Tippawan Chakphet	14 Feb 2003	-	Attended	8/11		-	-

Board of Directors' Meetings in quarter 3 for 2013 can be summarized as follows:

Name	Date of First Appointment	Date of Resignation	Attendance at Meetings			
			Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
1. Dr. Chaipan Pongthanakorn	31 Oct 2013	4 Dec 2013	2/2	2/2		
2. Mr. Poramate Janthanagomek	31 Oct 2013	2 Dec 2013	1/1	2/2		
3. Mr. Yutthana Taepangthong	31 Oct 2013	4 Dec 2013	2/2	2/2		

Board of Directors' Meetings in quarter 4 for 2013 can be summarized as follows:

Name of Director	Date of First Appointment	Attendance at Meetings
1. Mr. Patiparn Karnjanaviroje	4 December 2014	4/4
2. Mr. Somkad Sueptrakul	4 December 2014	2/4
3. Mr. Patiparn Karnjanaviroje	4 December 2014	3/4
4. Mrs. Krishna Jitpatima	2 December 2014	4/4
5. Mr. Withaya Chakphet	14 February 2003	Please refer to information for quarter 1-2
6. Mr. Thanabodhi Swasdisri	2 December 2013	4/4
7. Mrs. Tippawan Chakphet	14 February 2003	Please refer to information for quarter 1-2

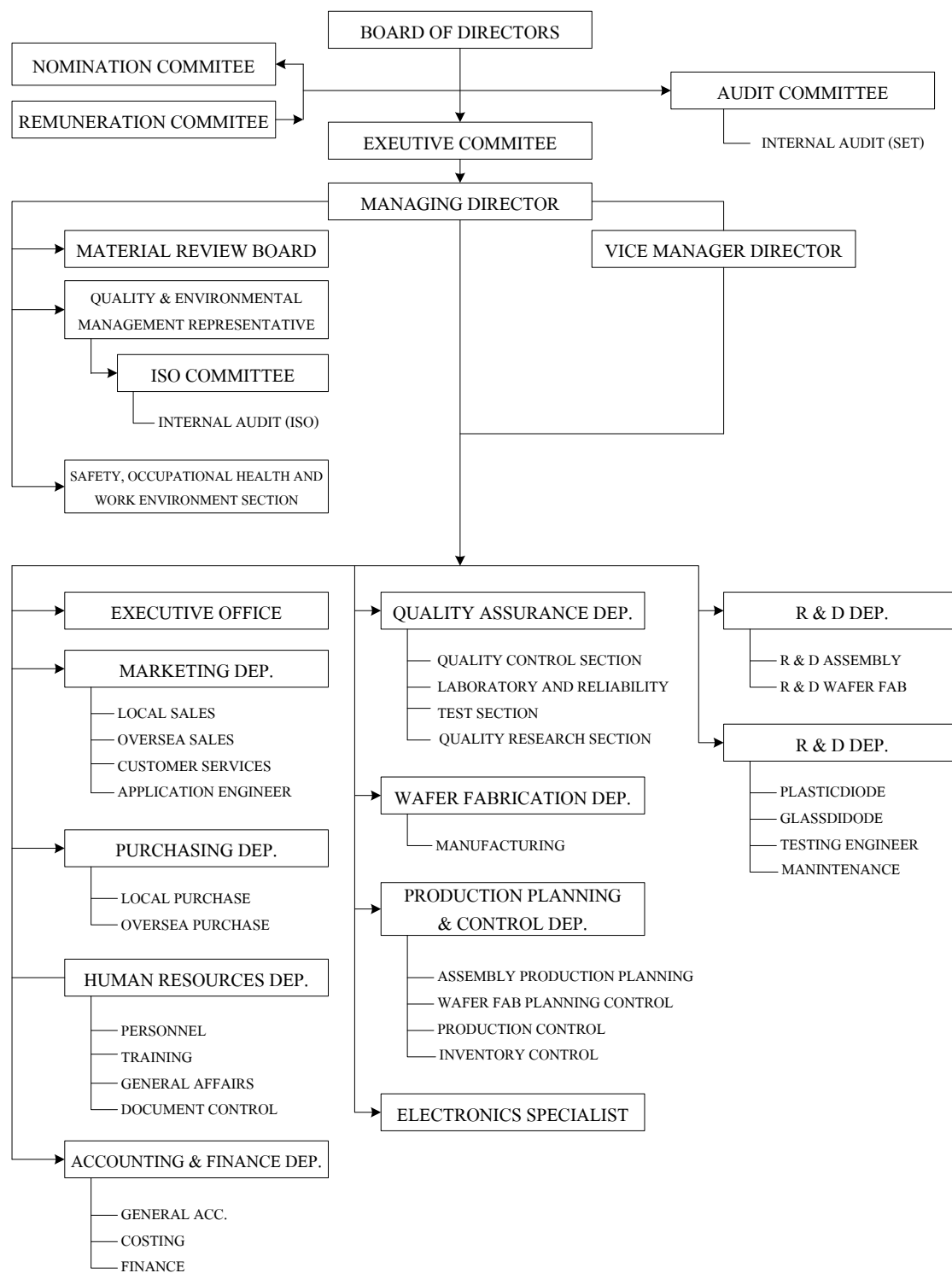


## 7.2 Executive Committee

As of 31 December 2013, the Company has 10 Executive Committee Members as follows:

Name	Position
1. Mr. Withaya Chakphet	Managing Director
2. Mrs. Tippawan Chakphet	Deputy Managing Director
3. Ms. Parita Jinnapuk	Accounting and Finance Manager
4. Ms. Chantana Junchan	Wafer and Assembly Manager
5. Mr. Yuttana Newyawong	Quality Assurance Manager
6. Mr. Sarun Polachart	Research and Development Manager
7. Ms. Dararath Duangruksa	Human Resources Manager
8. Ms. Sarunthorn Ruang-Areerat	Procurement Manager
9. Ms. Aranya Sosalam	Production Planning and Control Manager
10. Ms. Wilaiphorn Buddar	Management Manager

Internal management structure of the Company as of 31 December 2013:



### 7.3 Company Secretary

Following the resignation of Ms. Wilaiphorn Buddar, the Company Secretary, effective on 5 December 2013, the Board of Directors No. 9/2013 held on 6 December 2013 obtained a resolution for Mrs. Krishna Jitpatima, to be the acting Company Secretary until the Board of Director can find a suitable candidate.

### 7.4 Remuneration of Directors and Executives

#### 7.4.1 Cash Remuneration

The Annual General Meeting for the year 2013, held on 23 April 2013 obtained resolutions to fix the remuneration of directors, which can be divided as follows:

(1) Meeting allowance, at the rate of Baht 10,000 per meeting, for Directors, Executive Committee Members, Audit Committee Members, Nomination Committee Members, and Remuneration Committee Members, and Baht 15,000 per meeting for the Chairman of the Board of Directors, the Managing Director, the Chairman of the Audit Committee, the Chairman of the Nomination Committee and the Chairman of the Remuneration Committee.

(2) Transportation allowance for Directors, Executive Committee Members and Audit Committee Members assigned to perform regular duties at the office or factory at the rate of Baht 30,000 per month.

(3) For other welfare and benefits, these will be prescribed appropriately in accordance with the performance of the Company. The remuneration described in (1) to (3) shall not exceed Baht 4,000,000 per year in total.

Remuneration of directors, consisting of meeting allowance paid in accordance with attendance, as follows:

Name	Position	Remuneration (Baht)				
		Board	Audit Committee	Nomination Committee	Remuneration Committee	Total
1. Mr. Sarawuth Jinwuth	Chairman of the Board	90,000	-	-	-	90,000
2. Mr. Kamol Juntima	-Chairman of the Audit Committee -Vice-Chairman of the Board -Independent Director	40,000	90,000	-	-	130,000

Name	Position	Remuneration (Baht)				
		Board	Audit Committee	Nomination Committee	Remuneration Committee	Total
3. Assoc.Prof.Dr. Wisut Thitirungruang	- Audit Committee Member - Director - Chairman of the Nomination Committee - Chairman of the Remuneration Committee	40,000	60,000	15,000	15,000	130,000
4. Mr. Prateep Buphaintr	- Audit Committee Member - Director - Remuneration Committee Member	40,000	60,000	-	10,000	110,000
5. Mr. Withaya Chakphet	- Executive Committe Member - Director	90,000	-	10,000	10,000	110,000
6. Mr. Sa-nga Wanasinchai	- Director - Executive Committee Member - Nomination Committee Member	60,000	-	10,000	-	70,000
7. Mrs. Tippawan Chakphet	- Executive Committee Member - Director	70,000	-	-	-	70,000
8. Dr. Chaipan Pongthanakorn	- Chairman of the Audit Committee	10,000	30,000	-	-	40,000

Name	Position	Remuneration (Baht)				
		Board	Audit Committee	Nomination Committee	Remuneration Committee	Total
	- Vice Chairman of the Board - Director - Independent Director					
9. Mr. Poramate Janthanagomek	- Director - Independent Director - Chairman of the Nomination Committee - Chairman of the Remuneration Committee	10,000	20,000	-	-	30,000
10. Mr. Yutthana Taepangthong	- Director - Independent Director - Remuneration Committee Member	10,000	20,000	-	-	30,000
11. Mr. Patiparn Karnjanaviroje	- Chairman of the Board	45,000	-	-	-	45,000
12. Mr. Somkad Sueptrakul	- Vice-Chairman of the Board - Chairman of the Audit Committee - Independent Director	20,000	-	-	-	20,000

Name	Position	Remuneration (Baht)				
		Board	Audit Committee	Nomination Committee	Remuneration Committee	Total
13. Mr. Tawich Pimpapan	- Audit committee Member - Independent Director - Director	30,000	-	-	-	30,000
14. Mrs. Krishna Jitpatima	- Audit Committee Member - Independent Director - Director	30,000	-	-	-	30,000
15. Mr. Thanabodhi Swasdisri	- Executive Committee Member - Director	40,000	-	-	-	40,000
Total						975,000

## Remuneration of Directors in (2) and (3) of the Board of Directors for the year 2013

No.	Name of Director	Remuneration of Directors in (2) and (3) (Baht)
1.	Mr. Sarawuth Jinwuth	90,000
2.	Mr. Kamol Juntima	304,183
3.	Assoc.Prof.Dr. Wisut Thitirungruang	34,183
4.	Mr. Prateep Buphaintr	34,183
5.	Mr. Withaya Chakphet	60,000
6.	Mr. Sa-nga Wanasinchai	60,000
7.	Mrs. Tippawan Chakphet	50,000
8.	Dr. Chaipan Pongthanakorn	-
9.	Mr. Poramate Janthanagomek	-
10.	Mr. Yutthana Taepangthong	-
11.	Mr. Patiparn Karnjanaviroje	-
12.	Mr. Somkad Sueptrakul	-
13.	Mr. Tawich Pimpapan	-
14.	Mrs. Krishna Jitpatima	-
15.	Mr. Thanabodhi Swasdisri	-
	<b>Total</b>	<b>632,549.60</b>

## Total Remuneration of Directors for the year 2013 for (1) (2) and (3)

	Name of Director	Meeting allowance (Baht) and other remuneration (Baht)
1	Mr. Sarawuth Jinwuth	180,000
2	Mr. Kamol Juntima	434,183
3	Assoc.Prof.Dr. Wisut Thitirungruang	164,183
4	Mr. Prateep Buphaintr	144,183
5	Mr. Withaya Chakphet	170,000
6	Mr. Sa-nga Wanasinchai	130,000
7	Mrs. Tippawan Chakphet	120,000

	<b>Name of Director</b>	<b>Meeting allowance (Baht) and other remuneration (Baht)</b>
8	Dr. Chaipan Pongthanakorn	40,000
9	Mr. Poramate Janthanagomek	30,000
10	Mr. Yutthana Taepangthong	30,000
11	Mr. Patiparn Karnjanaviroje	45,000
12	Mr. Somkad Sueptrakul	20,000
13	Mr. Tawich Pimpapan	30,000
14	Mrs. Krishna Jitpatima	30,000
15	Mr. Thanabodhi Swasdisri	40,000
<b>Total</b>		<b>1,607,549</b>

**(2) Other Remuneration****- None -****7.5 Personnel**

The Company has a total of 221 employees. In 2013, the company paid remuneration to employees in the amount of Baht 42,649,770.45, which included salary, over-time payments, social security and provident funds, for instance.

<b>2013</b>	<b>Company</b>	<b>Subsidiary</b>
Operations Personnel (persons)	121	None
Management Personnel (persons)	90	None
Personnel at head office (persons)	221	None
Total (persons)	42.65	None
Employee Remuneration (million Baht)	121	None



## **8. Corporate Governance**

### **8.1 Corporate Governance Policy**

The Board of Directors realizes the importance of good corporate governance, in order to ensure transparency, increase the competitiveness of the business, increase the maximum value and return for shareholders in the long-term.

Thus, the Board of Directors has prepared its corporate governance policy, effective on 9 November 2005, and was revised in 2007 and most recently amended in 2012, in order for its standard to be in accordance with the principles of good corporate governance revised by the Stock Exchange of Thailand in 2012, comprised of principles and guidelines in 5 chapters:

- (1) Rights of Shareholders
- (2) Equitable Treatment of Shareholders
- (3) Roles of Stakeholders
- (4) Disclosure of Information and Transparency
- (5) Responsibility of the Board of Directors

#### **Chapter 1 Rights of Shareholders**

##### **Rights and Equality of Shareholders**

The Board of Directors respects the rights of shareholders and is responsible for protecting the interests of all shareholders equally, no matter whether the shareholder is a minority shareholder or a foreign shareholder, institutional investor or a majority shareholder. All shareholders have the same rights and are equal. Apart from this all shareholders receive the same rights as prescribed by the Company's Articles of Association and the law, such as

- (1) Right to receive share certificates, transfer shares and right to regularly and timely receive information, the Company's performance and management policies.
- (2) Right to receive a portion of profits equally.
- (3) Right to attend shareholders' meetings, express opinions and make suggestions and jointly decide on important changes.

### Shareholders' Meetings

The Company has a policy of holding shareholders' meetings in compliance with the law and the guidelines for holding shareholders' meetings issued by the agency responsible for monitoring listed companies, the Stock Exchange of Thailand.

At shareholders' meetings, all shareholder have equal rights in receiving information, expressing opinions and asking questions at the meeting, in accordance with the agenda and items proposed. The chairman of the meeting is responsible for allocating managing the meeting schedule and promoting the expression of opinions and questions at the meeting.

At all shareholders' meetings, it is also required that at least 1 Independent Director is appointed as a proxy of shareholders who are unable to attend the meeting as indicated in the meeting invitation. The Board of Directors will not combine unrelated matters and propose this in one resolution and at all shareholders' meetings all directors have a duty to attend in order to respond to any questions asked.

## **Chapter 2 Equitable Treatment of Shareholders**

All shareholders, including those which are in the management and those whom are not, as well as foreign shareholders will be treated equitably and fairly. The Board of Directors will hold shareholders' meetings such that equitable treatment of shareholders is encouraged.

### Use of Internal Information and Purchase or Sale of Securities

In using the Company's internal information, the Company requires that Directors and all Members of the Executive Committee report any change in shareholding to the Office of the Securities and Exchange Commission, in accordance with section 59 of the Securities and Exchange Act B.E. 2535. It is prohibited for Directors, Executive Committee Members or other departments which receive the Company's internal information to disclose such information to external parties or unrelated parties, as well as purchase or sell the Company's securities within a period of 1 month before the disclosure of the financial statement to the public.

### Conflicts of Interest and Connected Transactions

Persons who enter into transaction on behalf of the Company have a responsibility to verify the relation with the trading partner to determine whether the trading partner is related to a Director, Executive Committee Member or employee, before entering into the transaction, in order to prevent any conflicts of interest which may arise. The

definition of “relationship” shall be in accordance with the criteria on the disclosure of information and other acts of listed companies concerning connected transactions.

### **Chapter 3 Role of Stakeholders**

The Company realizes the rights of different stakeholders and has a policy of creating confidence by ranking the importance of stakeholders, including shareholders, employees, Executive Committee Members, customers, trading partners, creditors as well as the overall community. The Company will also encourage cooperation between stakeholders from different groups in accordance with their roles and responsibilities so that the Company’s business has stability and responds to the benefits of all parties.

The Company has prepared its ethics code, which is a part of the compliance policy, intended to be a guideline and good practice manual for Directors, Executive Committee Members as well as employees of the Company to adhere to in conducting the business of the Company honestly and ethically.

### **Chapter 4 Disclosure of Information and Transparency**

#### Roles and Responsibilities of the Board of Directors relating to the Disclosure of Information and Transparency

The Board of Directors is responsible for the sufficient, reliable, on time and accurate disclosure of information, both financial and non-financial, to allow shareholders and other stakeholders to have equal access to the information.

The Managing Director is the most appropriate person to be the “spokesperson” to the Company in communicating and sending useful information to shareholders, investors, securities analysts and other stakeholders.

The Company has a policy of disclosing important information to the public and moreover, the Company must disclose information as prescribed by the law or relevant regulations, as follows:

- (1) Objectives of the Company
- (2) Financial status and performance of the Company, shareholder structure and voting rights
- (3) Names of Directors, name of the various committees, Chairman of the Executive Board, the general manager and their remuneration
- (4) Governance structures and policies
- (5) Disclose information in the annual report regarding the number of meetings attended by directors and/or the attendance of each Director as well as a comparison of the attendance in previous years.

## 8.2 Sub-Committees

The Board of Directors have organized sub-committees to assist in the studying and assisting with of some of the Board of Directors' responsibilities as follows:

### 8.2.1 Audit Committee

The Audit Committee is a part of the Board of Directors. The Committee is nominated from at least 3 Directors of the Company, one of whom must have knowledge on accounting/finance. The Audit Committee is comprised of Independent Directors, all having the qualifications regarding their independence in accordance with the Notifications of the Securities and Exchange Commission.

The names of Audit Committee Members as of 31 December 2013 are as follows:

No.	Name	Position in Audit Committee	Position in Board of Directors
1.	Mr.Somkad Sueptrakul	Chairman of the Audit Committee Member	Vice-Chairman of the Board / Independent Director
2.	Mr. Tawich Pimpapan	Audit Committee Member	Independent Director / Director
3.	Mrs. Krishna Jitpatima	Audit Committee Member	Independent Director / Director

**Remark** Director No. 1 has knowledge and experience regarding the law and Directors No. 2 and 3 have knowledge and experience regarding accounting and finance.

### Roles and Responsibilities of the Audit Committee

(1) Review so that the Company reports correct and sufficient financial information, by coordinating with the auditors and responsible Executive Committee Members in the preparation of the financial statement, both quarterly and annually. The Audit Committee may also recommend that the auditors review any items that are seen as necessary and important during the audit.

(2) Review so that the Company has appropriate and effective internal auditing system and internal audit system by jointly reviewing as such with the auditor and/or internal auditor.

(3) Review so that the Company complies with laws relating to the securities and stock exchange, notifications of the stock exchange or other laws relevant to the business of the Company.

(4) Consider, select, propose and appoint in addition to proposing the audit fee, based on the credibility, sufficiency of resources and number of audits conducted by the auditor, as well as experience of personnel assigned to audit the Company.

(5) Consider, review and provide an opinion regarding any connected transactions entered into by the Company and its subsidiaries, for compliance with the notifications, regulations and guidelines of the Stock Exchange of Thailand.

(6) Review the Company's risk management system.

(7) Prepare the audit committee report for disclosure in the Company's annual report as well as provide an opinion on the preparation process and disclosure of information in the financial statement regarding the accuracy and reliability and an opinion regarding the sufficiency of the Company's internal auditing system. The Chairman of the Audit Committee must jointly provide an opinion on the appointment, dismissal and fixing of remuneration for the internal auditors.

(8) Jointly provide an opinion on the performance, appointment, dismissal and remuneration of the internal auditors. In doing so the Audit Committee may invite the relevant operations team, the Executive Committee Members or Company employees to provide their comments, attend meetings or submit relevant documents.

(9) Consider inspecting and providing opinions on commercial transactions between the Company and its distributors every quarter, in terms of the reasonableness of the price and other conditions.

(10) To prepare the Audit Committee's opinion on sales through distributors during the year for disclosure in the Company's annual report.

### **8.2.2 The Executive Committee**

The Executive Committee is a sub-committee of the Board of Directors, nominated by the Board of Directors of the Company, comprising of 4 directors. As of 31 December 2012, the Executive Committee was comprised of:

<b>No.</b>	<b>Name</b>	<b>Position in the Board of Executive Directors</b>	<b>Positions in the Board of Directors</b>
1.	Mr. Patiparn Karnjanaviroje	The Chairman of the Board	The Chairman of the Board Authorized Director
2.	Mr. Withaya Chakphet	Executive Director	Managing Director Authorized Director
3.	Mr. Thanabodhi Swasdisri	Executive Director	Authorized Director
4.	Mrs. Tippawan Chakphet	Executive Director	Authorized Executive Director

Authority and scope of Responsibility of the Executive Committee

(1) 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.

(2) To determine and establish the business plan, budget and management authority of the company for the Board of Directors' consideration and approval.

(3) To review, follow up, and incorporate the policies and guidelines of the company's management ensuring efficiency and effectiveness for the business.

(4) To review and follow up the company's performance according to the business plan.

(5) To conduct a preliminary review of the investment projects before submission to the Board of Directors for consideration and approval.

(6) To occasionally handle other matters assigned by the Board of Directors.

### **8.3 Nomination and Appointment of Directors and Senior Management**

#### **8.3.1 Independent Directors**

Qualifications of Independent Directors are as follows:

(1) Audited Committee Members must be Independent Directors, holding shares worth not more than 1 per cent of paid-up capital of the Company and related companies, including shares held by related persons.

(2) Have no direct or indirect benefit from, or interest in, the finance and management of the Company and related companies during a period of two (2) years before his or her appointment as an independent director up until the present.

(3) Have no participation in the management of the Company and must not be an advisor who receives a regular salary from the Company or a person who has a control on the Company.

(4) Not be a related person in term of business, e.g., purchase/sell products or services, purchase/sell assets or offer/grant financial aids.

(5) Have no relationship with a person who provides professional services to the Company, e.g., auditors, legal consultants or asset estimators.

(6) Have no relationship with executive officers, major shareholders and no benefit or interest with business of the Company.

The list of Independent Directors as of 31 December 2013 is as follows:

No.	Name	Positions in the Board of Directors
1.	Mr. Somkad Sueptrakul	Chairman of Audit Committee/ Vice-Chairman of the Board/ Independent Director
2.	Mr. Tawich Pimpapan	Audit Committee Member/ Independent Director/Director
3.	Mrs. Krishna Jitpatima	Independent Director/ Audit Committee Member/ Director

### 8.3.2 Nomination of Directors and Senior Executives

#### (1) Nomination of Directors

The nomination of directors must be processed by the Nomination Committee. The Committee will consider and nominate directors from his/her qualifications under Section 68 of the Public Company Act B.E. 2535 and qualifications under the relevant notifications of the Stock Exchange of Thailand. Apart from that, experience, knowledge and competence are also considered. Later on, the Committee will present the list of candidates to the shareholders' meeting for consideration and approval as Directors.

Appointment and Dismissal of Company Directors are as follows:

(1.1) According to Articles of Associations of the Company, Directors of the Company must be appointed by shareholders' meeting, consisting of no less than 5 persons and according to principle of good governance of the Stock Exchange Thailand, there should be no less than 3 Independent Directors and at least 1 Director who has knowledge in accounting and finance.

(1.2) Allow the shareholders' meetings to appoint qualified directors who have previously been nominated by the Nomination Committee under the following criteria:

- (1) Each shareholder has one vote per share held.
- (2) Each shareholder exercises all votes applicable under (1) in electing one or more persons as Directors but cannot allocate only part of the votes to any candidate.

(1.3) At every Annual General Meeting, one third of the Directors, or if this number is not a multiple of three, then the number nearest to 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.

(1.4) If a post is vacated because of reasons other than rotation, the Board of Directors may elect a person who is qualified and not prohibited according to the Company's regulations to fill the post at the next Board of

Directors' meeting, except when the vacated direct position has less than two months left. A new director must remain in office for only as long as the remaining term.

## (2) Nomination of Senior Management

### Nomination Committee

The Board of Directors have approved the appointment of the Nomination Committee for resigning Directors on 9 August 2012, by appoint 3 of the Company's Directors. The Company has 3 Nomination Committee Members, however, Directors No. 1 and 3 have already resigned and the Company has not appointed any replacements.

No.	Name	Positions in Nomination Committees	Positions in Committees
1.	Assoc. Prof. Dr. Wisut Thitiroonruang	Chairman of Nominating Committee	Independent Directors/ Audit Committee Member
2.	Mr. Sa-nga Wanasinchai	Nominating Committee	Managing Director
3.	Mr. Withaya Chakphet	Nominating Committee	Executive Director

### **Roles and responsibilities of the Nomination Committee**

- (1) To select appropriate persons to the candidates for Directors, Managing Director and Executive Committee Members.
- (2) To set the method and criteria for the nomination of Directors, managing director, Executive Committee Members in order to create transparency.

The Nomination Committee has set the method and criteria for the appointment of persons as Directors as follows:

- (1) The Nomination Committee sets the qualifications of the replacement Director to have conditions and qualifications as prescribed by relevant law and regulations and also set the method for proposing names of candidates who have the required qualifications
- (2) The Nomination Committee summarizes the results of the nomination and proposes the name of the most suitable persons to the Board of Directors along with supporting reasons.



(3) The Board of Directors considers persons with the required qualifications in accordance with the list proposed by the Nomination Committee to consider appoint such persons as Directors or propose the names to the shareholders' meeting for approval.

In 2013, the Nomination Committee held 1 meeting to consider appointing Directors who retired by rotation to be re-appointed as Directors of the Company for another term. The Committee proposed this person to the Board of Directors for further proposal to the shareholders' meeting.

### **Remuneration Committee**

The Board of Directors of the Company approved the appointment of the Remuneration Committee on 9 August 2012 by appointing 3 Directors. The Remuneration Committee is comprised of 3 Directors with the names listed below. However, Directors No 1 and 3 have resigned from their positions and the Company has not appointed any replacement

No.	Name	Position in Remuneration Committee	Position in Board of Directors
1.	Assoc.Prof.Dr.Wisut Thitiroongreung	Chairman of the Remuneration Committee	Independent Director Audit Committee Member
2.	Mr. Withaya Chakphet	Remuneration Committee Member	Managing Director
3.	Mr. Prateep Buphaintr	Remuneration Committee Member	Audit Committee Member Independent Director

### Roles and responsibilities of the Remuneration Committee

- (1) To consider guidelines on the fixing of remuneration to Directors and Executive Committee Members
- (2) To set the method and criteria for fixing fair and reasonable remuneration to Directors and propose this to the Board of Directors or the shareholders' meeting for consideration and approval.

In 2013, the Remuneration Committee held 1 meeting to consider the remuneration of Directors in different committees for proposal to the Board of Directors to consider and propose to the shareholders' meeting for approval.

#### **8.4 Supervision and operations of subsidiaries and affiliate companies**

In 2013, the Company has not undertaken any actions in relation to its subsidiary as it was only established at the end of 2013. Further, the Company has no affiliated companies in 2013.

#### **8.5 Monitoring Usage of Internal Information**

In using internal information, the Company specifies that all Directors and Executives report any change in the securities held by them to the Securities and Exchange Commission in accordance with section 59 of the Securities and Exchange Act B.E. 2535 within 3 working days from the purchase, sale, transfer or receipt of the securities.

It is prohibited for Directors and Executives or departments which received internal information to disclose such information to persons outside the Company or persons who are not involved. Further, they must not purchase or sell the Company's securities within 1 month before the Company's financial statement are disclosed to the public.

#### **8.6 Audit Fee**

The Company paid an audit fee to DIA International Co., Ltd, auditors in this accounting firm or businesses related to the auditors and DIA International Co., Ltd in the previous accounting period of Baht 795,000 with no other non-audit fee.

#### **8.7 Good Corporate Governance in Other Areas**

The Board of Directors realizes the importance of conducting business by adhering to the principles of good corporate governance for listed companies as announced by the Stock Exchange of Thailand, governance policies and business ethics. The Board of Directors is confident that the Company can achieve its target and steadily grow as well as build confidence for shareholders and all stakeholders. The Board of Directors prepared a written corporate governance policy since 2005 and was revised in 2008 to coincide with the principles of good corporate governance for listed companies as announced by the stock exchange and guidelines on the preparation of policies on good corporate governance by the Thai Institute of Directors. The Board of Directors, the Executive Committee Members is determined in performing their duties while adhering to the 5 principles of good corporate governance, namely:

- (1) Accountability
- (2) Transparency
- (3) Equitable Treatment
- (4) Long-Term Value-Added Creation to Stakeholders

(5) Promotion of Best Practices

As well as adhere to the Company's business ethics and use them to conduct business transparently and in accordance with the principles of good corporate governance. The Company has complied with the principles of good corporate governance as announced by the Stock Exchange of Thailand as follows:

## **Chapter 1 Shareholders' Rights**

At the Annual General Meeting for the year 2013, held on 23 April 2013, the Board of Directors prioritized and respected the rights of shareholders, in compliance with principles, as follows:

### Prior to the Annual General Meeting for the year 2013

(1) The Company asked shareholders for agendas for consideration and director nominations through its website from 21 December 2012 to 22 January 2013.

(2) Consideration of the agendas to be considered at the Annual General Meeting commenced from February 2013. The agendas were proposed to the Managing Director and Chairman of the Board of Directors for consideration, prior to proposing this to the Board of Directors for approval of the agendas and supporting documents for the meeting, including the meeting invitation.

(3) The Company sent the invitation to the meeting specifying the date, time and venue of the meeting together with

(3.1) Map of the venue of the meeting

(3.2) Details of each agenda

(3.3) Annual Report

(3.4) Proxy forms which allow shareholders to fix their votes for each agenda, i.e. in favor, not in favor or abstain. Further shareholders were also allowed to vote for each candidate for directorship separately.

(3.5) Information on Independent Directors, in order for shareholders to use such information where shareholders wished to nominate the Independent Directors as their proxy

(3.6) Explanations on documents and evidence required to be presented in order to attend the meeting, detailing the requirements for different circumstances for shareholders.

(3.7) The provisions of the Articles of Association of the Company relevant to shareholders' meetings.

(4) For the convenience of shareholders in studying information for their decision making, the Company ensured that sufficient information was disclosed for every agenda as prescribed by the law and guidelines of set by the Securities and Exchange Commission.

(5) The Company assigned the Thailand Securities Depository Co., Ltd to be the Company's registrar, to send out invitations to the meeting to all shareholders more than 10 days prior to the meeting.

(6) The Company announced the summoning of its Annual General Meeting in a Thai stock daily newspaper for 3 consecutive days and no less than 3 days prior to the meeting, between 17-19 April 2013.

(7) The Company announced the invitation at [www.eicsemi.com](http://www.eicsemi.com) in both Thai and English commencing from 11 March 2013.

(8) The Company announced on the Stock Exchange of Thailand's Electronic Listed Companies Information Disclosure system, that the Company had published the relevant documents for the shareholders' meeting, in both Thai and English no less than 30 days prior to the meeting, i.e. from 11 March 2013 onwards.

#### On the date of the Shareholders' Meeting

(1) The Company held its Annual General Meeting for the year 2013 on 23 April 2013, at 2.00 p.m. at Krisna Room, Swiss Hotel Le Concorde, Rachadapisek Road, Bangkok, which was a time and venue convenient for shareholders. The Company arranged for personnel to sufficiently facilitate the verification of documents of all shareholders attending the meeting and also arranged for stamp duty for the convenience of shareholders whom nominated proxies to attend the meeting.

(2) The Company arranged to independent lawyers to assist with the verification of documents used to attend the meeting and voting process during the meeting.

(3) The Company has 8 Directors and 8 Directors attended the meeting, the names of which appear in minutes of the meeting announced on [www.eicsemi.com](http://www.eicsemi.com). Apart from this, there were also other advisors who attended the meeting, namely, the Accounting and Finance Manager, independent lawyer, Company Secretary and auditors from DIA International.

(4) The total number of shareholders who attended the meeting in person and by proxy was 53 persons holding a total of 303,427,845 shares, constituting 76 % of the total sold shares of the Company, which exceeds one third of the total shares (the Company has a total of 400,000,000 shares)

(5) Before commencing the meeting, the Chairman explained important information to shareholders in relation to the voting for each agenda and voting procedure for the mutual understanding of all parties as follows:

(5.1) Each shareholder has votes equivalent to the number of shares he or she holds.

- (5.2) Prior to voting, the Chairman will ask for the shareholders opinion and whether they are “in favor”, “not in favor” or “abstain” from voting on the agenda.
- (5.3) Where no shareholders or proxies are “not in favor” or “abstains” (except for the votes which must be abstained due to conflicts of interest), it will be deemed that the meeting is “in favor” or “unanimously approved” the agenda.
- (5.4) Where there are shareholders or proxies are “not in favor” or “abstains”, such shareholders must place their vote on the voting cards issued by the Company’s officers and should raise their hands to return the voting cards the Company’s officers collection and calculation. The Company will deduct the votes “not in favor” and “abstain” from the total number of votes which attended the meeting to determine the number of votes “in favor” of the agenda. If there are more votes “in favor” as required by the law for that agenda, it shall be deemed that the meeting “approved” the agenda.
- (5.5) In questioning or providing opinions on any agenda, shareholders should state their full names for the purpose of incorporation into the minutes of the meeting.

(6) The Chairman of the meeting conducted the meeting in accordance with the Company’s Articles of Association and agenda stated in the invitation to the meeting, which had already been sent to shareholders. There was no other agenda considered which was not stated in the invitation to the meeting.

(7) The Company arranged for voting ballots to be issued to all attendants, in particular for shareholders who were not in favor or abstained in any agenda. The Company has separated important agendas from each other so that shareholders may independently vote on each agenda. For example, in relation to the appointment of Directors, the Company allowed shareholders to vote for each candidate separately and at the Annual General Meeting for the year 2013, the shareholders obtained unanimous resolutions and there were not votes not in favor or abstained votes.

(8) During the meeting, the Board of Directors allowed shareholder who attended the meeting to question and inquire the Board of Directors. The details of the questions and inquiries can be found in the minutes of the meeting announced on [www.eicsemi.com](http://www.eicsemi.com)

#### After the Annual General Meeting for the year 2013

(1) After the meeting was adjourned, the Company notified the public of the resolutions of shareholders through the Stock Exchange of Thailand’s Electronic Listed Company Information Disclosure system

within the next day containing the results of the resolution (in favor/not in favor) and the results of the voting (agree/disagree/abstain) for each agenda.

(2) The Company submitted its minutes, containing the details of Directors and Executives who attended the meeting, the resolutions obtained and questions raised during the meeting to the Stock Exchange of Thailand within 14 days from the date of the meeting. Additionally, the Thai and English versions of the minutes of the meeting was posted on the website [www.eicsemi.com](http://www.eicsemi.com)

## **Chapter 2 Equitable Treatment of Shareholders**

The Company places importance on the equitable and equal treatment of all shareholders and implemented the following:

### **(1) Proposals of additional agendas to the meeting and nomination of candidates for directorship**

The Company has a policy of facilitating shareholders in proposing additional agendas in advance as well as the nomination of candidates for directorship before the date of the Shareholder's meeting. The Company has clear criteria which was disclosed through the Stock Exchange of Thailand and the Company's website. Shareholders were provided with the opportunity to propose additional agendas and candidates for directorship for a period of 1 month, commencing on 21 December 2012 to 22 January 2013. The criteria is that a shareholder or shareholders holding no less than 1 percent of the total shares can propose additional agendas and candidates for directorship. This ratio was set to facilitate shareholders even more than that prescribed by the law, which states that a shareholder or shareholders holding no less than 5 percent of the total shares. For this meeting, no shareholders proposed any additional agendas or names of candidates for directorship.

### **(2) Nominating Proxies to Attend the Meetings**

Where a shareholder is unable to attend the meeting, the Company provides the shareholder with the opportunity to proxy another person or an independent director to attend the meeting on the shareholders' behalf. The Company has sent all 3 types of proxy nomination forms, clearly specified the documents required for the proxy to attend the meeting as well as the procedure for nominating a proxy.

## **Chapter 3 Roles of Stakeholders**

### **1. Treatment of Different Stakeholders**

The Company contracts all groups of stakeholders namely shareholders, customers, stakeholders, creditors, competitors, employees, our community and environment. The guidelines for this are written in the Company's

corporate governance policy and business ethics, which has been disclosed thorough the Company's website. In conducting its business, the Company respects the rights of stakeholders as follows:

#### 1.1 Shareholders

The Company performs its obligations to shareholders with honesty, in good faith, fairly, managing the Company for growth, stability and to generate appropriate returns for shareholders. There is constant, equal and complete disclosure of information to shareholders. Apart from this, the Company provides the opportunity for shareholders to express their opinions, suggestions as well as propose additional agendas and nominate candidates for directorship at shareholders' meetings.

#### 1.2 Customers

- (1) The Company takes interest in and is responsible to its customers, treats all customer equally and fairly. Moreover, the Company is determined to build customer satisfaction and confidence so that customers receive quality services.
- (2) The Company conducts its business in accordance with international standards, on time, and with the highest safety standards, receiving ISO 9001, ISO 14001 and ISO 16949 certification.
- (3) The Company has organized activities to promote good relationships outside the Company, for example, the White Factory Project.

#### 1.3 Trading Partners

The Company complies with the contractual obligations owned to trading partners, treats all trading partners equally, fairly and on the basis of fair and mutual benefits for both parties. The Company does not request, receive or provide any benefits which are not honest to trading partners.

#### 1.4 Creditors

The Company complies with the contractual obligations with creditors and provides sufficient and accurate financial information. The Company does not request, receive or provide any benefits which are dishonest to creditors.

### 1.5 Competitors

The Company operate within the framework of good competition, does not seek confidential information regarding competitors by dishonest or inappropriate channels. The Company does not damage the reputation of competitors by making negative claims with no supporting evidence.

### 1.6 Employees

All of the Company's employees are important in the operation of the business, therefore, the company places great importance on our employees and provides them with appropriate remuneration and benefits, as well as encourage the involvement of our employees as follows:

- (1) The Company has a policy regarding social and employment responsibility in order to encourage employees' rights to be respected and protected in accordance with labor laws.
- (2) The Company has prescribed practices relating to employee remuneration and benefits.
- (3) The Company provides appropriate remuneration and benefits, namely salary, bonuses, provident funds as well as life, accident and health insurance, for employees.
- (4) The Company organizes orientation and training regarding business ethics, company values, safety and the quality system, in addition to initial knowledge necessary for the performance of duties to new employees before going to their respective departments for on the job training.
- (5) The Company organizes the promotion of good relationships within the organization, such as New Year's party, and the Company's annual merit making event.
- (6) The Company assists employees where they faced the flooding crisis, for example, facilitated the location in performing work, allowing employees in certain positions to work from home, looking after employee's transportation and homes, providing assistance funds and interest free loans, for example.

### 1.7 Social and Community

Activities related to the development of the community, namely the White Factory project, the joint project between the Company and the Faculty of Engineering, King Mongkut's Institute of Technology Ladkrabang in the development of semiconductor personnel, for instance.



## **2. Safety, Occupational Health and Working Environment**

The Company places great importance on safety, occupational health and the working environment and has set safety, occupational health and working environment policies. Further, the Company has established a Safety, Occupational Health and Working Environment Committee as follows:

- (1) To strictly comply with laws and environmental standard requirements
- (2) To promote and develop production design, to select raw materials which are environmentally friendly, containing no dangerous or prohibited substances in accordance with the law or international manufacturing control standards.
- (3) To save costs and control the usage of natural resources such as water, paper and electricity
- (4) To control and reduce the generation of waste in all activities related to the Company's operations, for example:
  - (4.1) The production of products does not generate waste in the process and does not create water or air pollution
  - (4.2) To promote and develop the Company's personnel or persons related to the operations of the Company to have appropriate and consistent knowledge about and realize the value of the environment.
- (5) To organize activities relating to safety, occupational health and the working environment such as, organizing the annual health checkup, organizing the Big Cleaning Day, organizing training on different courses such as courses on occupational health and working environment, basic firefighting and fire evacuation courses as well as procure personal preventive equipment as examples.

## **3. Efficient Use of Resources and Environmental Management**

The Company encourages efficient use of resources and for the maximum benefits while also considering the environmental impact and has monitored the impact and set measures to prevent and mitigate such impacts systematically. The Company has set policies for power conservation and established a working committee to manage power in accordance with the power conservation policy.

## **4. Respect for Human Rights**

The Company requires that all Directors, Executives and employees of the Company and the subsidiary complies with business ethics in relation to respect for human rights, for example:

- Adhere to democracy and encourage employees to exercise their voting rights in accordance with the Constitution.

- Treat employees on the basis of human dignity and respect personal rights.
- Encourage and respect the protection of human rights by monitoring so that the Company does not become involved with any violation of human rights, for example, the Company does not support forced labor and is against using child labor.
- Encourage monitoring compliance with human rights in the organization and stimulate compliance with principals of human rights accordance with international standard.

In the past, there has never been a report or complaint relating to violations of human rights against the Company.

## **5. Intellectual Property or Copyright**

The Company requires that all Directors, Executives and employees comply with business ethics in relation to intellectual property as follows:

- (1) To protect the Company's intellectual property and avoid violating the intellectual property of third parties.
- (2) To comply with all laws, regulations and contractual obligations relating to intellectual property rights of other persons, including patents, copyright, trade secrets and other propriety information.
- (3) To not violate or use the intellectual property rights of other persons in a wrongful way.
- (4) Where there is any copyright or other intellectual property created by employees when performing their duties, the copyright or intellectual property will belong to the Company.

In the past, there has been no report or complaint relating to a violation of intellectual property against the Company.

## **6. Anti-bribery and Corruption**

The Company requires that all Directors, Executives and employees comply with business ethics in relation to anti-bribery and corruption as follows:

- (1) Not to engage in any forms of offering consideration, bribes, requesting, agreeing or accepting bribes from others regardless of whether directly or indirectly, to provide a benefit or with the expectation of a mutual benefit that relates to the business of the Company.
- (2) Not to engage in unlawful acts relating to government officials, other persons or other departments, whether directly or indirectly

(3) Not to make donations or make payment for facilitation or support payments to others or government officials as a channel for bribery.

(4) Not to support cash or other benefits payments, whether directly or indirectly to political parties or persons related to political parties for the purpose of obtaining a benefit in the business of the Company or for himself or allies.

In the past, there has been no report or complaint relating to a bribery or corruption.

#### **Chapter 4 Disclosure of Information and Transparency**

The Company realizes the importance of disclosure of information regarding the Company, including financial information and non-financial information in an accurate, complete, timely and transparent manner, through the different channels as follows:

(1) the Stock Exchange of Thailand's Electronic Listed Companies Information Disclosure system and the S.E.C's website.

(2) the Company's website [www.eicsemi.com](http://www.eicsemi.com) which supports both Thai and English

(3) providing information to analysts and investors who come to visit and talk to the Company's Executives

(4) the delivery of documents to shareholders via post

The Company discloses information in accordance with the requirements of the Office of the S.E.C and the Stock Exchange of Thailand.

The Company has a channel for stakeholders to send complaints or suggestions to the Company's email: [eic@eicsemi.com](mailto:eic@eicsemi.com) Tel. 02 7394580, or through post at:

Electronics Industry Public Company Limited

65, 68 Chalongkrung 31, Chalongkrung

Latbrabang, Bangkok

The Company has never been ordered to amend its financial statements by the Securities and Exchange Commission and has always disclosed the annual and quarterly financial statements to shareholders and investors within the specified timeframe.

## **9. Corporate Social Responsibility: CSR**

### **9.1 Overall Policy**

The Board of Directors has a policy in conducting business with responsibility to the community, environment and stakeholders and the policy of managing the manufacturing process to be friendly to the environment and the community. The methods used are preventative, namely:

- Complying with laws, regulations, environmental requirements and other relevant requirements as well as comply with the relevant standards in solving, prevent and monitoring environmental impacts to be in line with the relevant laws.
- To use international environment management standards to monitor environmental management and review in accordance with ISO 14001 environmental management standards, by reviewing every 6 months.

### **9.2 Operations and Preparation of Reports**

Activities and businesses for steady development and preservation of the quality of the environment are as follows:

#### **(1) Controlling, reviewing and evaluating hygiene industry**

So that the Company's operations do not annoy the community in accordance with the Notification of the National Environment Board and is safe for persons who work inside the factory in accordance with the Notification of the Ministry of Interior. The Company designed the premises by regularly measuring light, sound, heat, chemicals, impurities in the air to be better than the standards on safety in the workplace relating to the working environment to control the environment to be in a safe condition.

#### **(2) Becoming a green industry**

EIC products of every group are products are environmentally friendly products in accordance with RoHS international standard and does not use any prohibited raw materials under Directive 2011/65/EU and Packing and packaging Waste, Directive 94/62/EC.

#### **(3) Using environmentally friendly technology in the manufacturing process**

The Company is the designer, manufacturer and seller of semiconductors (silicon wafers diodes and transistors) of high quality and has been widely accepted in term of quality by manufacturers in different industries around the world. The Company researches and develops the process for manufacturing products from wafer fabrication until diode assembly.

**(4) Wafer fabrication process**

The Company's diode manufacturing process starts with Si-wafers or "wafers" crystalized by the Czochralski method, as the raw material. After this the wafers will be cut and polished into a circular shape, with a thickness of approximately 250-350 microns.

The above process for fabricating wafers starts by creating a PN-Junction on the wafer to create the semiconductor by diffusing substances at high temperatures. Subsequently designs are made to be further assembled into diodes or discrete semiconductor devices.

The Company has processes for the wafers process as follows

- 1) Open-junction
- 2) Oxide passivated package : OPP and
- 3) Glass passivated package : GPP, in which the electrode is made from pre gold. The next step therefore is to cut the wafers into chips and send them into the assembly process which will connect the chip to the external electrode (Soldering) assemble the case of the chip (Molding).

The diode assembly process which uses Dice/Chip with closed junctions is different from the diode assembly process which uses dice/chips with oxide passivated packages as the diode assembly process usually uses dice/chip with open-junction, which must be etched and afterwards must be heated in an oven at 210 degrees Celsius for 3 hours. However for the Company's diode assembly process the majority of times dice/chips with oxide passivated packages will be used, which is an innovation in which the Company developed the assembly process to be environmentally friendly and the products do not require etching. This means that after soldering, the diodes can be heated at 60 degrees Celsius and only requires 1 hour in the oven.

**(5) Reduction of Chemical Usage in the Production Process**

The Company is determined in creating a manufacturing process which is environmentally friendly by continuously developing processes which reduce the use of chemicals, whilst maintaining the quality of products and increasing output.

In the Company's diode production process, in 2013, the Company used Dice/Chip or GPP Dices as raw materials as a component in the diode assembly process for approximately 70 of all Dices.

The Company's rate of average chemical use is 0.7 Kg per 1KPCS of manufactured products. This is a reduction from 2012 in which the Company's rate of average chemical use was 0.12 Kg per 1KPCS of manufactured products.

**9.3 Businesses which Impact the Community**

- None -

**9.4 Social and Environmental Activities (After Process)**

- None -

## **10. Internal Auditing and Risk Management**

### **10.1 Opinion of the Board of Directors on the Company's internal auditing system**

The Board of Directors is of the opinion that overall there is no significant issue relating to the sufficiency of the internal audit systems which may lead to the conclusion that the internal audits systems are insufficient.

The composition of the internal auditing is as follows:

(1) Set good policies for corporate governance in accordance with international standards as a clear frame and direction, as well as designing the management structure of the Company so as to spread authority. There are also effective and sufficient internal inspections and controls by allowing the internal auditors to be under the oversight of the Audit Committee, who are independent from the management, to monitor and follow up on the operations of the management, to be in accordance with the policies and targets. This is to create the maximum benefits to shareholders and be accountable to stakeholders namely shareholders, customers, trading partners, competitors, creditors, the government, employees, the community and the environment, as well as conduct business ethically, transparently and able to be reviewed to be able to build confidence to stakeholders to lead the organization in growing enduringly.

(2) Have a consideration process and regularly monitor the performance to support the Company in meeting its targets and allow effective and sufficient internal audits.

(3) Using information technology to manage the Company's important information, to be up to date, accurate, complete and current as well as organize the information system both internally and externally, to assist persons who receive the information to perform their responsible duties efficiently and effectively.

### **10.2 Opinion of the Audit Committee**

The Audit Committee is of the opinion that overall there is no significant issue relating to the sufficiency of the internal audit systems which may lead to the conclusion that the internal audit systems are insufficient.

### **10.3 Head of Internal Audit and Head of Compliance**

The internal audit officers, appointed by the Audit Committee will prepare the annual internal audit plan and reports between the Company and distributors quarterly and for every quarter, including in the annual report, for submission to the Audit Committee for their opinion.

## **11. Connected Transactions**

The Company has reported a connected transaction between the Company and Unitop Rubber Co., Ltd with the information as follows:

(1) Date, time, year of entry into the transaction and relevant parties

(1.1) Date, month and year of entry into transaction: 26 December 2012

(1.2) Relevant Parties

Lessee: Unitop Rubber Co., Ltd

Lessor: Electronics Industry Public Company Limited

(2) Characteristics of the Transaction

The Company as the “Lessor” agreed to let Unitop Rubber Co., Ltd. “Lessee” lease building No. 67 and 68 (part only) Lumplatiew Sub-district, Latbrabang District, Bangkok for a factory in manufacturing silicon rubber. This is a subsequent agreement to the lease agreement with First Silicon Electronics Co., Ltd and has a term of 3 years, from 1 January 2012 to 31 July 2015. The Lessee will pay rent to the Lessor in the amount of Baht 55,000, divided into rent for building No. 67, having an area of 900 square meters in the amount of Baht 30,000 and building No. 68 (partly), having an area of 300 square meters in the amount of Baht 22,000, having a total area for both buildings of 1,200 square meters. The Lessor may increase the rent every 3 years no less than 10% of the rent on the last month of the third year.

(3) Details of relationship with connected person

(3.1) Mr. Sarawuth Jinwuth is the Chairman of the Board of Directors of Electronics Industry Public Company, Lessor and a shareholder in the amount of 20 of the paid-up capital in Unitop Rubber Co., Ltd.

(3.2) Mr. Withaya Chakphet is the Managing Director of Electronics Industry Public Company Limited, the Lessor, and a shareholder in the amount of 28% of the paid up shares in Unitop Rubber Co., Ltd and is also an authorized director of Unitop Rubber Co., Ltd, the Lessee.

(3.3) Mrs. Tippawan Chakphetis a director in Electronics Industry Public Company Limited, the Lessor, and a shareholder of 20% of the paid-up capital of the Unitop Rubber Co., Ltd as well as the managing director and authorized director of Unitop Rubber Co., Ltd, the Lessee



- (3.4) Mr. Sa-nga Wanasinchai is a director of Electronics Industry Public Company Limited, the Lessor, and a shareholder in the amount of 10% of the paid-up capital of Unitop Rubber Co., Ltd, the Lessee.

(4) Reasons for the Report

Building No. 67 the leased property is not being used as the floor has collapsed. Afterwards First Silicon Electronics Co., Ltd, Lessee, requested to lease the building. The lessee offered to fix the floor by drilling, reshaping and laying 2 layers of reinforced concrete at the lessee's own cost, being approximately Baht 2.8 million, resulting in the building almost being brand new. When the lease agreement was renewed with Unitop Rubber Co., Ltd the Lessee also made additional improvements to the floor and the building.

(5) Control Measures

The Audit Committee has no further opinion.

## **12. Important Financial Information**

### **Auditor's Remuneration**

(1) Audit Fee

The Company paid an audit fee to the auditing firm in which its auditors are based, persons or businesses related to the auditor and the audit firm in which the auditor is based, in the previous financial year, in the amount of Baht 795,000.

(2) Non-audit Fee

No non-audit fee was paid to the audit firm in which the auditor is based in the 2013 financial year.

**(1) Summary of Financial Report****Table of financial statement**

Contents	Separate financial statement						Consolidated Financial Statement	
	December 31, 2011		December 31, 2012		December 31, 2013		December 31, 2013	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Assets								
<b>Current assets</b>								
Cash and cash equivalents	86.36	13.86	53.61	8.64	60.76	9.95	60.86	9.97
Short-term investment	0.00	0.00	0.00	0.00	0.65	0.11	0.65	0.11
Trade and other receivables	69.33	11.13	64.97	10.47	0.00	0.00	75.25	12.32
Inventories	306.45	49.19	286.53	46.19	0.00	0.00	256.79	42.05
Other current assets	0.25	0.04	0.38	0.06	0.00	0.00	0.00	0.00
Assets classified as held for sale – discontinued operation	0.00	0.00	0.00	0.00	474.22	77.66	0.00	0.00
Total current assets	462.39	74.22	405.48	65.37	535.63	87.72	393.55	64.45
<b>Non-current assets</b>								
Investment in subsidiaries	0.00	0.00	0.00	0.00	0.10	0.02	0.00	0.00
Restricted investments	0.00	0.00	64.84	10.45	0.00	0.00	2.00	0.33
Property, plant and equipment	151.67	24.34	144.16	23.24	0.00	0.00	137.24	22.47
Intangible assets	8.64	1.39	5.61	0.90	0.00	0.00	2.90	0.47
Deferred tax assets	0.00	0.00	3.00	0.53	4.70	0.77	4.70	0.77
Share subscription deposit	0.00	0.00	0.00	0.00	70.00	11.49	70.00	11.46
Other non-current assets	0.30	0.05	0.20	0.03	0.19	0.03	0.26	0.04

Contents	Separate financial statement						Consolidated Financial Statement	
	December 31, 2011		December 31, 2012		December 31, 2013		December 31, 2013	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Total non-current assets	160.61	25.78	214.80	34.63	74.99	12.28	217.10	35.55
<b>Total assets</b>	623.00	100.00	620.28	100.00	610.63	100.00	610.64	100.00
<b>Liabilities and shareholders' equity</b>								
<b>Current liabilities</b>								
Trade and other payables	9.54	1.53	13.16	2.12	0.00	0.00	13.57	2.22
Loans from related persons	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.02
Liabilities included with asset classified as held for sale	0.00	0.00	0.00	0.00	18.13	2.97	0.00	0.00
Other current liabilities	0.28	0.04	0.24	0.04	0.00	0.00	0.00	0.00
<b>Total current liabilities</b>	9.82	1.58	13.40	2.16	18.13	2.97	13.67	2.24
<b>Non-current liabilities</b>								
Deposits received from tenants	0.21	0.03	0.21	0.03	0.00	0.00	0.21	0.03
Employee benefit obligations	4.68	0.75	5.53	0.89	0.00	0.00	4.27	0.70
Deferred tax liabilities	0.00	0.00	0.00	0.00	9.61	1.57	9.61	1.58
<b>Total non-current liabilities</b>	4.88	0.78	5.74	0.93	9.61	1.57	14.08	2.31
<b>Total liabilities</b>	14.70	2.36	19.14	3.09	27.74	4.52	27.75	4.54
<b>Shareholders' equity</b>								
<b>Share capital</b>								
Registered share capital								

Contents	Separate financial statement						Consolidated Financial Statement	
	December 31, 2011		December 31, 2012		December 31, 2013		December 31, 2013	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
400,000,000 ordinary shares at Baht 1 each	400.00		400.00		400.00		400.00	
Authorized, issued and paid-up share capital								
400,000,000 ordinary shares at Baht 1 each	400.00	64.21	400.00	64.49	400.00	64.14	400.00	14.91
Premium on share capital	93.00	14.93	93.00	14.99	93.00	64.14	93.00	14.91
<b>Retained earnings</b>								
Appropriated for legal reserve	13.30	2.14	13.73	2.21	13.73	2.20	13.73	2.20
Unappropriated	75.91	12.19	63.93	10.31	51.76	8.30	51.77	8.30
Other components of equity	26.08	4.19	30.50	4.92	24.40	3.91	24.40	3.91
Non-controlling interests	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total shareholders' equity</b>	608.30	97.64	601.15	96.91	582.88	93.74	582.89	93.74
<b>Total liabilities and shareholders' equity</b>	623.00	100.00	620.28	100.00	610.63	97.92	610.64	97.92

**Statements of Comprehensive Income**

Contents	Separate financial statements						Consolidated Financial statement	
	2011		2012		2013		2013	
	Million Bath	%	Million Bath	%	Million Bath	%	Million Bath	%
<b>Revenues</b>								
Revenues from sales	166.31	100.00	140.96	100.00	0.00	0.00	187.04	100.00
Less Cost of goods sold	(135.69)	(81.59)	(122.77)	(87.10)	0.00	0.00	(179.01)	(95.71)
Gross profit	30.62	18.41	18.19	12.90	0.00	0.00	8.02	4.29
<b>Other income</b>								
Other income	2.31	1.39	6.84	4.86	0.00	0.00	5.24	2.80
Gain on exchange rates	5.70	3.43	0.00	0.00	0.00	0.00	7.58	4.05
<b>Total other income</b>	8.01	4.82	6.84	4.86	0.00	0.00	12.82	6.85
Profit before expenses	38.63	23.23	25.04	17.76	0.00	0.00	20.84	11.14
<b>Expenses</b>								
Selling expenses	(3.42)	(2.06)	(4.00)	(2.84)	0.00	0.00	(5.97)	(3.19)
Administrative expenses	(16.24)	(9.77)	(14.83)	(10.52)	0.00	0.00	(19.83)	(10.60)
Directors' remuneration	(1.93)	(1.16)	(2.05)	(1.45)	0.00	0.00	1.61	(0.86)
Management benefit expenses	(8.61)	(5.18)	(8.35)	(5.93)	0.00	0.00	7.44	(3.98)
<b>Other expenses</b>								
Loss on exchange rates	0.00	0.00	(1.37)	(0.97)	0.00	0.00	0.00	0.00
Loss from devaluation in inventories	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total other expenses	0.00	0.00	(1.37)	(0.97)	0.00	0.00	0.00	0.00
<b>Total expenses</b>	(30.20)	(18.16)	(30.60)	(21.71)	0.00	0.00	(34.85)	(18.63)
Loss for the year	8.43	5.07	(5.57)	(3.95)	(14.51)	0.00	(13.29)	(7.49)
<b>Other comprehensive income (expense)</b>								
Gain on revaluation of assets	0.00	0.00	4.42	3.13	0.00	0.00	0.00	0.00

**Statements of Comprehensive Income**

<b>Contents</b>	<b>Separate financial statements</b>						<b>Consolidated Financial statement</b>	
	<b>2011</b>		<b>2012</b>		<b>2013</b>		<b>2013</b>	
	<b>Million Bath</b>	<b>%</b>	<b>Million Bath</b>	<b>%</b>	<b>Million Bath</b>	<b>%</b>	<b>Million Bath</b>	<b>%</b>
Other comprehensive income (expense) for the year	0.00	0.00	4.42	3.13	1.88	0.00	1.88	1.00
Total comprehensive income (expense) for the year	8.43	5.07	(1.15)	(0.82)	(12.64)	(3.12)	(11.41)	(6.10)

**Statements of Cash Flows**

Unit : Million Baht

Contents	Separate financial statements			Consolidated Financial statement
	2011	2012	2013	2013
<b>Cash flows from operating activities</b>				
Profit (loss) before corporate income tax	8.43	(5.57)	(15.23)	0.00
Adjustments to reconcile net profit to net cash provided by operating activities	-	-	-	-
Depreciation	14.20	13.18	12.21	12.21
Doubtful accounts	2.87	0.40	1.20	1.20
Reversed doubtful accounts	0.00	(2.87)	(2.52)	(2.52)
Amortized program development	0.03	0.05	0.05	0.05
Expenditure for project of program development	3.16	2.99	2.66	2.66
Loss on allowance for devaluation of inventories	2.71	7.29	3.53	3.53
Other income from fire damage compensation	-	-	-	-
Loss on provision for impairment of withholding income tax	0.00	0.17	0.00	0.00
(Gain) on sales of assets	(0.23)	(0.94)	(0.16)	(0.16)
Loss on damaged assets	0.00	0.71	0.00	0.00
Unrealized loss (gain) on exchange rates	(2.57)	0.84	(3.51)	(3.51)
Profit from operations before changes in operating assets and liabilities	28.61	16.25	(1.47)	(0.25)
(Increase) Decrease in trade and other receivables	38.66	6.22	(5.29)	(7.84)
(Increase) Decrease in inventories	4.73	12.63	26.37	26.37
Compensation from fire damage	-	-	-	-
(Increase)/Decrease in other current assets	0.15	(0.13)	-	-
(Increase)/Decrease in other non-current assets	(0.42)	0.00	-	-
Increase (Decrease) in trade and other payables	1.84	3.65	0.03	0.03
Increase (Decrease) in other current liabilities	(0.05)	(0.04)	-	-



**Statements of Cash Flows**

Unit : Million Baht

Contents	Separate financial statements			Consolidated Financial statement
	2011	2012	2013	2013
Increase (Decrease) in other non-current liabilities	(0.00)	0.00	0.00	0.00
Increase (Decrease) employee benefit liabilities	0.94	0.85	0.61	0.61
Cash generated (paid) from operation	74.46	39.45	20.25	18.92
Corporate income tax paid	(0.07)	(0.07)	(0.05)	(0.05)
Net cash provided by (used in) Operating Activities	74.39	39.37	20.20	18.87
Cash Flows from Investing Activities				
Restricted investments	0.00	(64.84)	62.84	62.84
Purchase of Fixed Assets	(5.92)	(2.02)	(5.45)	(5.45)
Proceeds from Sales of Fixed Assets	0.23	0.99	0.00	0.00
Net cash provided by (used in) Investing Activities	(5.69)	(65.87)	(13.36)	(13.26)
Cash Flows from Financing Activities	-	-	-	-
Dividend Paid	(8.00)	(6.00)	0.00	0.00
Net cash provided by (used in) Financing Activities	(8.00)	(6.00)	-	-
Effect from changes in exchange rate of cash and cash equivalents	0.65	(0.26)	-	-
Net Increase/(Decrease) in cash & cash equivalents	61.35	(32.76)	7.15	5.92
Cash and cash equivalents as at January 1	25.02	86.36	53.61	54.93
Cash and cash equivalents as at December 31	86.36	53.61	60.76	60.86

**Financial Ratio**

Financial Ratio	Separate Financial Statements			Consolidated Financial Statement
	2011	2012	2013	2013
<b>LIQUIDITY RATIO</b>				
Current Ratio (Times)	56.72	30.26	28.81	28.79
Quick Ratio (Times)	16.84	8.85	9.96	9.96
Cash Ratio (Times)	8.40	3.39	4.45	4.45
Accounts Receivable Turnover (Times)	1.88	2.10	2.66	2.71
Receivables Conversion Period (Days)	191	171	135	133
Inventory Turnover (Times)	0.43	0.41	0.66	0.66
Inventory Conversion Period (Days)	840	869	546	546
Payables Turnover (Times)	15.86	10.82	13.28	13.27
Payables Conversion Period (Days)	23	33	27	27
Cash Cycle (Days)	1,008	1,007	655	652
<b>PROFITABILITY RATIO</b>				
Gross Profit Margin	20.05	12.90	4.29	4.29
Operating Profit Margin	10.43	(3.95)	(7.49)	(7.49)
Other Profit Margin	0.00	2.99	0.00	(6.41)
Cash to Profitability Ratio	882.13	(707.14)	(134.69)	(134.70)
Net Profit Margin	4.84	(0.78)	(5.71)	(7.11)
Return On Equity	1.36	(0.19)	(1.94)	(2.28)
<b>EFFICIENCY RATIO</b>				
Return on Assets	1.36	(0.19)	(1.85)	(2.18)
Return on Fixed Assets	14.53	8.13	0.57	(6.12)
Total Assets Turnover (Times)	0.28	0.24	0.32	0.30

Financial Ratio	Separate Financial Statements			Consolidated Financial Statement
	2011	2012	2013	2013
<b>FINANCIAL POLICY RATIO</b>				
Debt to Equity Ratio (Times)	0.02	0.03	0.05	0.05
Times Interest Earned (Times)	N/A	N/A	N/A	N/A
Leverage Ratio (Cash basis)	(1.39)	5.35	2.33	1.43
Dividend Payout Ratio	94.86	N/A	N/A	N/A

## **13. Management Discussions and Analysis**

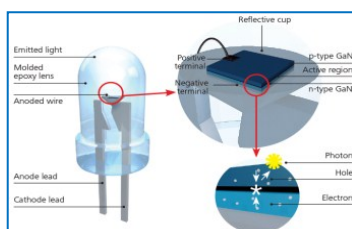
### **Industry and Trends**

Semiconductor Devices can be divided into the following categories

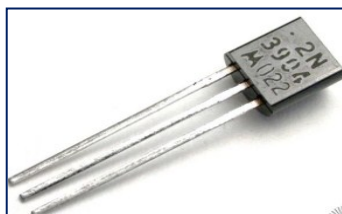
1. Memories
2. MPUs and MCUs
3. Logic
4. Analog IC
5. Discrete Semiconductor
6. Optical Semiconductor
7. Sensors and Actuators

**The Company's products are classified as Discrete Semiconductors and products in this category include:**

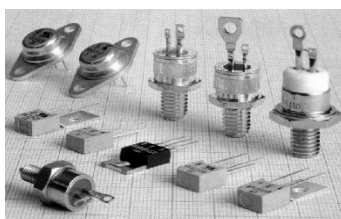
#### **1) Photosensitive and LED semiconductor devices**



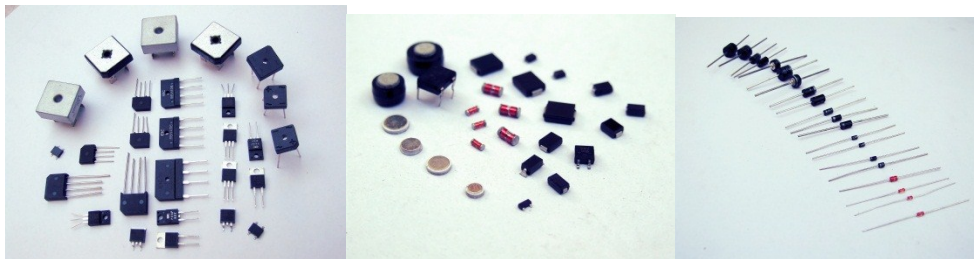
#### **2) Transistors**



#### **3) Diacs, thyristors and triacs**



#### 4) Diodes



Technological innovations together with the never-ending requirements of consumers is the factor forcing the creations of new and more effective discrete semiconductor products. However, due to the economic crisis which brought down consumer demand, the prices for technological products continuously decreased while demand for stockpiling raw materials for production also decreased. This resulted in the sales for opto, sensor and discrete semiconductors decreasing in 2013. IC Insights News reported that sales in the opto, sensor and discrete semiconductor industry amount to only \$58.6 Billion, an increase of only 1 percent compared to the sales figures for 2012, which was \$58.2 Billion. This increase is considered the lowest increase in the previous 15 years (1997 – 2012) in which the average growth was 7.8 percent (CAGR of 7.8%) per year. Additionally, the market share for power transistors which originally constituted more than 50 percent, decreased down to 9 percent in 2013.

However, discrete semiconductors are necessary components for manufacturing use in all industries, including automobiles, cellular handsets, infrastructure, other communications, consumer, computer & office equipment, industrial, renewable energy medical, lighting and transportation. The increase in demand will vary with the demands of the mentioned industries, in particular, the automobile, server power supply, data centers industries as well as industries related to energy, such as wind farms and solar farms.

### Overall Performance of the Company for the Previous Year

The Company's diode products are a basic component for electrical appliances, and converts alternating current into direct current, in particular in power supplies. Apart from this, the products also function to protect damage to the circuits in electronic equipment which are designed to control very complex mechanisms.

The competitiveness of EIC's products lies in the development of Glass Passivated Processed Dice (GPP Dice) for the assembly of diodes, as using Glass Passivated Processed Dice (GPP Dice) will benefit the quality of the product. This results in the Company's diodes having the special properties requested by customers, namely, there will be very little change in the electrical properties, less electric current leakage, increasing the effectiveness of the diode in converting alternating current into direct current and protecting damage to circuits. Additionally this also allows the diodes to have a longer life span, reducing electronic waste and helps consumers who use the technological products mentioned to save energy.

For the performance ending 31 December 2013, the Company had income from sales in the amount of Baht 187.04 million, making a loss of 13.92 million, an increase when compared to the last year's performance where the loss was Baht 6.78 million. The loss increased more than 20 percent as the Company faced higher cost of goods sold as well as selling expenses due to the change in the business structure.

### Income

The Company had a total income, as of 31 December 2013, of Baht 199.85 million, an increase from Baht 147.41 million in 2012 and Baht 174.32 million in 2011. The main income sources of the Company consist of sales of goods of Baht 187.03 million and other income of Baht 12.82, which was a result of income from foreign exchange of Baht 7.58 and interest of Baht 5.24.

Income from sales in the amount of Baht 116.96 or 62.53 percent of the total sales were a result of sales to general customers, both foreign and domestic, in particular important customers in Europe who continuously ordered products every month, especially Rectifier Diodes, used in the automobile industry. This shows that the risk of dependence on distributors has decreased and the portion of direct sales to customers has increased.

Distributor	2013		2012		2011	
	Sales (Thousand Baht)	Percentage of total Sales	Sales (Thousand Baht)	Percentage of total Sales	Sales (Thousand Baht)	Percentage of total Sales
1. EIC International Co., Ltd.	58,673.63	31.37	49,094.25	34.83	62,655.96	37.67
2. EIC Semiconductor Inc.	11,408.23	6.10	13,376.29	9.49	21,207.08	12.75

3. EIC Semi Ltd.	0.00	0.00	0.00	0.00	11,963.20	7.19
4. General Customers (direct sales)	116,957.36	62.53	78,491.09	55.68	70,488.30	42.39
<b>Total</b>	<b>187,039.22</b>	<b>100.00</b>	<b>140,961.63</b>	<b>100.00</b>	<b>166,314.54</b>	<b>100.00</b>

## Profitability

### Cost of Goods Sold and Selling and Administrative Expenses

The Company obtained income from sales of Baht 187.03 as of 31 December 2013 while the cost of goods sold was Baht 179.01 million or 95.71 percent of the of the income from sales. The cost of goods sold increased compared to 2012 where the cost of goods sold was Baht 122.77 million or 87.10 percent of the income from sales of Baht 140.96 million. The increased cost was a result of the following important factors:

1. In quarter 4 of 2013, the Company sold 3 items of products with a lower gross profit than that specified in the Company's policy, namely:

- The sale of diode and LED diode products in the amount of approximately Baht 20 million were sales below the gross product margin specified by the Company as the Company received a large amount of orders in accordance with customers' demands at the same time as other types of diodes. The Company has ordered diodes and LED diodes from foreign countries and imported the products to service the requirements of the single customer. The sales gave rise to a lower gross profit than that specified by the Company and resulted in an increase of the cost of goods sold.
- In the sale of products in the form of stocks offering, the Company sold products which were recorded in the reserve in the quarter 3 of 2013 as stock offering. Those products are products that the Company designed and manufactured for specific customers. When the customers cancelled orders, there is a minimal chance of reselling the products to another customer. Therefore, the Company was forced to sell the products in the form of stocks offering. The sales gave rise to a lower gross profit than that specified by the Company and resulted in an increase of the cost of goods sold
- In the sale of products in New Part Numbers which have new packages, the Company must import such products from foreign countries for sale to customers. These products had a higher cost of importation than the products manufactured by the Company and a lower gross profit margin then that specified in the Company's policy, resulting in an increase of the cost of goods sold.

2. The Company also faced an increase in administrative expenses of Baht 4.1 million or 26.52 percent compared to the previous year, resulting from the change in business structure.

### Gross and Net Profit

In 2013, the Company obtained a gross profit of only 4.29 percent, a decrease from 2012 in which the gross profit was 12.90 percent. As mentioned above, this reduction was due to the increased costs, in the form of costs of goods sold and selling and administrative expenses.

The increase in costs and selling and administrative expenses, resulted in the Company obtaining a loss in 2013 of Baht 13.29 million, which was an increase of more than 20 percent compared to the performance in 2012, where the net loss was Baht 6.64 million.

### Asset Management Capabilities

#### The Company's Financial Status

##### 1. Assets

The Company's assets, as of 31 December 2013 totaled Baht 610.64 million Baht, a reduction from Baht 622.40 and Baht 624.96 million in 2012 and 2011 respectively. The decrease in 2013 was a result of a reduction in inventory, including fixed assets, land, building and intangibles.

Table showing the Company's assets in 2011 – 2013

	Separate Financial Statement					Consolidated Financial Statement				
	2554	%	2555	%	2556	%	2555 total	%	2556 total	%
		per assets		per assets		per assets		per assets		per assets
		total		total		total		total		total
<b>Assets</b>										
<b>Current assets</b>										
Cash and cash equivalents	86.36	14%	53.61	9%	60.76	10%	54.93	8.83%	60.86	10%
Short-term Investments	0.00		0.00		0.65	0%	0.00		0.65	0%
Trade and other receivables	69.53	11%	65.19	10%	0.00		62.66	10.07%	75.25	12%
Inventory	306.50	49%	286.68	46%	0.00		286.68	46.06%	256.79	42%
Other current assets	0.00		0.00		0.00		0.00		0.00	
Assets held for Sale and discontinued	0.00		0.00		474.22	78%	0.00		0.00	



operations										
<b>Total current assets</b>	462.39	74%	405.48	65%	535.63	88%	404.27	64.95%	393.55	64%
<b>Non-current asstes</b>										
Investments in a subsidiary	0.00		0.00		0.10		0.00	0.00%	0.00	
Resfricted Investment	0.00		64.84	10%	0.00		64.84	10.42%	2.00	
Property, plant and equipment	151.67	24%	144.15	23%	0.00		144.16	23.16%	137.23	22%
Intangible asstes	8.64	1%	5.61	1%	0.00		5.61	0.90%	2.90	0%
Defered tax assets	1.97	0%	3.33	1%	4.70		3.32	0.53%	4.70	1%
Deposit share	0.00		0.00		70.00	11%	0.00	0.00%	70.00	11%
Other assets	0.29	0%	0.20		0.19		0.20	0.03%	0.26	0%
Total non-current asstes	162.57	26%	218.13	35%	74.99	12%	218.13	35.05%	217.09	36%
Total asstes	624.96	100%	623.61	100%	610.62	100%	622.40	100.00%	610.64	100%

#### Trade Receivables

From the table showing the Company's assets, it can be identified that the Company's trade receivables increased in 2013, due to the increase in sales. In 2013, the Company obtained income from 2 customers who were distributors in the amount of Baht 70.08 million. The Company's 10 large general customers, in particular important customers in Europe, whom are manufacturers in the automobile industry, have consistently ordered the same parts, resulting in the Company obtaining income from such customers in the total amount of Baht 63.31 million, an increase compared to 2012, where the Company obtained income from 2 distributors in the amount of Baht 62.47 million and 11 large general customers in the amount of Baht 52.78 million.

#### Inventory

From the table showing the Company's assets, it can be identified that the Company's inventory is an asset with a proportion of over 40 percent of the total assets. As of 31 December 2013, the Company had inventory constituting 42 percent of its total assets, a reduction of 46 percent in 2012 and 49 percent in 2011. The Company has implemented a stricter policy in filtering general standard products in the inventory, which have better electrical properties than that required by the customers, for verification of electrical values and shape, after which a number will be printed on the product for delivery to the customers. This is to substitute for a re-manufacturing of every lot. The Company's policy in filtering general standard products, apart from being strict with the quality of the products, also helps to reduce the inventory to a certain extent.

A part from this, the Company has also set a reserve to decrease the value of finished goods and semi-finished goods, in accordance with useful lives of the product and in 2013, the Company also made a reserve for raw materials as follows:

Useful Lives of the Products (Year)	Depreciation Ratio
No more than 1 year	0
More than 1 year but not more than 2 years	10
More than 2 years but not more than 3 years	20
More than 3 years but not more than 4 years	30
More than 4 years	40

The Company has set depreciation on the value of raw material that the useful live is more than 4 years at the rate of 40%

**Table showing details on inventory**

Inventory	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Finished Goods - Company Standard	38,310,726.92	41,415,370.79	38,310,726.92	41,415,370.79
Finished Goods - General Standard	23,874,856.99	31,605,548.86	23,874,856.99	31,605,548.86
Total Finish Goods	62,185,583.91	73,020,919.65	62,185,583.91	73,020,919.65
Semi-finished Goods	136,925,080.99	154,566,868.48	136,925,080.99	154,566,868.48
Work in Process	32,586,936.56	29,469,300.62	32,586,936.56	29,469,300.62
Direct Raw Materials	80,779,017.64	80,096,615.71	80,779,017.64	80,096,615.71
Indirect Raw Materials	3,295,123.21	3,976,667.91	3,295,123.21	3,976,667.91
Consumable Goods - Factory and Package	4,158,965.27	5,113,028.71	4,158,965.27	5,113,028.71
Other Consumable Goods	99,976.43	152,706.80	99,976.43	152,706.80
Total	320,030,684.01	346,396,107.88	320,030,684.01	346,396,107.88
Less Depreciation of Product Value	(63,245,208.77)	(59,713,298.69)	(63,245,208.77)	(59,713,298.69)
Transferred out as Assets Held for Sale	0.00	0.00	-256,785,475.24	0.00
Inventory	256,785,475.24	286,682,809.19	0.00	286,682,809.19

The Company finds it necessary to stockpile raw materials and many types of products due to:

1. Necessity in storing semi-finished goods and finished goods to cater for the customer's usage requirements. This is because in the modern logistics system for the semiconductor industry, manufacturers for all types of electrical appliances, automobile parts and electronic products will push their costs in storing and maintaining raw materials to suppliers who are the manufacturers of important parts. For the Company's business, a diode manufacturing business, it is necessary for the Company to store a variety of semi-finished goods and finished goods to cater for the amount of orders based on the production plans of important customers.
2. To create an advantage in terms of deliver time and to respond to the policy of manufacturing various types of products to cater for the ever-changing requirements of customers with the technological changes and to facilitate customers to allow them to purchase a variety of products without having to order the products from different manufacturers. Therefore, the Company finds it necessary to stockpile raw materials to cater for production demand.

### Cancelled Operation Held for Sale

In quarter 4 of 2013, the Company invested in a newly incorporated subsidiary in the amount of 99.70 percent of the registered capital (registered capital of Baht 100,000). The extraordinary shareholders' meeting No. 1/2014 held on the 13 February 2014 obtained a resolution for the Company to change its business structure and transfer assets and liabilities relating to the manufacture of diodes to the subsidiary, EIC Semiconductors Co., Ltd, by using the net book value as the transfer price. Therefore, in the financial statement of the Company, there are assets and liabilities, as of 31 December 2013, showing in the account "assets held for sale-cancelled operations and liabilities related to the assets held for sale". This item is shown in the performance and cash flow for the year ending 31 December 2013 and 2012 as cancelled operations; however, the transfer of business has no impact on the consolidated financial statement.

Details of the assets and liabilities of the cancelled operations are as follows:

	(Unit : Baht)
	Separate Financial Statement
	31 December 2013
<b>Assets held for Sale - Cancelled Operation:</b>	
Trade Receivables and Other Receivables	75,238,132.61
Inventory	256,785,475.24
Investment fund with Restriction to Use	2,000,000.00
Land, Building and Equipment	137,235,769.69
Intangible Assets	2,896,863.08
Security	63,000.00
Total Assets held for Sale - Cancelled Operation	474,219,240.62

### Sufficiency of Working Capital

#### Source of Capital

##### Debt

The Company's total liabilities as of 31 December 2013 was in the amount of Baht 27.75 million, a decrease from Baht 28.10 in 2012. The liabilities come from current liabilities in the amount of Baht 13.67 million, an increase from 13.41 in 2012, and long-term liabilities of Baht 14.08 million, a decrease from Baht 14.69 million in 2012.

In terms of current assets, the increase was due to trade payables and other creditors valued at Baht 13.57 million, which is made up of current liabilities as of 31 December 2012 of Baht 10.18 million and an allowance for doubtful accounts in the amount of Baht 5.97 million. This was a result of the Company concluding a "Sale service by EIC Semi Ltd., during his overdue settlement term" agreement with EIC Semi Ltd., a distributor of the Company.

Under the agreement, the Company obtained consent from EIC Semi Ltd. in selling products directly to 31 of EIC Semi Ltd.'s customers and the sale of such products will create a margin for EIC Semi Ltd. The margin is considered a result of EIC Semi Ltd.'s selling capabilities and is deemed as a benefit to EIC Semi Ltd. These amounts will be used to set-off against an amount owing to EIC Semi Ltd. of Baht 14.64 million (USD 471,817.15) until the amount is repaid. The Company will perform the set-offs when it receives cash from the customers. For the margin where the products have been sold but cash has not been received, the Company will make an allowance for doubtful accounts. As of 31 December 2013, the Company has set-off the remaining amounts owed to EIC Semi Ltd. However, expenses from the allowance for doubtful accounts were subtracted from income in the statement of comprehensive income.

The long-term liabilities in the amount of Baht 14.08 million, were from employee benefit obligations and deferred tax.

#### **Fixed Assets held for Sale/Liabilities related to Assets held for Sale**

In 2013, the Company transferred and re-classified its trade receivables and other receivables, inventory, restricted investment, land, buildings and equipment, intangible assets and security as assets held for sale and re-classified trade payables and other payables, loans from connected persons, lessee's deposit and employee benefit obligations as liabilities related to assets held for sale.

The liabilities of the cancelled operations are as follows:

	(Unit : Baht)
	Separate Financial Statement
	31 December 2013
<b>Liabilities related to Assets held for Sale:</b>	
Trade Payables and Other Payables	13,557,872.64
Loan from Related Parties	99,700.00
Deposit received from Lessee	206,000.00
Employee Benefit Obligation	4,265,644.00
Total Liabilities related to Assets held for Sale	18,129,216.64
Net Assets held for Sale - Cancelled Operation	456,090,023.98

#### Shareholders' Equity

From the past performance, the Company does not have a policy of procuring capital by incurring debt, but will primarily use shareholders' equity, resulting in a very low debt to shareholders' equity ratio.

Shareholders' equity as of 31 December 2013 is valued at Baht 612.52 million, a decrease from Baht 622.41 million in 2012 and Baht 623.61 million in 2011. This decrease was due to the following 2 factors:

1. The Company incurred a loss in 2012 of Baht 6.64 million.

2. The Company incurred a loss in 2013 of Baht 13.29 million.

#### Liquidity

The Company had receivable cash flow from its performance in 2013 in the amount of Baht 18.87 million, a reduction when compared to 2012 in which the Company had receivable cash flow of Baht 40.77 million. This was due to the fact that the Company obtained an increase in trade account receivables in the amount of Baht 7.84 million compared to 2012, in which there was a decrease of receivables of Baht 8.63 million and an increase of creditors of Baht 3.63 million.

As for the cash used in the investments in 2013, during the year the Company acquired fixed assets as machinery and fixed assets in the amount of Baht 5.45 million. Apart from this, the Company cancelled a fixed deposit account with a commercial bank which was used as security in issuing a guarantee for EIC Zhongche Joint Venture in the amount of Baht 62.84 million. The account was recorded as restricted investment. Moreover, the Company also invested in a subsidiary in the amount of Baht 0.1 million and placed a deposit for shares in the amount of Baht 70 million, with the details as follows:

#### **Restricted Investment**

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Government Bonds	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Fixed Deposits	0.00	62,836,197.40	0.00	62,836,197.40
Transferred out as Assets Held for Sale	0.00	0.00	(2,000,000.00)	0.00
Restricted Investment	2,000,000.00	64,836,197.40	0.00	64,836,197.40

#### **Investment in Subsidiary**

	Investment (%)	(Unit :Baht)
		Financial Statement 31 December 2013
EIC Semiconductor Co., Ltd	99.70	99,700.00
Total		99,700.00

#### **Deposit for Shares**

The Company placed a deposit in the amount of Baht 70 million in accordance with the memorandum of understanding dated 4 December 2013 for the investment in Smart Traffic Co., Ltd of 49 percent of the total shares at

Baht 500 per share, and a total value of Baht 245 million. This was approved by the board of directors' meeting No. 8/2013 held on 4 December 2013 and a resolution of the extraordinary shareholders' No1/2014 held on 13 February 2014.

As for the liquidity ratio of the Company as of the end of 2011, 2012 and 2013, they were at 56 times, 30 times and 28 times respectively, and are considered as quite high.

#### **Factors which may affect performance in the future**

To increase income and profits to the Company, the Board of Directors proposed to the extraordinary shareholders' meeting No. 1/2014 held on 13 February 2014, and the shareholders' meeting considered and approved the Company to proceed in changing its business structure by transferring assets and liabilities related to the manufacture of diodes to EIC Semiconductor Co., Ltd. to operate the original business of manufacturing diodes. At the same time, a resolution was also obtained for the Company to invest in Smart Traffic Co., Ltd. to operate the business of a system of combining and remitting information through smart cards without touch system, to provide leading software and hardware used in gathering information for fare collection systems for toll ways, car parks and traffic control centers for private and public entities.

The Company believes that this is an expansion of business with potential and will generate good returns for shareholders in the future.

**ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND  
JOINT VENTURE**

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**



## **AUDITOR'S REPORT**

**To The Shareholders of**

**ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED**

I have audited the accompanying consolidated and separate financial statements of ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES AND JOINT VENTURE and of ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED, which comprise consolidated and separate statements of financial position as at December 31, 2013, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements 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 I 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 include 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 consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES AND JOINT VENTURE and of ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED as at December 31, 2013, and their financial performance and cash flows for the year then ended in accordance with the financial reporting standards.

**Emphasis of Matter**

Without qualifying my opinion, I draw your attention to the following notes to financial statements.

- 1) As stated in notes 1.4 and 31 as explained involving the impacts on the Company from restructure its business by transferring assets and liabilities in respect of the Company's diaod manufacturing to its subsidiary.
- 2) As stated in notes 3.16 and 4 to financial statements as explained involving the impacts on the Company from changes in new accounting policy since accounting standard No.12 "Income Taxes" was applied.

D I A International Audit Co., Ltd.

(Miss Somjintana Pholhirunrat)

C.P.A. (Thailand)

Registration No. 5599

February 25, 2014

**Electronics Industry Public Company Limited and Subsidiaries and Joint Venture**

**Statements of Financial Position**

**As at December 31, 2013**

		(Unit : Baht)				
Assets	Notes	Consolidated		Separate financial statements		
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			(Restated)		(Restated)	(Restated)
<b>Current assets</b>						
Cash and cash equivalents	5	60,859,095.00	54,934,541.39	60,759,095.00	53,606,626.90	86,364,298.77
Short-term investment	6	652,859.45	0.00	652,859.45	0.00	0.00
Trade and other receivables	7	75,253,874.37	62,658,628.87	0.00	65,193,954.53	69,525,832.17
Inventories	8	256,785,475.24	286,682,809.19	0.00	286,682,809.19	306,504,824.92
Assets classified as held for sale - discontinued operations						
	9	0.00	0.00	474,219,240.62	0.00	0.00
Total current assets		393,551,304.06	404,275,979.45	535,631,195.07	405,483,390.62	462,394,955.86
<b>Non-current assets</b>						
Investment in subsidiaries	10	0.00	0.00	99,700.00	0.00	0.00
Restricted investments	11	2,000,000.00	64,836,197.40	0.00	64,836,197.40	0.00
Property, plant and equipment	12	137,235,769.69	144,155,591.38	0.00	144,155,591.38	151,666,302.10
Intangible assets	13	2,896,863.08	5,607,070.36	0.00	5,607,070.36	8,644,467.26
Deferred tax assets	14	4,702,058.06	3,328,792.83	4,702,058.06	3,328,792.83	1,973,603.39
Share subscription posit	15	70,000,000.00	0.00	70,000,000.00	0.00	0.00
Other non-current assets		255,626.27	202,697.76	192,626.27	202,697.76	298,297.47
Total non-current assets		217,090,317.10	218,130,349.73	74,994,384.33	218,130,349.73	162,582,670.22
Total assets		610,641,621.16	622,406,329.18	610,625,579.40	623,613,740.35	624,977,626.08

Notes to the financial statements are an integral part of these financial statements.

(Sign).....Directors

( Mr. Patiparn Karnjanaviroje, Mrs. Tippawan Chakphet )

Electronics Industry Public Company Limited and Subsidiaries and Joint Venture

Statements of Financial Position (Cont'd)

As at December 31, 2013

		(Unit : Baht)				
		Consolidated		Separate financial statements		
Liabilities and shareholders' equity	Notes	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			(Restated)		(Restated)	(Restated)
<b>Current liabilities</b>						
Trade and other payables	16	13,567,872.64	13,407,898.30	0.00	13,397,898.30	9,820,875.46
Loans from related persons		99,700.00	0.00	0.00	0.00	0.00
Liabilities included with asset classified as held for sale	9	0.00	0.00	18,129,216.64	0.00	0.00
Total current liabilities		13,667,572.64	13,407,898.30	18,129,216.64	13,397,898.30	9,820,875.46
<b>Non-current liabilities</b>						
Deposits received from tenants		206,000.00	206,000.00	0.00	206,000.00	205,000.00
Employee benefit obligations	17	4,265,644.00	5,531,978.00	0.00	5,531,978.00	4,677,415.00
Deferred tax liabilities	14	9,612,519.52	8,957,635.92	9,612,519.52	8,957,635.92	6,855,834.07
Total non-current liabilities		14,084,163.52	14,695,613.92	9,612,519.52	14,695,613.92	11,738,249.07
Total liabilities		27,751,736.16	28,103,512.22	27,741,736.16	28,093,512.22	21,559,124.53
<b>Shareholders' equity</b>						
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	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	400,000,000.00
Premium on share capital		93,000,000.00	93,000,000.00	93,000,000.00	93,000,000.00	93,000,000.00
Retained earnings						
Appropriated for legal reserve	19	13,726,480.63	13,726,480.63	13,726,480.63	13,726,480.63	13,304,822.82
Unappropriated		51,765,391.56	63,178,593.52	51,759,619.80	64,396,004.69	76,248,735.92
Other components of equity		24,397,742.81	24,397,742.81	24,397,742.81	24,397,742.81	20,864,942.81
Total		582,889,615.00	594,302,816.96	582,883,843.24	595,520,228.13	603,418,501.55
Non-controlling interests		270.00	0.00	0.00	0.00	0.00
Total shareholders' equity		582,889,885.00	594,302,816.96	582,883,843.24	595,520,228.13	603,418,501.55
Total liabilities and shareholders' equity		610,641,621.16	622,406,329.18	610,625,579.40	623,613,740.35	624,977,626.08

Notes to the financial statements are an integral part of these financial statements.

(Sign).....Directors

( Mr. Patiparn Karnjanaviroje, Mrs. Tippawan Chakphet )

**Electronics Industry Public Company Limited and Subsidiaries and Joint Venture**

**Statements of Comprehensive Income**

**For the year ended December 31, 2013**

(Unit : Baht)				
	Consolidated		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		(Restated)		(Restated)
Revenues				
Revenues from sales	187,039,227.82	140,961,594.89	0.00	0.00
Less Cost of goods sold	(179,014,748.15)	(122,770,622.88)	0.00	0.00
Gross profit	8,024,479.67	18,190,972.01	0.00	0.00
Other income				
Other income	5,237,593.36	6,450,694.55	0.00	0.00
Gain on exchange rates	7,577,472.02	0.00	0.00	0.00
Total other income	12,815,065.38	6,450,694.55	0.00	0.00
Profit before expenses	20,839,545.05	24,641,666.56	0.00	0.00
Expenses				
Selling expenses	(5,969,537.92)	(4,004,444.41)	0.00	0.00
Administrative expenses	(19,825,455.72)	(15,653,959.34)	0.00	0.00
Directors' remuneration	(1,607,549.00)	(2,050,000.00)	0.00	0.00
Management benefit expenses	(7,444,675.00)	(8,352,935.00)	0.00	0.00
Other expenses				
Loss on exchange rates	0.00	(1,365,404.31)	0.00	0.00
Total other expenses	0.00	(1,365,404.31)	0.00	0.00
Total expenses	(34,847,217.64)	(31,426,743.06)	0.00	0.00
Profit (loss) before income tax	(14,007,672.59)	(6,785,076.50)	0.00	0.00
Income (expense) income tax	718,381.63	136,587.59	0.00	0.00
Loss for the year from continuing operations	(13,289,290.96)	(6,648,488.91)	0.00	0.00
Loss for the year from discontinued operations net of tax	0.00	0.00	(14,512,443.89)	(5,431,077.74)
Loss for the year	(13,289,290.96)	(6,648,488.91)	(14,512,443.89)	(5,431,077.74)
Other comprehensive income (expense)				
Gain on revaluation of assets	0.00	3,532,800.00	0.00	3,532,800.00
Gain (Loss) on employee benefits provisions	1,876,059.00	0.00	1,876,059.00	0.00
Other comprehensive income (expense) for the year	1,876,059.00	3,532,800.00	1,876,059.00	3,532,800.00
Total comprehensive income (expense) for the year	(11,413,231.96)	(3,115,688.91)	(12,636,384.89)	(1,898,277.74)

Notes to the financial statements are an integral part of these financial statements.

(Sign).....Directors

( Mr. Patiparn Karnjanaviroje, Mrs. Tippawan Chakphet )

Electronics Industry Public Company Limited and Subsidiaries and Joint Venture

Statements of Comprehensive Income

For the year ended December 31, 2013

	(Unit : Baht)			
	Consolidated		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		(Restated)		(Restated)
<b>Profit (loss) for the year attributable to:</b>				
Owners of the parent				
Loss for the year from continuing operations	(13,289,260.96)	(6,648,488.91)	0.00	0.00
Loss for the year from discontinued operations	0.00	0.00	(14,512,443.89)	(5,431,077.74)
Loss for the year-owners of the parent	(13,289,260.96)	(6,648,488.91)	(14,512,443.89)	(5,431,077.74)
Non-controlling interests				
Loss for the year from continuing operations	(30.00)	0.00	0.00	0.00
Loss for the year from discontinued operations	0.00	0.00	0.00	0.00
Loss for the year non-controlling interests	(30.00)	0.00	0.00	0.00
<b>Total comprehensive income (expense) for the year attributable to:</b>				
Owners of the parent	-11,413,201.96	(3,115,688.91)	(12,636,384.89)	(1,898,277.74)
Non-controlling interests	(30.00)	0.00	0.00	0.00
	(11,413,231.96)	(3,115,688.91)	(12,636,384.89)	(1,898,277.74)
<b>Basic earnings per share</b>				
Earnings (loss) per share	(0.03)	(0.02)	(0.04)	(0.01)
Number of common shares (share)	400,000,000	400,000,000	400,000,000	400,000,000

Notes to the financial statements are an integral part of these financial statements.

(Sign).....Directors

( Mr. Patiparn Karnjanaviroje, Mrs. Tippawan Chakphet )

**Electronics Industry Public Company Limited and Subsidiaries and Joint Venture**  
**Statements of Changes in Shareholders' Equity**  
**For the year ended December 31, 2013**

(Unit : Baht)

		Consolidated						
		Owners of the parent				Non-controlling interests	Total	
		Registered share capital	Premium on share capital	Retained earnings				Other components
				(deficit)				of equity
				Appropriated for legal reserve	Unappropriated			Revaluation surplus of assets
Notes								
		400,000,000.00	93,000,000.00	13,304,822.82	75,914,730.90	26,081,178.51	608,300,732.23	
	4	0.00	0.00	0.00	334,005.02	(5,216,235.70)	(4,882,230.68)	
		400,000,000.00	93,000,000.00	13,304,822.82	76,248,735.92	20,864,942.81	603,418,501.55	
	19	0.00	0.00	421,657.81	(421,657.81)	0.00	0.00	
	18	0.00	0.00	0.00	(5,999,995.68)	0.00	(5,999,995.68)	
		0.00	0.00	0.00	(6,648,488.91)	3,532,800.00	(3,115,688.91)	
		400,000,000.00	93,000,000.00	13,726,480.63	63,178,593.52	24,397,742.81	594,302,816.96	
		400,000,000.00	93,000,000.00	13,726,480.63	62,718,000.91	30,497,178.51	599,941,660.05	
	4	0.00	0.00	0.00	460,592.61	(6,099,435.70)	(5,638,843.09)	
		400,000,000.00	93,000,000.00	13,726,480.63	63,178,593.52	24,397,742.81	594,302,816.96	
		0.00	0.00	0.00	0.00	0.00	300.00	
		0.00	0.00	0.00	(13,289,260.96)	0.00	(13,289,290.96)	
		0.00	0.00	0.00	1,876,059.00	0.00	1,876,059.00	
		400,000,000.00	93,000,000.00	13,726,480.63	51,765,391.56	24,397,742.81	582,889,885.00	

Notes to the financial statements are an integral part of these financial statements.

(Sign).....Directors

( Mr. Patiparn Karnjanaviroje, Mrs. Tippawan Chakphet )

**Electronics Industry Public Company Limited and Subsidiaries and Joint Venture**

**Statements of Changes in Shareholders' Equity**

**For the year ended December 31, 2013**

(Unit : Baht)

		Separate financial statements					
		Registered share capital	Premium on share capital	Retained earnings (deficit)		Other components of equity	Total
				Appropriated for	Unappropriated	Revaluation surplus	
	Notes			Legal reserve		of assets	
Balance as at December 31, 2011 as previously reported		400,000,000.00	93,000,000.00	13,304,822.82	75,914,730.90	26,081,178.51	608,300,732.23
Effects of adopt accounting policy for income taxes	4	0.00	0.00	0.00	334,005.02	(5,216,235.70)	(4,882,230.68)
Balance as at January 1, 2012 - after restatement		400,000,000.00	93,000,000.00	13,304,822.82	76,248,735.92	20,864,942.81	603,418,501.55
Appropriated for legal reserve	19	0.00	0.00	421,657.81	(421,657.81)	0.00	0.00
Dividend paid	18	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	(5,431,077.74)	3,532,800.00	(1,898,277.74)
Balance as at December 31, 2012		400,000,000.00	93,000,000.00	13,726,480.63	64,396,004.69	24,397,742.81	595,520,228.13
Balance as at December 31, 2012 as previously reported		400,000,000.00	93,000,000.00	13,726,480.63	63,925,412.08	30,497,178.51	601,149,071.22
Effects of adopt accounting policy for income taxes	4	0.00	0.00	0.00	470,592.61	(6,099,435.70)	(5,628,843.09)
Balance as at December 31, 2012 - after restatement		400,000,000.00	93,000,000.00	13,726,480.63	64,396,004.69	24,397,742.81	595,520,228.13
Total comprehensive income (expense) for the year		0.00	0.00	0.00	(14,512,443.89)	0.00	(14,512,443.89)
Other comprehensive income (expenses)							
Actuarial Gains/ (Losses) for employee benefit reserve		0.00	0.00	0.00	1,876,059.00	0.00	1,876,059.00
Balance as at December 31, 2013		400,000,000.00	93,000,000.00	13,726,480.63	51,759,619.80	24,397,742.81	582,883,843.24

Notes to the financial statements are an integral part of these financial statements.

(Sign).....Directors

( Mr. Patiparn Karnjanaviroje, Mrs. Tippawan Chakphet )



**Electronics Industry Public Company Limited and Subsidiaries and Joint Venture**

**Statements of Cash Flows**

**For the year ended December 31, 2013**

(Unit : Baht)

	Notes	Consolidated		Separate financial statements	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<b>Cash flows from operating activities</b>					
Profit (loss) before corporate income tax from continuing operations		(14,007,672.59)	(6,785,076.50)	0.00	0.00
Profit (loss) before corporate income tax from discontinued operations	31	0.00	0.00	(15,230,825.52)	(5,567,665.33)
Adjustments to reconcile net profit to net cash provided by (used in) operating activities:					
Depreciation		12,209,277.37	13,183,483.84	12,209,277.37	13,183,483.84
Doubtful accounts		1,200,397.85	396,147.42	1,200,397.85	396,147.42
Reversed doubtful accounts		(2,529,883.43)	(2,873,919.59)	(2,529,883.43)	(2,873,919.59)
Amortized program development		51,586.29	51,727.63	51,586.29	51,727.63
Expenditure for project of program development		2,658,620.99	2,985,669.27	2,658,620.99	2,985,669.27
Loss on allowance for devaluation of inventories		3,531,910.08	7,289,637.44	3,531,910.08	7,289,637.44
Loss on provision for impairment of withholding income tax		0.00	170,141.84	0.00	170,141.84
(Gain) on sales of assets		157,494.97	(935,978.31)	157,494.97	(935,978.31)
Loss on damaged assets		0.00	711,294.91	0.00	711,294.91
Unrealized loss (gain) on exchange rates		(3,516,809.69)	840,296.88	(3,516,809.69)	840,296.88
Profit from operations before changes in operating assets and liabilities		(245,078.16)	15,033,424.83	(1,468,231.09)	16,250,836.00
(Increase) Decrease in trade and other receivables		(7,838,150.03)	8,632,625.44	(5,287,082.61)	6,097,299.78
(Increase) Decrease in inventories		26,365,423.87	12,625,761.91	26,365,423.87	12,625,761.91
Increase (Decrease) in trade and other payables		28,999.24	3,625,996.94	28,999.24	3,615,996.94
Increase (Decrease) in trade and other non-current liabilities		0.00	1,000.00	0.00	1,000.00
Increase (Decrease) employee benefit liabilities		609,725.00	854,563.00	609,725.00	854,563.00
Cash generated (paid) from operation		18,920,919.92	40,773,372.12	20,248,834.41	39,445,457.63
Corporate income tax paid		(52,928.51)	(74,542.13)	(52,928.51)	(74,542.13)
<b>Net cash provided by (used in) operating activities</b>		<b>18,867,991.41</b>	<b>40,698,829.99</b>	<b>20,195,905.90</b>	<b>39,370,915.50</b>

Notes to the financial statements are an integral part of these financial statements.

(Sign).....Directors

( Mr. Patiparn Karnjanaviroje, Mrs. Tippawan Chakphet )

Electronics Industry Public Company Limited and Subsidiaries and Joint Venture

Statements of Cash Flows (Cont'd)

For the year ended December 31, 2013

	(Unit : Baht)			
	Consolidated		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<b>Cash flows from investing activities</b>				
Short-term investment	(652,859.45)	0.00	(652,859.45)	0.00
Investment in subsidiaries	0.00	0.00	(99,700.00)	0.00
Share subscription deposit	(70,000,000.00)	0.00	(70,000,000.00)	0.00
Restricted investments	62,836,197.40	(64,836,197.40)	62,836,197.40	(64,836,197.40)
Payment for fixed assets acquisition	(5,446,950.65)	(2,018,071.03)	(5,446,950.65)	(2,018,071.03)
Proceeds from sales of fixed assets	0.00	985,981.31	0.00	985,981.31
<b>Net cash provided by (used in) investing activities</b>	<b>(13,263,612.70)</b>	<b>(65,868,287.12)</b>	<b>(13,363,312.70)</b>	<b>(65,868,287.12)</b>
<b>Cash flows from financing activities</b>				
Proceeds from short-term loans from related parties	99,700.00	0.00	99,700.00	0.00
Dividend paid	0.00	(5,999,995.68)	0.00	(5,999,995.68)
Proceeds from non-controlling interests	300.00	0.00	0.00	0.00
<b>Net cash provided by (used in) financing activities</b>	<b>100,000.00</b>	<b>(5,999,995.68)</b>	<b>99,700.00</b>	<b>(5,999,995.68)</b>
<b>Effect from changes in exchange rate</b>				
<b>of cash and cash equivalents</b>	<b>220,174.90</b>	<b>(260,304.57)</b>	<b>220,174.90</b>	<b>(260,304.57)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,924,553.61</b>	<b>(31,429,757.38)</b>	<b>7,152,468.10</b>	<b>(32,757,671.87)</b>
<b>Cash and cash equivalents as at January 1</b>	<b>54,934,541.39</b>	<b>86,364,298.77</b>	<b>53,606,626.90</b>	<b>86,364,298.77</b>
<b>Cash and cash equivalents as at December 31</b>	<b>60,859,095.00</b>	<b>54,934,541.39</b>	<b>60,759,095.00</b>	<b>53,606,626.90</b>

Notes to the financial statements are an integral part of these financial statements.

(Sign).....Directors

( Mr. Patiparn Karnjanaviroje, Mrs. Tippawan Chakphet )

# **Electronics Industry Public Company Limited and Subsidiaries and Joint Venture**

## **Notes to Financial Statements**

**For the year ended December 31, 2013**

### **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, Lumplatiew, Latkrabang, Bangkok 10520.
- 1.3 The Company's core businesses are produce and export electronics spare parts, import – export electronics spare parts.
- 1.4 In the fourth quarter of 2013, the Company has invested in a new established subsidiary at 99.70% of registered share capital (Baht 100,000). The shareholders' extraordinary meeting No. 1/2014 held on February 13, 2014, passed the resolution to approve the Company's restructure its business by transferring assets and liabilities in respect of the Company's diaod manufacturing to such subsidiary in order to be a parent company in which intended to invest in subsidiary whose business engaged in electronics and relevant electronics and software business with stability and yield upon investment generated, therefore, the reclassification was disclosed in note 31.

### **2. BASIS OF PREPARATION 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.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

### 2.2 Consolidated financial statements preparation basis

2.2.1 The consolidated financial statements have been prepared by including the financial statements of subsidiaries on which Electronics Industry Public Company Limited has ability to control in making financial and operating decisions as below :

	Percentage of investment (%)	Type of Business
	2013	
EIC SEMICONDUCTOR Co., LTD.	99.70	Produce and export electronics spare parts

The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.

The balance of accounts and transactions between Electronics Industry Public Company Limited and subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.

2.2.2 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. The Company is recognized expenses of such joint venture by proportionate consolidated method since the second quarter of 2012. At present, joint venture could not bid such work, therefore, the joint venture is being registered to dissolve its business.

## 2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS (CONT'D)

### 2.3 Adoption of new accounting standards during the period

The Federation of Accounting Professions issued new accounting standards, financial reporting standards, standing interpretations and accounting guidance which are effective for the period beginning on or after January 1, 2013 as follows:

<u>Accounting Standards</u>	<u>Contents</u>
TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rate
<u>Financial Reporting Standards</u>	
TFRS 8	Operating Segments
<u>Standing Interpretations</u>	
TSIC 10	Government Assistance-No Specific Relation to Operating Activities
TSIC 21	Income Taxes-Recovery of Revalued Non-depreciable Assets
TSIC 25	Income Taxes-Changes in the Tax Status of an Enterprises or its Shareholders
Accounting Guidance	Transfer of Financial Assets

Those accounting standards, financial reporting standards, standing interpretations and accounting guidance will have no significantly impacts on these financial statements except for TAS 12 "Income Taxes" as disclosed in notes 4.

## 2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS (CONT'D)

### 2.4 New accounting standards in issue not yet effective

The Federation of Accounting Professions issued the financial reporting standards in accordance with the notification which pronounced in the Royal Gazette which have not been effective as following:

	<b><u>Contents</u></b>	<b><u>Effective date</u></b>
<b><u>Accounting Standards</u></b>		
TAS 1 (Revised 2012)	Presentation of Financial Statements	January 1, 2014
TAS 7 (Revised 2012)	Statement of Cash Flows	January 1, 2014
TAS 12 (Revised 2012)	Income Taxes	January 1, 2014
TAS 17 (Revised 2012)	Leases	January 1, 2014
TAS 18 (Revised 2012)	Revenue	January 1, 2014
TAS 19 (Revised 2012)	Employee Benefits	January 1, 2014
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rate	January 1, 2014
TAS 24 (Revised 2012)	Related Party Disclosures	January 1, 2014
TAS 28 (Revised 2012)	Investments in Associates	January 1, 2014
TAS 31 (Revised 2012)	Interests in Joint Venture	January 1, 2014
TAS 34 (Revised 2012)	Interim Financial Reporting	January 1, 2014
TAS 36 (Revised 2012)	Impairment of Assets	January 1, 2014
TAS 38 (Revised 2012)	Intangible Assets	January 1, 2014
<b><u>Financial Reporting Standard</u></b>		
TFRS 2 (Revised 2012)	Share - Based Payments	January 1, 2014
TFRS 3 (Revised 2012)	Business Combinations	January 1, 2014
TFRS 4	Insurance Contracts	January 1, 2016
TFRS 5 (Revised 2012)	Non-current Asset Held for Sale and Discontinued Operations	January 1, 2014
TFRS 8 (Revised 2012)	Operating Segments	January 1, 2014

	<b><u>Contents</u></b>	<b><u>Effective date</u></b>
<b><u>Accounting Standard Interpretation</u></b>		
TSIC 15	Operating Leases-Incentives	January 1, 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	January 1, 2014
TSIC 29	Service Concession Arrangements: Disclosures	January 1, 2014
TSIC 32	Intangible Assets-Web Site Costs	January 1, 2014
<b><u>Financial Reporting Standard Interpretations</u></b>		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1, 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	January 1, 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1, 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	January 1, 2014
<b><u>Financial Reporting Standard Interpretations</u></b>		
TFRIC 10	Interim Financial Reporting and Impairment	January 1, 2014
TFRIC 12	Service Concession Arrangements	January 1, 2014
TFRIC 13	Customer Loyalty Programmes	January 1, 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	January 1, 2014
TFRIC 18	Transfers of Assets from Customers	

The Company and subsidiaries' management are being evaluated the effect of those standards on the financial statements in the year in which they are initially applied, the ultimate outcome have not been determined in the current period.

### 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.

3.5.3 The Company uses basis to provide allowance for devaluation 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

Allowance for devaluation of raw material which aged over 4 year is provided at the rate of 40%.



### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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 Assets held for sale - discontinued operations**

Assets held for sales are measured at the lower of carrying amount and fair value less costs to sell. assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

#### **3.7 Investments in subsidiaries**

Investments in subsidiaries in the separate financial statements are recorded at cost net of provision for impairment of investment.

#### **3.8 Property, Plant and Equipment**

3.8.1. 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)

3.8.2 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.

#### 3.9 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)**

#### **3.10 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.

#### **3.11 Employees benefit**

##### **3.11.1 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.

##### **3.11.2 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.

#### **3.12 Accounting estimates**

Preparation of financial statements in conformity with the financial reporting standards 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)**

#### **3.13 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.

#### **3.14 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.

#### **3.15 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.

#### **3.16 Income tax**

Income tax expense for the period comprises current income tax and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Deferred tax**

Deferred tax is provided on temporary differences between their carrying amounts at the end of each reporting period and the tax bases of assets and liabilities by using the tax rates enacted at the end of the reporting period.

The Company recognize deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company and its subsidiary companies review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 3.17 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.

#### 3.18 TAS 21 “The Effects of Changes in Foreign Exchange Rates”

The main change of this accounting standard is to provide guidance of reporting currency in form of the currency of the primary economic environment in which the entity operates. Therefore, the entity is required to determine its functional currency and translate currency used for foreign operations and report the effects of such translation.

The management determines functional currency in Thai Baht, therefore, the applying TAS 21 for the accounting period beginning on January 1, 2013, have not been significant affected.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.19 TAS 8 “Operating Segments”

Required the entity to disclose the presentation of financial information by segment articulate the hierarchy of guidance to which management refers, whose applicability it considers when selecting accounting policies, changes in accounting policies. The effects incurred from disclosures only, the amount in financial statements, assets, liabilities or earnings per share of the Company has not been affected.

### 4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICY FROM ADOPTION NEW ACCOUNTING STANDARDS

During the current period, the Company has changed the significant accounting policy as stated in note 3 since the Company applied TAS 12 “Income Taxes”. The cumulative effects of changes in such accounting policy are separately presented in the statements of changes in shareholders’ equity.

Amount of adjustments which effected to the transaction in the statements of financial position and statements of comprehensive income are as follows:

	(Unit : Baht)	
	Consolidated / Separate financial statements	Separate financial Statements
	December 31, 2013	December 31, 2012
January 1, 2012		
<b>Statements of financial position</b>		
<b>Assets</b>		
Deferred tax assets, increase	4,702,058.06	3,328,792.83
<b>Liabilities</b>		
Deferred tax liabilities, increase	9,612,519.52	8,957,635.92
<b>Shareholders’ equity</b>		
Decrease in other components of equity	6,099,435.70	6,099,435.70
Unappropriated retained earnings, increase	1,188,974.24	470,592.61

**4. CUMULULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICY FROM ADOPTION NEW ACCOUNTING STANDARDS (CONT'D)**

(Unit : Baht)

	Consolidated		Separate financial Statements	
			(Discontinued operations)	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<b>Statements of comprehensive income</b>				
<b>Continuing operations</b>				
Income tax, increase (decrease)	(718,381.63)	(136,587.59)	0.00	0.00
<b>Discontinued operations</b>				
Income tax, increase (decrease)	0.00	0.00	(718,381.63)	(136,587.59)
Earnings per share,				
increase (decrease)	0.00	0.00	0.00	0.00

**5. CASH AND CASH EQUIVALENTS**

(Unit : Baht)

	Consolidated		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Cash	390,161.42	240,000.00	290,161.42	240,000.00
Current accounts	72,665.00	69,387.50	72,665.00	39,415.00
Savings deposit	42,076,120.39	54,625,153.89	42,076,120.39	53,327,211.90
Fixed deposit	18,320,148.19	0.00	18,320,148.19	0.00
Total	60,859,095.00	54,934,541.39	60,759,095.00	53,606,626.90

**6. SHORT-TERM INVESTMENT**

As at December 31, 2013, the Company has fixed deposits at one commercial bank in the amount of Baht 0.65 million, maturity on March 27, 2014. The interest rate is 3.25 percent per annum.

## 7. TRADE AND OTHER RECEIVABLES:

(Unit : Baht)

	Consolidated		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Trade accounts receivable - foreign	67,828,523.04	54,051,933.66	67,828,523.04	54,051,933.66
Trade accounts receivable – domestic	4,541,019.65	4,377,696.27	4,541,019.65	4,377,696.27
Total trade accounts receivable	72,369,542.69	58,429,629.93	72,369,542.69	58,429,629.93
Less Allowance for doubtful accounts	(3,571,346.06)	(4,900,831.64)	(3,571,346.06)	(4,900,831.64)
Trade accounts receivable	68,798,196.63	53,528,798.29	68,798,196.63	53,528,798.29
Notes receivable	4,888,711.70	6,820,034.86	4,888,711.70	6,820,034.86
Trade accounts receivable	73,686,908.33	60,348,833.15	73,686,908.33	60,348,833.15
Other receivables	1,566,966.04	1,096,455.87	1,551,224.28	1,090,527.20
Advance to joint venture	0.00	1,213,339.85	0.00	3,754,594.18
Transfer to assets classified as held for sale	0.00	0.00	(75,238,132.61)	0.00
Trade and other receivables	75,253,874.37	62,658,628.87	0.00	65,193,954.53

Trade accounts receivable analyzed by aging are as follows:

(Unit : Baht)

	Consolidated /	
	December 31, 2013	December 31, 2012
Undue	36,785,769.69	32,226,298.61
Overdue 1 - 30 days	8,066,262.68	4,661,782.38
Overdue 31 - 60 days	7,130,143.23	6,119,748.63
Overdue 61 - 90 days	7,036,779.32	4,399,774.89
Overdue 91 - 180 days	10,918,097.73	163,824.05
Overdue 181 - 365 days	69,816.12	54,977.93
Overdue 365 days onwards	2,362,673.92	10,803,223.44
Trade account receivables	72,369,542.69	58,429,629.93

During January 1, 2014 to February 25, 2014, the Company received the debt payment amount of Baht 7.68 million, by receiving from domestic trade accounts receivable amount of Baht 2.82 million and overseas trade accounts receivable amount of Baht 4.86 million.



## 8. INVENTORIES

(Unit : Baht)

	Consolidated		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Finished goods – Company standard	38,310,726.92	41,415,370.79	38,310,726.92	41,415,370.79
Finished goods – Regular standard	23,874,856.99	31,605,548.86	23,874,856.99	31,605,548.86
Total finished goods	62,185,583.91	73,020,919.65	62,185,583.91	73,020,919.65
Semi-finished goods	136,925,080.99	154,566,868.48	136,925,080.99	154,566,868.48
Work in process	32,586,936.56	29,469,300.62	32,586,936.56	29,469,300.62
Direct raw materials	80,779,017.64	80,096,615.71	80,779,017.64	80,096,615.71
Indirect raw materials	3,295,123.21	3,976,667.91	3,295,123.21	3,976,667.91
Factory supplies and packages	4,158,965.27	5,113,028.71	4,158,965.27	5,113,028.71
Other supplies	99,976.43	152,706.80	99,976.43	152,706.80
Total	320,030,684.01	346,396,107.88	320,030,684.01	346,396,107.88
<u>Less</u> Allowance for devaluation of				
goods	(63,245,208.77)	(59,713,298.69)	(63,245,208.77)	(59,713,298.69)
Transfer to assets classified as held				
for sale	0.00	0.00	(256,785,475.24)	0.00
Inventories	256,785,475.24	286,682,809.19	0.00	286,682,809.19

The Company has a necessary to keep semi-finished goods and finished goods in various 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.

## 9. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALES

In 2013, the Company has reclassified trade and other receivables, inventories, restricted investment, property, plant and equipment, intangible assets and retention to be assets classified as held for sale and trade and other payables, loan from related persons, deposits received from lease and employee benefit obligations to be liabilities included assets classified as held for sale as stated in notes 31 to financial statements.

## 10. INVESTMENT IN SUBSIDIARIES

Company	Percentage of investment (%)	(Unit : Baht)
		Separate financial statements December 31, 2013
EIC SEMICONDUCTOR Co.,LTD.	99.70	99,700.00
Total		99,700.00

## 11. RESTRICTED INVESTMENTS

	Consolidated		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Government bonds	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Fixed deposit	0.00	62,836,197.40	0.00	62,836,197.40
Transfer to assets classified as				
held for sale	0.00	0.00	(2,000,000.00)	0.00
Restricted investments	2,000,000.00	64,836,197.40	0.00	64,836,197.40

As at December 31, 2013, the Company has restricted investment in the form of government bonds in the amount of Baht 2 million for electricity usage guarantee. (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.)

## 12. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

Consolidated financial statements									
	Land	Building and factory	Buildings improvement	Machinery and equipment	Factory furniture and tools	Office furniture and equipment	Vehicles	Work in progress	Total
<b>Cost</b>									
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
Acquisition	0.00	0.00	0.00	3,293,160.35	238,353.70	232,364.11	659,000.00	1,024,072.49	5,446,950.65
Transfer in (out)	0.00	0.00	0.00	974,201.69	191,458.66	0.00	0.00	(1,165,660.35)	0.00
Disposal or write off	0.00	0.00	0.00	20,400.00	1,630,993.69	19,682.00	36,380.00	0.00	1,707,455.69
As at December 31, 2013	11,454,821.49	35,159,907.45	13,293,199.43	297,198,532.44	23,044,395.85	6,736,612.99	13,165,528.03	2,085,877.44	402,138,875.12
<b>Accumulated depreciation</b>									
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
Depreciation	0.00	621,500.77	624,635.23	8,312,854.36	2,172,751.14	362,168.67	115,367.20	0.00	12,209,277.37
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposal	0.00	0.00	0.00	20,399.00	1,487,412.61	19,230.96	22,918.15	0.00	1,549,960.72
As at December 31, 2013	0.00	24,606,482.17	9,650,046.28	222,499,992.54	20,422,006.14	5,690,147.05	12,531,609.76	0.00	295,400,283.94
<b>Net value - Cost</b>									
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
As at December 31, 2013	11,454,821.49	10,553,425.28	3,643,153.15	74,698,539.90	2,662,389.71	1,046,465.94	633,918.27	2,085,877.44	106,738,591.18
<b>Revaluation surplus</b>									
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
Increase (Decrease)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at December 31, 2013	30,497,178.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,497,178.51
<b>Net value - revaluation surplus</b>									
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
As at December 31, 2013	30,497,178.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,497,178.51
<b>Net book value</b>									
As at December 31, 2012	<b>41,952,000.00</b>	<b>11,174,926.05</b>	<b>4,267,788.38</b>	<b>78,744,033.22</b>	<b>4,508,909.57</b>	<b>1,176,721.54</b>	<b>103,747.32</b>	<b>2,227,465.30</b>	<b>144,155,591.38</b>
As at December 31, 2013	<b>41,952,000.00</b>	<b>10,553,425.28</b>	<b>3,643,153.15</b>	<b>74,698,539.90</b>	<b>2,662,389.71</b>	<b>1,046,465.94</b>	<b>633,918.27</b>	<b>2,085,877.44</b>	<b>137,235,769.69</b>



## 12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(Unit : Baht)

	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, 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
Acquisition	0.00	0.00	0.00	3,293,160.35	238,353.70	232,364.11	659,000.00	1,024,072.49	5,446,950.65
Transfer in (out)	0.00	0.00	0.00	974,201.69	191,458.66	0.00	0.00	(1,165,660.35)	0.00
Disposal or write off	0.00	0.00	0.00	20,400.00	1,630,993.69	19,682.00	36,380.00	0.00	1,707,455.69
Transfer to assets classified as held for sale	(11,454,821.49)	(35,159,907.45)	(13,293,199.43)	(297,198,532.44)	(23,044,395.85)	(6,736,612.99)	(13,165,528.03)	(2,085,877.44)	(402,138,875.12)
As at December 31, 2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated depreciation									
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
Depreciation	0.00	621,500.77	624,635.23	8,312,854.36	2,172,751.14	362,168.67	115,367.20	0.00	12,209,277.37
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposal	0.00	0.00	0.00	20,399.00	1,487,412.61	19,230.96	22,918.15	0.00	1,549,960.72
Transfer to assets classified as held for sale	0.00	(24,606,482.17)	(9,650,046.28)	(222,499,992.54)	(20,422,006.14)	(5,690,147.05)	(12,531,609.76)	0.00	(295,400,283.94)
As at December 31, 2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net value - Cost									
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
As at December 31, 2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revaluation surplus									
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
Increase (Decrease)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to assets classified as held for sale	(30,497,178.51)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(30,497,178.51)
As at December 31, 2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net value - revaluation surplus									
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
As at December 31, 2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net book value									
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
As at December 31, 2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## 12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(Unit : Baht)

Consolidated and 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
<b>Cost</b>									
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
Acquisition	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
<b>Accumulated depreciation</b>									
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
<b>Net value - Cost</b>									
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
<b>Revaluation surplus</b>									
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
<b>Net value - revaluation surplus</b>									
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
<b>Net book value</b>									
As at December 31, 2011	<b>37,536,000.00</b>	<b>11,798,244.98</b>	<b>4,805,971.10</b>	<b>86,036,281.18</b>	<b>6,788,789.76</b>	<b>860,821.06</b>	<b>236,090.62</b>	<b>3,604,103.40</b>	<b>151,666,302.10</b>
As at December 31, 2012	<b>41,952,000.00</b>	<b>11,174,926.05</b>	<b>4,267,788.38</b>	<b>78,744,033.22</b>	<b>4,508,909.57</b>	<b>1,176,721.54</b>	<b>103,747.32</b>	<b>2,227,465.30</b>	<b>144,155,591.38</b>

## 12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

12.1 Depreciation for the year ended December 31, 2013 and 2012, amounted to Baht 12.21 million and Baht 13.18 million respectively.

## 13. INTANGIBLE ASSETS

13.1 As at December 31, 2013, Intangible asset consists of:

	(Unit : Baht)		
	Consolidated financial statements		
	Accounting		
	Software	Products	
	Development	Development	Total
	Project	Project	
<b>Cost</b>			
As at December 31, 2012	516,287.33	15,906,825.90	16,423,113.23
Increase	0.00	0.00	0.00
As at December 31, 2013	516,287.33	15,906,825.90	16,423,113.23
<b>Accumulated amortization</b>			
As at December 31, 2012	133,736.43	10,682,306.44	10,816,042.87
Amortization for the year	51,586.29	2,658,620.99	2,710,207.28
As at December 31, 2013	185,322.72	13,340,927.43	13,526,250.15
<b>Net book value</b>			
As at December 31, 2012	382,550.90	5,224,519.46	5,607,070.36
As at December 31, 2013	330,964.61	2,565,898.47	2,896,863.08
<b>Amortization for the year</b>			
As at December 31, 2013	51,586.29	2,658,620.99	2,710,207.28

### 13. INTANGIBLE ASSETS (Cont'd)

(Unit : Baht)

	Separate financial statements		
	Accounting		
	Software	Products	
	Development	Development	Total
	Project	Project	
<b>Cost</b>			
As at December 31, 2012	516,287.33	15,906,825.90	16,423,113.23
Increase	0.00	0.00	0.00
Transfer to assets classified as held for sale	(516,287.33)	(15,906,825.90)	(16,423,113.23)
As at December 31, 2013	0.00	0.00	0.00
<b>Accumulated amortization</b>			
As at December 31, 2012	133,736.43	10,682,306.44	10,816,042.87
Amortization for the year	51,586.29	2,658,620.99	2,710,207.28
Transfer to assets classified as held for sale	(185,322.72)	(13,340,927.43)	(13,526,250.15)
As at December 31, 2013	0.00	0.00	0.00
<b>Net book value</b>			
As at December 31, 2012	382,550.90	5,224,519.46	5,607,070.36
As at December 31, 2013	0.00	0.00	0.00
<b>Amortization for the year</b>			
As at December 31, 2013	51,586.29	2,658,620.99	2,710,207.28



### 13. INTANGIBLE ASSETS

13.2 As at December 31, 2012, intangible asset consists of:

(Unit : Baht)

	Consolidated / Separate financial statements		
	Accounting		
	Software	Products	Total
	Development	development	
	Project	Project	
<b>Cost</b>			
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
<b>Accumulated amortization</b>			
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
<b>Net book value</b>			
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
<b>Amortization for the year</b>			
As at December 31, 2012	51,727.63	2,985,669.27	3,037,396.90

### 14. DEFERRED TAX / INCOME TAX EXPENSES

(Unit : Baht)

	Consolidated / Separate financial statements	
	December 31, 2013	December 31, 2012
Deferred tax assets		
Taxable loss	4,702,058.06	3,328,792.83
Total	4,702,058.06	3,328,792.83

# 14. DEFERRED TAX / INCOME TAX EXPENSES (CONT'D)

(Unit : Baht)

	Consolidated / Separate financial statements	
	December 31, 2013	December 31, 2012
Deferred tax liabilities		
Land – revaluation	(6,099,435.70)	(6,099,435.70)
Accumulated depreciation – building and machinery	(3,513,083.82)	(2,858,200.22)
Total	(9,612,519.52)	(8,957,635.92)
Net	(4,910,461.46)	(5,628,843.09)

Income tax for the year ended December 31, 2013 and 2012 are summarized as follows:

(Unit : Baht)

	Consolidated	
	For the year ended	
	December 31, 2013	December 31, 2012
<i>Current income tax:</i>		
Current income tax charge for the year	0.00	0.00
<i>Deferred tax :</i>		
Deferred tax resulted temporary difference between reversal of temporary difference	(718,381.63)	(136,587.59)
Income tax expense presented in total comprehensive income	(718,381.63)	(136,587.59)

(Unit : Baht)

	Separate financial statements	
	For the year ended	
	December 31, 2013	December 31, 2012
<i>Current income tax:</i>		
Current income tax charge for the year	0.00	0.00
<i>Deferred tax :</i>		
Deferred tax resulted temporary difference between reversal of temporary difference	(718,381.63)	(136,587.59)
Income tax expense presented in total comprehensive		

Income	<u>(718,381.63)</u>	<u>(136,587.59)</u>
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#### 14. DEFERRED TAX / INCOME TAX EXPENSES (CONT'D)

Reconciliation between income tax expenses and multiplication of accounting profit and tax rate used for the years ended December 31, 2013 and 2012 can be presented as follows :

	(Unit : Baht)	
	Consolidated	
	For the year ended	
	December 31, 2013	December 31, 2012
Accounting profit (loss) before income tax	(4,956,655.34)	(5,567,665.33)
Tax rate	20%	23%
Accounting profit (loss) before income tax multiply with tax rate	(991,331.07)	(1,280,563.03)
<i>Taxable effects for</i>		
Revenue (expense) in accounting base differ tax base	(3,226,092.16)	(666,118.48)
Prohibited expenses	69,881.46	170,648.42
Deficit for the year-taxable unutilized	3,429,160.14	1,618,957.35
Difference between tax rate of 23% with 20%	0.00	20,488.15
Total	272,949.44	1,143,975.44
Income tax expense (income) presented in total comprehensive income	(718,381.63)	(136,587.59)
Effective income tax rate	14.49%	2.45%

#### 14. DEFERRED TAX / INCOME TAX EXPENSES (CONT'D)

(Unit : Baht)

	Separate financial statements	
	(Discontinued operations)	
	For the year ended	
	December 31, 2013	December 31, 2012
Accounting profit (loss) before income tax	(4,956,655.34)	(5,567,665.33)
Tax rate	20%	23%
Accounting profit (loss) before income tax multiply with tax rate	(991,331.07)	(1,280,563.03)
<i>Taxable effects for</i>		
Revenue (expense) in accounting base differ tax base	(3,226,092.16)	(666,118.48)
Prohibited expenses	69,881.46	170,648.42
Deficit for the year-taxable unutilized	3,429,160.14	1,618,957.35
Difference between tax rate of 23% with 20%	0.00	20,488.15
Total	272,949.44	1,143,975.44
Income tax expense (income) presented in total comprehensive income	(718,381.63)	(136,587.59)
Effective income tax rate	14.49%	2.45%

#### 15. SHARE SUBSCRIPTION DEPOSIT

The Company has paid deposits for share subscription in the amount of Baht 70 million under covenant dated December 4, 2013 for investment in Smart Traffic Co., Ltd. at 49% of total share capital at Baht 500 per share, total investment value amount of Baht 245 million which was passed the resolution for approval at the Board of directors' meeting No. 8/2013 held on December 4, 2013 and the shareholders' extraordinary meeting No. 1/2014 held on February 13, 2014 (in compliance with the resolution of the Board of directors' meeting No. 8/2013 held on December 4, 2013, passed the resolution to verify the legal duties, tax and the financial position of Smart Traffic Co., Ltd. onward)

## 16. TRADE AND OTHER PAYABLES

(Unit : Baht)

	Consolidated		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Trade accounts payable - foreign	6,595,094.12	3,003,632.97	6,595,094.12	3,003,632.97
Trade accounts payable – domestic	637,525.84	217,625.92	637,525.84	217,625.92
Total trade accounts payable	7,232,619.96	3,221,258.89	7,232,619.96	3,221,258.89
Other payables	6,335,252.68	10,186,639.41	6,325,252.68	10,176,639.41
Transfer to liabilities included				
assets classified as held for sale	0.00	0.00	(13,557,872.64)	0.00
Trade and other payables	13,567,872.64	13,407,898.30	0.00	13,397,898.30

As at December 31, 2012, the Company has other payables amount of Baht 10.18 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. 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. As at September, 2013, the Company already offset the remained outstanding debts of EIC Semi Ltd.

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

## 17. 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.

## 17. EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)

Changes in value of employee benefit obligations

	(Unit : Baht)
	Consolidated
	December 31, 2013
Employee benefit obligations as at December 31, 2012	5,531,978.00
Current cost of service and interest (Baht)	609,725.00
Actuarial (Gains) / Losses reserve for the year	(1,876,059.00)
<b>Employee benefit obligations as at December 31, 2013</b>	<b>4,265,644.00</b>
	(Unit : Baht)
	Separate financial
	statements
	December 31, 2013
Employee benefit obligations as at December 31, 2012	5,531,978.00
Current cost of service and interest (Baht)	609,725.00
Actuarial (Gains) / Losses reserve for the year	(1,876,059.00)
Transfer to liabilities included assets classified as held for sale	(4,265,644.00)
<b>Employee benefit obligations as at December 31, 2013</b>	<b>0.00</b>

	2013	2012
The estimated actuarial assumption :	Percent	Percent
Discount rate (%)	4.62	3.89
Salary increment rate (%)	3	3
Employee turnover (%)		
Management / Employee	7.03*	0-8
Daily staff	7.03*	0-30
Mortality	80 % of Mortality**	60 % of Mortality

\* Age related scale and kind of employee

## 18. 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 which the Company had already paid the dividend on May 24, 2012.

## 19. 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.

## 20. TRANSACTION WITH RELATED PARTIES

Significant transactions with related parties could be summarized as follows:

		(Unit : Baht)	
		Consolidated	
		For the year ended	
	Relationship	December 31, 2013	December 31, 2012
Incomes/Expenses			
Rental incomes			
Unitop Rubber Co., Ltd.	Common management	660,000.00	660,000.00
(pricing policy – at the agreed rate)			

		(Unit : Baht)	
		Separate financial statements	
		(Discontinued operations)	
		For the year ended	
	Relationship	December 31, 2013	December 31, 2012
Incomes/Expenses			
Rental incomes			
Unitop Rubber Co., Ltd.	Common management	660,000.00	660,000.00
(pricing policy – at the agreed rate)			



## 21. TRANSACTION WITH AGENTS

The Company has dealers in 4 agents, which signed contracts to appoint 3 agents and 1 agent without the contract for overseas 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)	
		Consolidated	
	Country	December 31, 2013	December 31, 2012
<b>Trade accounts receivable</b>			
EIC International Co., Ltd.	Hong Kong	50,163,620.60	29,481,015.12
EIC Semiconductor Inc.	USA	7,511,812.24	4,445,448.91
EIC Semi Ltd.	United Kingdom	0.00	8,349,307.97

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

		(Unit: Baht)	
		Consolidated	
		December 31, 2013	December 31, 2012
Undue		26,939,220.23	20,623,159.40
Overdue 1 – 30 days		6,859,736.21	4,661,782.38
Overdue 31 – 60 days		5,993,002.98	5,482,338.54
Overdue 61 – 90 days		6,974,721.55	3,159,183.71
Overdue 91 – 180 days		10,908,751.87	0.00
Overdue 181 – 365 days		0.00	0.00
Overdue 365 days		0.00	8,349,307.97
Total		57,675,432.84	42,275,772.00

## 21. TRANSACTION WITH AGENTS (CONT'D)

		(Unit : Baht)	
		Consolidated	
	Country	December 31, 2013	December 31, 2012
<b>Trade payables</b>			
Sun Light Electronics (HK) Ltd.	Hong Kong	4,705,434.22	0.00
<b>Other payables</b>			
EIC Semi Ltd.	United Kingdom	0.00	5,967,662.32

Revenues and expenses of foreign agent are as follows:

		(Unit : Baht)	
		Consolidated	
		For the year ended	
	Country	December 31, 2013	December 31, 2012
<b>Revenue from sales</b>			
EIC International Co., Ltd.	Hong Kong	58,673,632.37	49,094,247.91
EIC Semiconductor Inc.	USA	11,408,234.19	13,376,292.31
<b>Purchases of goods</b>			
Sun Light Electronics (HK) Ltd.	Hong Kong	6,340,884.30	2,464,919.03

		(Unit : Baht)	
		Separate financial statements (Discontinued operations)	
		For the year ended	
	Country	December 31, 2013	December 31, 2012
<b>Revenue from sales</b>			
EIC International Co., Ltd.	Hong Kong	58,673,632.37	49,094,247.91
EIC Semiconductor Inc.	USA	11,408,234.19	13,376,292.31
<b>Purchases of goods</b>			
Sun Light Electronics (HK) Ltd.	Hong Kong	6,340,884.30	2,464,919.03

For the year ended December 31, 2013 and 2012, revenues from sales are mostly sold through 2 agents (estimated 37.47% and 44.32% respectively).

For the year ended December 31, 2013 and 2012, the Company has directly sold with EIC Semi Ltd.'s customers in the amount of Baht 14.04 million and Baht 32.32 million respectively.

## 22. 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 year ended December 31, 2013 and 2012, the Company has directors' remuneration in the amount of Baht 1.61 million and Baht 2.05 million respectively.

## 23. 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 year ended December 31, 2013 and 2012, management benefit expenses amounted to Baht 7.44 million and Baht 8.35 million respectively.

## 24. EXPENSES ANALYZED BY NATURE

(Unit : Baht)

	Consolidated		Separate financial statements (Discontinued operations)	
	For the year ended			
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Changes in finished goods	28,504,747.84	4,387,417.25	28,504,747.84	4,387,417.25
Raw materials and consumable used	89,879,352.43	56,914,299.28	89,879,352.43	56,914,299.28
Directors' remuneration	1,607,549.00	2,050,000.00	1,607,549.00	2,050,000.00
Management benefit expenses	7,444,675.00	8,352,935.00	7,444,675.00	8,352,935.00
Employees benefits expenses	42,098,468.05	35,197,522.42	42,098,468.05	35,197,522.42
Depreciation and amortization	14,919,484.65	16,219,916.53	14,919,484.65	16,219,916.53
Loss on allowance for devaluation of goods	3,531,910.08	7,289,637.44	3,531,910.08	7,289,637.44
Loss on exchange rates	0.00	1,365,404.31	0.00	1,365,404.31
Doubtful accounts	8,896,201.51	8,004,454.56	8,896,201.51	8,004,454.56
Utilities expenses	0.00	0.00	2,239,118.29	0.00
Other expenses	16,979,577.23	14,415,779.15	15,956,616.65	13,196,122.41

## 25. RERORTING FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the interenal reports of the Company that are regularly reviewed by the chief of operating decision maker.

25.1 The Company operates in only one business sector, namely produces and distributes electronics parts, 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:

### 25.2 Major customers

In 2013, the Company has income arising from 2 agents receivable amount of Baht 70.08 million and 10 majority general customers amount of Baht 63.31 million (in 2012, 2 agents receivable amount of Baht 62.47 million and 11 majority general customers amount of Baht 52.78 million).

Financial information by segment for the year ended December 31, 2013 and 2012

	Consolidated				
	For the year ended				
	December 31, 2013			December 31, 2012	
	Overseas	Domestic		Total	Total
		For exports	General		
Revenue from sales	150,470,516.55	2,399,223.50	34,169,487.77	187,039,227.82	140,961,594.89
Cost of sales	(143,741,583.00)	(2,314,224.48)	(32,958,940.67)	(179,014,748.15)	(122,770,622.88)
Gross profit	6,728,933.55	84,999.02	1,210,547.10	8,024,479.67	18,190,972.01
Other income				12,815,065.38	6,450,694.55
Selling and administrative expenses				(34,847,217.64)	(31,426,743.06)
Loss before corporate income tax				(14,007,672.59)	(6,785,076.50)
Income (expense) corporate income tax				718,381.63	136,587.59
Loss for the year from continuing operations				(13,289,290.96)	(6,648,488.91)

Separate financial statements (Discontinued operations)					
For the year ended					
December 31, 2013				December 31, 2012	
	Overseas	Domestic		Total	Total
		For exports	General		
Revenue from sales	150,470,516.55	2,399,223.50	34,169,487.77	187,039,227.82	140,961,594.89
Cost of sales	(143,741,583.00)	(2,314,224.48)	(32,958,940.67)	(179,014,748.15)	(122,770,622.88)
Gross profit	6,728,933.55	84,999.02	1,210,547.10	8,024,479.67	18,190,972.01
Other income				12,815,065.38	6,450,694.55
Selling and administrative expenses				(36,063,375.35)	(30,207,086.32)
Profit (loss) before corporate income tax				(15,220,825.52)	(5,567,665.33)
Income(expense) corporate income tax				718,381.63	136,587.59
Loss for the year from discontinued operations				(14,512,443.89)	(5,431,077.74)

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.

## 26. INVESTMENT PROMOTION 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
<b>Promotional benefits and privileges was granted</b>	
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.	

## 26. INVESTMENT PROMOTION BENEFITS AND PRIVILEGES (CONT'D)

As at December 31, 2013 and 2012 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 13).

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)

## 26. INVESTMENT PROMOTION BENEFITS AND PRIVILEGES (CONT'D)

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

	(Unit : Baht)		
	Consolidated		
	For the year ended December 31, 2013		
	Promoted Activities	Non-promoted activities	Total
Revenue from sales	100,903,431.48	86,135,796.34	187,039,227.82
<u>Less</u> Cost of goods sold	<u>(76,898,570.64)</u>	<u>(102,116,177.51)</u>	<u>(179,014,748.15)</u>
Gross profit	24,004,860.84	(15,980,381.17)	8,024,479.67
Other income			
Other income	1,464,323.36	3,773,270.00	5,237,593.36
Gain on exchange rates	4,087,874.71	3,489,597.31	7,577,472.02
Total other income	<u>5,552,198.07</u>	<u>7,262,867.31</u>	<u>12,815,065.38</u>
Profit before expenses	29,557,058.91	(8,717,513.86)	20,839,545.05
Expenses			
Selling expenses	(3,151,137.25)	(2,818,400.67)	(5,969,537.92)
Administrative expenses	(10,143,520.69)	(9,681,935.03)	(19,825,455.72)
Directors' remuneration	(867,236.31)	(740,312.69)	(1,607,549.00)
Management benefit expenses	<u>(4,016,233.72)</u>	<u>(3,428,441.28)</u>	<u>(7,444,675.00)</u>
Total expenses	<u>(18,178,127.97)</u>	<u>(16,669,089.67)</u>	<u>(34,847,217.64)</u>
Profit (loss) before corporate income tax	11,378,930.94	(25,386,603.53)	(14,007,672.59)
Corporate income tax income	0.00	718,381.63	718,381.63
Loss for the year from continuing operations	<u>11,378,930.94</u>	<u>(24,668,221.90)</u>	<u>(13,289,290.96)</u>



## 26. INVESTMENT PROMOTION BENEFITS AND PRIVILEGES (CONT'D)

(Unit : Baht)

Separate financial statements			
(Discontinued operations)			
For the year ended December 31, 2013			
	Promoted activities	Non-promoted activities	Total
Revenue from sales	100,903,431.48	86,135,796.34	187,039,227.82
<u>Less</u> Cost of goods sold	<u>(76,898,570.64)</u>	<u>(102,116,177.51)</u>	<u>(179,014,748.15)</u>
Gross profit	24,004,860.84	(15,980,381.17)	8,024,479.67
Other income			
Other income	1,464,323.36	3,766,274.80	5,230,598.14
Gain on exchange rates	4,087,874.71	3,489,597.31	7,577,472.02
Total other income	<u>5,552,198.07</u>	<u>7,255,872.09</u>	<u>12,808,070.16</u>
Profit before expenses	29,557,058.91	(8,724,509.08)	20,832,549.83
Expenses			
Selling expenses	(3,151,137.25)	(2,818,400.67)	(5,969,537.92)
Administrative expenses	(10,143,520.69)	(10,898,092.74)	(21,041,613.43)
Directors' remuneration	(867,236.31)	(740,312.69)	(1,607,549.00)
Management benefit expenses	<u>(4,016,233.72)</u>	<u>(3,428,441.28)</u>	<u>(7,444,675.00)</u>
Total expenses	<u>(18,178,127.97)</u>	<u>(17,885,247.38)</u>	<u>(36,063,375.35)</u>
Profit (loss) before corporate income tax	11,378,930.94	(26,609,756.46)	(15,230,825.52)
Corporate income tax income	<u>0.00</u>	<u>718,381.63</u>	<u>718,381.63</u>
Loss for the year from discontinued operations	<u>11,378,930.94</u>	<u>(25,891,374.83)</u>	<u>(14,512,443.89)</u>

## 26. INVESTMENT PROMOTION BENEFITS AND PRIVILEGES (CONT'D)

(Unit : Baht)

	Consolidated		
	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 (loss)	12,939,969.77	5,251,002.24	18,190,972.01
Other income			
Other income	<u>2,440,827.54</u>	<u>4,009,867.01</u>	<u>6,450,694.55</u>
Total other income	<u>2,440,827.54</u>	<u>4,009,867.01</u>	<u>6,450,694.55</u>
Profit (loss) before expenses	15,380,797.31	9,260,869.25	24,641,666.56
Expenses			
Selling expenses	(2,232,473.28)	(1,771,971.13)	(4,004,444.41)
Administrative expenses	(8,311,353.11)	(7,342,606.23)	(15,653,959.34)
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	<u>(774,088.16)</u>	<u>(591,316.15)</u>	<u>(1,365,404.31)</u>
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>(14,211,096.45)</u>	<u>(31,426,743.06)</u>
Profit (loss) before corporate income tax	(1,834,849.30)	(4,950,227.20)	(6,785,076.50)
Corporate income tax income	<u>0.00</u>	<u>136,587.59</u>	<u>136,587.59</u>
Loss for the year from continuing operations	<u><u>(1,834,849.30)</u></u>	<u><u>(4,813,639.61)</u></u>	<u><u>(6,648,488.91)</u></u>

## 26. INVESTMENT PROMOTION BENEFITS AND PRIVILEGES (CONT'D)

(Unit : Baht)

	Separate financial statements (Discontinued operations)		
	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 (loss)	12,939,969.77	5,251,002.24	18,190,972.01
Other income			
Other income	2,440,827.54	4,007,621.44	6,448,448.98
Total other income	2,440,827.54	4,007,621.44	6,448,448.98
Profit (loss) before expenses	15,380,797.31	9,258,623.68	24,639,420.99
Expenses			
Selling expenses	(2,232,473.28)	(1,771,971.13)	(4,004,444.41)
Administrative expenses	(8,311,353.11)	(6,122,949.49)	(14,434,302.60)
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)	(12,991,439.71)	(30,207,086.32)
Profit (loss) before corporate income tax	(1,834,849.30)	(3,732,816.03)	(5,567,665.33)
Corporate income tax income	0.00	136,587.59	136,587.59
Loss for the year from discontinued operations	<u>(1,834,849.30)</u>	<u>(3,596,228.44)</u>	<u>(5,431,077.74)</u>

## 27. FINANCIAL INSTRUMENTS

### 27.1 Management risk

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

### 27.2 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)

	Consolidated			
	December 31, 2013			
	Floating interest rate	Fixed interest rate	Non-interest rate	Total
Savings deposit	42,076,120.39	-	-	42,076,120.39
Current accounts	-	-	72,665.00	72,665.00
Fixed deposit	-	18,973,007.64	-	18,973,007.64
Government bonds	-	2,000,000.00	-	2,000,000.00

(Unit : Baht)

	Separate financial statements			
	December 31, 2013			
	Floating interest rate	Fixed interest rate	Non-interest rate	Total
Savings deposit	42,076,120.39	-	-	42,076,120.39
Current accounts	-	-	72,665.00	72,665.00
Fixed deposit	-	18,973,007.64	-	18,973,007.64

## 27. FINANCIAL INSTRUMENTS (CONT'D)

(Unit : Baht)

	Consolidated			
	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

### 27.3 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.

## 27. FINANCIAL INSTRUMENTS (CONT'D)

As at December 31, 2013 and 2012, 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			
		Consolidated / Separate financial statements			
		December 31, 2013		December 31, 2012	
		Foreign	Baht	Foreign	Baht
U.S. Dollar	USD	2,311,242.28	75,526,312.99	3,212,569.05	97,937,416.30
Total			<u>75,526,312.99</u>		<u>97,937,416.30</u>

		Liabilities			
		Consolidated / Separate financial statements			
		December 31, 2013		December 31, 2012	
		Foreign	Baht	Foreign	Baht
U.S. Dollar	USD	61,734.21	2,034,105.19	279,314.37	8,637,296.83
H.K. Dollar	HK	1,104,899.20	4,705,434.22	0.00	0.00
Japanese YEN	JPY	2,100,000.00	663,390.00	1,825,936.00	653,502.49
Taiwan Dollar	TWD	0.00	0.00	13,800.00	14,626.62
Total			<u>7,402,929.41</u>		<u>9,305,425.94</u>

### 27.4 Credit providing risk

The Company is exposed to credit providing risk in respect of any trade accounts receivable and agent 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.

## **27. FINANCIAL INSTRUMENTS (CONT'D)**

### **27.5 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.

## **28. 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 year ended December 31, 2013 and 2012, amounted to Baht 0.58 million and Baht 0.58 million respectively.

## **29. EVENTS AFTER THE REPORTING PERIOD**

According to the minutes of the shareholders' extraordinary meeting No. 1/2014 held on February 13, 2014 passed the special resolution as follows :

- 29.1 Approve to restructure its business by transferring assets and liabilities in respect of the Company's diaod manufacturing consist of assets and liabilities, business licence and all employees relevant to such business which will be transfer within April 1, 2014 (or the date determined by the Board of directors).
- 29.2 Approve the Company to acquire ordinary shares of Smart Traffic Co., Ltd. from the existing shareholders at 49% of total share capital at Baht 500 per share, total investment value amount of Baht 245 million.
- 29.3 Approve the Company to increase share capital for the another Baht 200 million from Baht 400 million to Baht 600 million by issuing 200 million ordinary shares at par value of Baht 1 each for reserving the exercise right of warrants to purchase ordinary shares of the Company No. 1 (EIC – W1) and convertible debentures.
- 29.4 Approve to amend the memorandum of association to be corresponded with share capital increase.
- 29.5 Approve to issue and offer warrants to purchase of ordinary shares of the Company No. 1 (EIC – W1) not less 100 units to the existing shareholders of the Company based on proportion of shareholding.
- 29.6 Approve to issue and offer convertible debentures to the overseas investor (private placement) amount not exceed SGD 20 million or its equivalent amount of Baht 500 million or other currencies.

### **30. OBLIGATION AND CONTINGENT LIABILITIES**

- 30.1 As at December 31, 2013, 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, 2012, 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).
- 30.2 As at December 31, 2013, the Company has guaranteed electricity by using government bonds amount of Baht 2 million as collateral (note 11).
- 30.3 As at December 31, 2013, the Company had commitment on financial and legal advisory services agreement with 6 companies amounting to Baht 7.83 million.
- 30.4 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 11).

### **31. DISCONTINUED OPERATION CLASSIFIED AS HELD FOR SALE**

In the fourth quarter of 2013, the Company has invested in a new established subsidiary at 99.70% of registered share capital (Baht 100,000). At the shareholders' extraordinary meeting No. 1/2014 held on February 13, 2014, passed the resolution to approve the Company's restructuring business by transferring assets and liabilities in respect of the Company's diaod manufacturing to such subsidiary by using net assets value. Therefore, the separate financial statements have been reclassified the related assets and liabilities as at December 31, 2013 presented in assets classified as held for sale-discontinued operations and liabilities included with assets classified as held for sale, and the results of operation and cash flows for the years ended December 31, 2013 and 2012 as discontinued operation. However, the results of business transferring will have no impacts on the consolidated financial statements.



### 31. DISCONTINUED OPERATION CLASSIFIED AS HELD FOR SALE (CONT'D)

Details of assets and liabilities of discontinued operations are as follows :

	(Unit : Baht)
	Separate financial statements
	December 31, 2013
<b>Assets classified as held for sale - discontinued operations :</b>	
Trade and other receivables	75,238,132.61
Inventories	256,785,475.24
Restricted investments	2,000,000.00
Property, plant and equipment	137,235,769.69
Intangible assets	2,896,863.08
Retention	63,000.00
Total assets held for sale - discontinued operations	474,219,240.62
<b>Liabilities included with assets held for sale :</b>	
Trade and other payables	13,557,872.64
Short-term loans from related parties	99,700.00
Deposits received from tenants	206,000.00
Employee benefit obligations	4,265,644.00
Total liabilities included with assets held for sale	18,129,216.64
<b>Assets held for sale - discontinued operations – net</b>	<b>456,090,023.98</b>

### 31. DISCONTINUED OPERATION CLASSIFIED AS HELD FOR SALE (CONT'D)

The results of discontinued operations for the years ended December 31, 2013 and 2012 are presented as follows :

(Unit : Baht)

	Separate financial statements	
	December 31, 2013	December 31, 2012
<b>Discontinued operations</b>		
<b>Revenues</b>		
Revenues from sales	187,039,227.82	140,961,594.89
Other income	5,230,598.14	6,448,448.98
Gain on exchange rates	7,577,472.02	0.00
<b>Total revenues</b>	<u>199,847,297.98</u>	<u>147,410,043.87</u>
<b>Expenses</b>		
Cost of goods sold	(179,014,748.15)	(122,770,622.88)
Selling expenses	(5,969,537.92)	(4,004,444.41)
Administrative expenses	(21,041,613.43)	(14,434,302.60)
Directors' remuneration	(1,607,549.00)	(2,050,000.00)
Management benefit expenses	(7,444,675.00)	(8,352,935.00)
Loss on exchange rates	0.00	(1,365,404.31)
<b>Total expenses</b>	<u>(215,078,123.50)</u>	<u>(152,977,709.20)</u>
Loss before income tax	(15,230,825.52)	(5,567,665.33)
Income (expense) income tax	718,381.63	136,587.59
<b>Loss for the year from discontinued operations</b>	<u>(14,512,443.89)</u>	<u>(5,431,077.74)</u>
<b>Earnings (loss) per share</b>		
Loss from discontinued operations	<u>(0.04)</u>	<u>(0.01)</u>

### 31. DISCONTINUED OPERATION CLASSIFIED AS HELD FOR SALE (CONT'D)

Net cash flows for the years ended December 31, 2013 and 2012 of discontinued operations are presented as follows :

	(Unit : Baht)	
	Separate financial statements	
	December 31, 2013	December 31, 2013
Net cash provided by (used in) operating activities	20,195,905.90	39,370,915.50
Net cash provided by (used in) investing activities	(13,363,312.70)	(65,868,287.12)
Net cash provided by (used in) financing activities	99,700.00	(5,999,995.68)
Effect from changes in exchange rate of cash and cash equivalents	220,174.90	(260,304.57)
<b>Net increase in cash and cash equivalents</b>	<b>7,152,468.10</b>	<b>(32,757,671.87)</b>

### 32. APPROVAL OF FINANCIAL STATEMENTS

On February 25, 2014, the financial statements were approved and authorized for issue by the Company's Board of directors.