



Electronics Industry Public Company Limited

Information Memorandum under Schedule (2)

Concerning the Entering into Asset Disposition Transaction

Disposition of Investment Fund in Ordinary Shares

Of

EIC Semiconductor Company Limited

(For Acknowledgement)

March 30, 2018

March 30, 2018

Subject Information Memorandum Concerning the Entering into Asset Disposition Transaction
To Shareholders of Electronics Industry Public Company Limited

Reference is made to the Meeting of the Board of Directors of Electronics Industry Public Company Limited (“EIC” or the “Company”) No.3/2018 convened on March 9, 2018 which resolved to approve in principle the disposition of ordinary shares of EIC Semiconductor Company Limited (“EIC SEMI”), a 100% owned subsidiary of the Company, and to authorize the Chief Executive Officer and/or other person assigned by the Chief Executive Officer to negotiate and execute the share sale and purchase agreement with the purchaser provided that the proportion of the disposition of EIC SEMI ordinary shares shall not exceed 49% of the total outstanding and paid-up shares of EIC SEMI and that the selling price shall not be less than Baht 68.67 per share based on the book value per share of EIC SEMI according to the financial statements audited by the auditor for the year ending December 31, 2017. In addition, the outstanding person may consider determining and/or amending the details, conditions, periods and conducting any necessary businesses for the purpose of transferring EIC SEMI shares to the purchaser and shall be empowered to revise, amend and sign the share sale and purchase agreement and other documents related to such business and contact the related government agencies or regulatory agencies such as the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand as well as carrying out other necessary businesses for the purpose of the matter mentioned above to ensure the accomplishment of the disposition of fund invested in EIC SEMI.

At present, the Company has already completed the negotiation and execution of the Share Sale and Purchase Agreement to sell 2,322,755 Ordinary shares of EIC SEMI with par value of Baht 100 per share, representing 49% of the total outstanding and paid-up shares of EIC SEMI at a selling price of Baht 68.67 per share and the total value of the disposed assets is Baht 159.50 Million to Mr. Lam Hung Kit (the “Purchaser”) who has no relationship and/or connection with any of the Company’s directors, executives, major shareholders or controlling persons.

However, the transaction of disposition of Ordinary shares of EIC SEMI is regarded as the disposition of assets under the Notification of Capital Market Supervisory Board No. Tor Jor. 20/2551 regarding the Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets (and its amendments) and the Notification of the Stock Exchange of Thailand on the Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, B.E. 2547 (and its amendments) (“Notifications on the Acquisition and Disposition of Assets”). In this regard, the calculation of the transaction size will be based on the consolidated financial statements of the

Company and EIC SEMI which have been audited by the auditor for the year ending December 31, 2017. It is found that the highest calculated value of transaction size is equivalent to 31.16 percent according to the net tangible asset value criteria. In addition, the Company has no other asset disposition transaction during the period of 6 months prior to the date of agreement to enter into the transaction. Therefore, based on the calculation of the above mentioned transaction, the transaction can be classified as the transaction under Category 2 according to the Notification on the Acquisition or Disposition and accordingly the Company is required to immediately disclose the information on the entering into the transaction to the Stock Exchange of Thailand and send a circular letter to the shareholders of the Company within 21 days from the date of disclosure of information on the entering into the transaction to the Stock Exchange of Thailand as per the following details:

(1) The Information Memorandum Under Schedule (1) of Notification Re: the Acquisition and Disposition

1.1 Date Month Year of Transaction

The Company has entered into the Share Sale and Purchase Agreement on March 30, 2018.

1.2 Related Parties and Relationship with Listed Company

Purchaser : Mr. Lam Hung Kit

Seller : Electronics Industry Public Company Limited

In this regard, the Purchaser is the third party who has not relationship and/or connection with the Company's directors, executives, major shareholders or controlling persons.

1.3 General Characteristics and Size of Transaction

1.3.1 General Characteristics of Transaction

The Company has sold 2,322,755 ordinary shares of EIC SEMI with par value of Baht 100 per share, representing 49% of the total outstanding and paid-up shares of EIC SEMI at a selling price of Baht 68.87 per share. The total value of the disposed assets is Baht 159.50 Million.

The material conditions contained in the Share Sale and Purchase Agreement are as follows:

- 1) The Purchase shall pay a deposit of Baht 10 Million within 1 month from the date of the Agreement. The remaining payment of ordinary shares of EIC SEMI shall be paid within 4 months from the date of payment of deposit. In this regard, the date which the

Purchaser makes the full payment shall be regarded as the closing date of the sale and purchase of ordinary shares of EIC SEMI.

- 2) The Seller shall appoint 2 directors nominated by the Purchaser.
- 3) In case the Purchaser fails to make the payment of ordinary shares of EIC SEMI within the fixed period or fails to comply with any material conditions contained in the Share Sale and Purchase Agreement, the Seller shall have the right to seize the received Deposit if the Seller has given a notice of such default and the Purchaser has failed to remedy such default within 30 days.
- 4) If the Seller fails to comply with any material conditions contained in the Agreement, the Seller shall return the deposit in full and pay damages of Baht 10.00 Million if the Purchaser has given a notice of default but the Seller fails to remedy such default within 30 days.
- 5) The Seller acknowledges that the Purchaser's decision to purchase the Shares is based on the current conditions of the Company's operation. If there is any material adverse change on the Company's business operation and financial condition, the Purchaser may in good faith terminate the Agreement and receive the Deposit from the Seller, or decrease the Share Price in accordance with the current book value on the said date. For avoidance of doubt, in this case each of the Parties shall have no right to claim the damages pursuant to Clause 3 and Clause 4.

1.3.2 Calculation of Transaction Size

The transaction of disposition of ordinary shares of EIC SEMI is considered a disposition of assets in accordance with the Notification of the Capital Market Supervision Board No. Tor Jor. 20/2551 regarding the Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets (and its amendments) and the Notification of the Stock Exchange of Thailand on the Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (and its amendments). In this regard, the calculation of the transaction size will be based on the consolidated financial statements of the Company and EIC SEMI which have been audited by the auditor for the year ending December 31, 2017. Details of the calculation of the transaction size are shown below:

Basis of Calculation	Calculation Formula	
Net Tangible Asset (NTA)	=	$\frac{\text{Proportion of Disposed Assets X NTA of EIC SEMI}}{\text{NTA of the Company}}$
	=	$\frac{49\% \times \text{Baht } 325.18 \text{ Million}}{\text{Baht } 515.38 \text{ Million}}$
	=	31.16%
Net profit (4 latest consecutive quarters)	=	Calculation under this criteria cannot be made as the Company has net loss.
Total Value of Consideration	=	$\frac{\text{Value of Consideration to be Received for the Disposition of Ordinary shares of EIC SEMI}}{\text{Total Assets of the Company}}$
	=	$\frac{\text{Baht } 159.50 \text{ Million}}{\text{Baht } 812.85 \text{ Million}}$
	=	30.04%
The Value of securities which are issued by the listed company for the acquisition of assets	=	Calculation under this criteria cannot be made since the Company does not issue ordinary shares from capital increase in consideration of the acquisition of asset

The Company has no other asset disposition transaction during the period of 6 months prior to the date of agreement to enter into the transaction. Therefore, based on the calculation of the above mentioned transaction, the transaction can be classified as the transaction under Category 2 according to the Notification on the Acquisition or Disposition and accordingly the Company is required to immediately disclose the information on the entering into the transaction to the Stock Exchange of Thailand and send a circular letter to the shareholders of the Company within 21 days from the date of disclosure of information on the entering into the transaction to the Stock Exchange of Thailand.

1.4 Details of the Disposed assets

■ Business information

Company Name	:	EIC Semiconductor Company Limited ("EIC SEMI")
Address	:	65,68 Soi Chalongkrung 31, Lamplathew Sub-district, Ladkrabang District, Bangkok
Registered and Paid-up Capital	:	Baht 474,031,900 Baht divided into 4,740,319 common shares with par value of Baht 100 per share
Type of Business	:	manufacturing and distributing electronic spare parts called "Discrete Semiconductor" – Wafer and Diodes

- Shareholders of EIC SEMI

The list of shareholders as of January 26, 2018 is as follows:

Shareholders	Number of Shares	Shareholding Percentage
Electronics Industry Public Company Limited	4,740,317	99.99
Mr. Withaya Chakpet	1	0.01
Mrs.Thipawan Chakpet	1	0.01
รวม	4,740,319	100.00

- Directors of EIC SEMI are as follows:

Name	Position
Mr. Kusol Sangkananta	Director
Mr. Withaya Chakpet	Director
Mrs.Thipawan Chakpet	Director

- Summary of financial information of EIC SEMI is as follows:

Unit : Million Baht	As at 31 December		
	2015	2016	2017
Financial Highlight			
Total Assets	436.61	388.04	412.17
Total Liabilities	83.76	66.42	86.65
Shareholders' Equity	352.84	321.62	325.52
Paid-up Capital	474.03	474.03	474.03
Total Income	183.34	187.91	203.56
Net Profit (Loss)	(43.30)	(31.22)	3.91
Earnings per share (Baht)	(9.13)	(6.59)	0.82

1.5 Value of Disposed Assets

The Company has disposed 2,322,755 ordinary shares of EIC SEMI with par value of Baht 100 per share, representing 49% of the total outstanding and paid-up shares of EIC SEMI at the price of Baht 68.67 per share with reference to the book value per share of EIC SEMI according to the financial statements which have been audited by the auditor for the year ending December 31, 2017. The total value of the disposed assets is Baht 159.50 Million. The details of the consideration to be received in the amount of Baht 159.50 Million are as follows:

- 1) Cash to be received from the sale of ordinary shares of EIC SEMI in the amount of Baht 128.43 Million;
- 2) Transfer of current liabilities under the type of loan which the Company borrowed from EIC SEMI in the amount of Baht 31.07 Million calculated from the proportion of the disposition of ordinary shares of EIC SEMI at 49% of the total value of liabilities of Baht 63.42 million.

1.6 Basis Used for Determining Value of Consideration

The basis used for determining the value of consideration for the sale of EIC SEMI ordinary shares is a calculation of the multiple of the following 2 parts:

- 1) Number of 2,322,755 Ordinary shares of EIC SEMI which have been disposed representing 49% of the total outstanding and paid-up shares of EIC SEMI;
- 2) The selling price per share calculated from the book value per share of EIC SEMI according to the financial statements audited by the auditor for the year ending December 31, 2017 at the price of Baht 68.67 per share.

Based on the above mentioned information, the total value of the disposed assets is Baht 159.50 Million.

1.7 Expected Benefits of Transaction

1) The Company can invest the cash to be received from the sale of ordinary shares of EIC SEMI in other potential and growing businesses which can generate reasonable rate of return.

2) The Company can use the cash to be received from the sale of Ordinary shares of EIC SEMI for a partial repayment of loan in order to reduce the burden of interest expense as well as for the Company's working capital.

3) To limit the risk in the operation of business of EIC SEMI in the industry with high fluctuation at a reasonable value.

4) The Purchaser has experience in the operation of business in electronic industry which can help improving EIC SEMI's performance.

1.8 Plan of Utilization of Proceeds of Disposition of Assets

The Company has planned to utilize the proceeds of the sale of the ordinary shares of EIC SEMI as follows:

- 1) To use the proceeds as working capital and for supporting the business's internal activities;
- 2) To invest in other businesses that have potential growth and can generate reasonable return in order to allow the Company to have additional income to compensate for the lost income;
- 3) To repay the loan owed to the financial institution.

1.9 Conditions for Entering into Transaction

The entering into the said transaction is regarded as the disposition of assets of the listed company according to Notifications on the Acquisition or Disposition of Assets. According to the calculation of the transaction mentioned above, the highest value of the transaction size is equal to 31.16% based on the net tangible asset value criteria. The transaction therefore falls within the transaction of Category 2 according to the Notifications on the Acquisition or Disposition of Assets. Accordingly, the Company is required to disclose the information on the entering into the transaction to SET immediately and send the circular notice to the shareholders of the Company within 21 days from the date on which the disclosure has been made to the SET.

1.10 Opinion of the Company's Board of Directors on Entering into the Transaction

The Meeting of the Board of Directors No. 3/2018 convened on March 9, 2018 considered the transaction and was of the opinion that the selling price of ordinary shares of EIC SEMI was reasonable and that such transaction could reduce the risks from the operation of business as follows:

- 1) **Risk in case the Lease Agreement cannot be renewed in the Future:** Since the land and immovable properties used for the operation of the business are currently subject to the lease, there is the risk that EIC SEMI may not be able to renew the lease agreement and this may result in the business discontinuance;
- 2) **Risk from Maintaining Gross Profit Margin:** As already explained in Clause 1.7, the competition in this industry is rather high and it requires a large amount of investment fund in order to maintain the capacity to compete. Therefore, after consideration, the Board of Directors of the Company was of the opinion that the said investment was not worthy in term of the return to be received by the Company; and
- 3) **Risk from Customers' Damages Claim:** In 2017, one of EIC SEMI customers made a claim for damages arising from EIC SEMI products against EIC SEMI. This problem is a result of the use of old machines in the business because there was a high probability of faults while the improvement of these machines requires high amount of investment fund. After consideration, the Board of Directors therefore was of the opinion that the said investment was not worthy in term of the return to be received by the Company.

1.11 Summary of opinions of the Audit Committee and/or Directors of the Company, which differ from the Opinion of the Board of Directors as per Clause 10

No director and/or audit director of the Company had different opinions from the Board of Directors of the Company.

(2) Responsibility of the Board of Directors with Respect to the Information in the Documents Sent to Shareholders

The Board of Directors is responsible for the information contained in this Memorandum of Information and other documents sent to the shareholders. The Board of Directors hereby certifies that the information in this Memorandum of Information and other documents sent to the shareholders is correct, complete, does not contain any false statement, concealment of material facts required to be available or specified or any statement that may cause material misunderstanding.

(3) Details on the Existing Liabilities of the Company and its Subsidiaries and Contingent Liabilities

3.1 Outstanding Debt Securities of the Company and its Subsidiaries as of December 31, 2017 and 2016

	(Unit: Baht)	
	Consolidated and the company	
	2017	2016
Bank overdraft	1,999,477	1,995,924
Bills of exchange not over 3 months	104,759,588	-
	106,759,065	1,995,924

3.2 Term Loans of the Company and its Subsidiaries and Collateral as of December 31, 2017

Type of Loans	Loan facilities (Million Baht)	Interest rate	Collateral
Bank overdraft	7	As specific by the Bank	Guaranteed by the Company's bank deposits as discussed in note 12 to the financial statements.
Bills of exchange	105	7% per annum	Maturity within 1 months from the date on bills of exchange. The Company has pledged the S.Thana Media Co., Ltd's ordinary shares (subsidiary) as collateral as described in note 14 to the financial statements.

3.3 As of December 31, 2017, the Company and its Subsidiaries have Total Other Liabilities including Overdraft and Collateral of Baht 260.79 Million. The details are as follow:

Unit : Baht

No	Type of Liability Outstanding	Outstanding Balance	Collateral
1	Bank Overdrafts	1,999,477	Fixed deposit 2 Million Baht
2	Trade and Other Payables	35,879,563	None

No	Type of Liability Outstanding	Outstanding Balance	Collateral
3	Liabilities under Finance Lease due within 1 year	283,181	None
4	Deposit from Tenant	3,000	None
5	Liabilities under Employee Benefit Obligations	6,253,039	None
6	Liabilities under Finance Lease, net	29,594,150	None
7	Deferred gain from Sale and Lease Back	14,522,933	None
8	Other Non- Current Liabilities	3,000	None
9	Provision for cost of dismantling assets	12,246,407	None
10	Other current liabilities	1,049,818	None
11	Provision for loss on indemnity claims	11,811,978	None
12	Income tax payable	2,156,859	None
13	Current portion of lease payable, net	283,181	None
14	Deferred tax liabilities	40,233,265	None
	Total	260,793,258	

3.4 Contingent Liabilities as of December 31, 2017

As at 31 December 2017 and 2016, the Company has contingent liabilities in respect of the matters as follows:

	(Unit : Million Baht)					
	Consolidated			The Company		
	As at 31 December 2017					
	Credit Line			Credit Line		
	Total	Utilized	Available	Total	Utilized	Available
Security for Electricity Usage Guarantee	1	1	-	-	-	-
Bank Overdraft	7	1.99	5.01	7	1.99	5.01

	(Unit : Million Baht)					
	Consolidated			The Company		
	As at 31 December 2016					
	Credit Line			Credit Line		
	Total	Utilized	Available	Total	Utilized	Available
Security for Electricity Usage Guarantee	1	1	-	-	-	-
Bank Overdraft	2	1.99	0.01	2	1.99	0.01

The above facility lines are secured by cash of Baht 1 million and bank fixed deposits.

(4) Summary of Important Information of the Company

Business Overview of Electronics Industry Public Company Limited

1. Business Overview

Company Name	:	Electronics Industry Public Company Limited (“the Company”)
Nature business	:	Electronics business and related electronic s business
Head Office	:	15th Floor, SJ Infinite I Business Complex, 349 Vibhavadi-Rangsit Road, Chompol,Chatuchak, Bangkok 10900
Telephone	:	0-2075-5667-8
Facsimile	:	0-2075-5669
Registered Capital	:	Baht 6,271,362,692 divided into 6,271,362,692 common shares with par value of Baht 1 per share
Paid-up Registered Capital	:	Baht 3,169,876,452 divided into 3,169,876,452 common shares with par value of Baht 1 per share

2. Nature of Business

2.1 History

Electronic Industry Public Company Limited was established on February 17, 1984 as a limited company under the name “Electronic Industry (USA) Limited” with the initial main objective of engaging in the business of designing, manufacturing and distributing semiconductor devices (diodes) which started the business with trading transistor.

The Company converted into a public company limited in year 2003 and started first trading on the Stock Exchange of Thailand on February 21, 2003. The history and essential developments can be summarized as follows:

1984	On February 17, 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 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)
1993	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 December 22, 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 (commencing 30 October 2006 and ending 29 October 2014) under the following condition: the Company must invest or undertake 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 4 December 2013, the Company established a subsidiary, EIC Semiconductor Co., Ltd ("EIC Semi") in order to improve business structure. On April 1, 2014, the Company transferred manufacturing and distributing electronic components business which included assets, liabilities, license and all employees related to such business to the subsidiary as payment for shares with assets and cash.
- 2017 On 5 October 2017, the Company invested by purchasing 49,998 shares of S. Thana Media Co., Ltd. (the "Subsidiary" or "S. Thana") from the existing shareholders with par value of Baht 100 per share representing 100% of the paid-up shares at the average price of Baht 7,440.30 per share. The total amount of investment was Baht 372 Million

As of September 22, 2017, the Company has registered capital of Baht 6,271,362,692 and paid-up capital of Baht 3,169,876,452 (par value of Baht 1 per share).

2.2 Nature of Business

Electronic Industry Public Company Limited (the “Company” or “EIC”) is currently a holding company that invests in the business of manufacturing and distributing electronic spare parts which are discrete semiconductor of the type of wafer and diodes and provides the service of designing and manufacturing discrete semiconductor of diodes type according to the customer’s special requirements and engages in the business of renting out space for billboard (Out of Home Media) with an aim to develop the advertising media business in order to meet all demands of customers including the production of advertisements, installation and maintenance of media throughout the management period of the advertising media.

❖ Business of Manufacturing and Distributing Electronic Spare Parts

EIC Semiconductor Co., Ltd. (“EIC SEMI”) which its 100% shares are held by the Company engages in the business of manufacturing and distributing electronic spare parts which are discrete semiconductor of Wafer and Diodes type. EIC SEMI is the manufacturer of initial raw material that is silicon wafer which will be used for the assembly of Diodes (Manufacturer with Wafer Fabrication) and also the business of providing service of designing and manufacturing semiconductor of diodes type with special qualifications specifically for the special requirements of the customers.

Diode is a fundamental component of every electronic appliances. EIC Semi is a manufacturer of diodes that focus on the quality and variety to manufacture the products that meet with customers’ satisfaction to assemble these diodes as part of their electronics and electrical appliances (EIC Quality Diodes behind every great system). Products are as follows:

- 1) Wafer (Open Junction Wafer and Glass Passivated Processed Wafer): Wafers is the product manufactured for use as raw material in the assembly of diodes.
- 2) Diode Products can be classified into 4 groups as follows:
 - 2.1 Zener Diodes are a special type of diode which allows the reverse flow of electrical current and is capable of resisting extremely high reverse currents. Therefore, they are used to regulate and stabilize regular voltage and in automobile light control systems.
 - 2.2 Transient Voltage Suppressor Diodes (TVS) are diodes used to cut-off electricity flowing into various types of parts or to prevent 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.

2.3 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 circuit of power supplies. This feature is a basic feature and important for most types of electrical appliances and electronic equipment.

2.4 High Speed Switching Diodes are diodes used in high frequency electric circuits which will be used in electronic equipment which requires fast on & off switching, such as digital circuits or small signal circuits with high frequencies.

Types of Diodes Products based on Product Standard

There are more than 14,000 part numbers or more than 50 packages of the manufactured diodes which can be classified into two types based on the product standard:

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

2) General standard products mean products manufactured by the Company/EIC SEMI which have different electrical properties from those specified by the Company as a result of manufacturing defects and are not products which the company intended to manufacture. However, these products still meets the international standard and can be used for general purpose. The Company sells these products without using the "EIC" brand.

Investment Promotion Benefits and Privileges

The Company transferred to EIC Semi the promotional privileges under the Investment Promotion Act B.E. 2520 for the manufacture of Wafer (GPP, Open Junction), Diode, Transistor and Thyristor under promotion certificate no. 2017 (2) / 2549 dated 27 October 2006 and a revision of promotion certificate OR GOR 0906/008204 dated 4 April 2007 from Electronics Industry Public Company on 1 April 2014. The main privileges are as follows:

1) Exemption of import duty on machinery.

2) Exemption of corporate income tax for the promoted activities at the rate not exceeding 100% of investments excluding cost of land and working capital for a period of eight years from the date income is first derived (30 October 2006).

3) On completion of the initial eight-year exemption period, the company is entitled to utilize the accumulated losses in respect of the promoted activities, if any, incurred during the promotional period against the corporate income tax for the following 5 years from the expiry date of promotional privileges.

To be entitled to the privileges, the subsidiary must comply with certain conditions and restrictions relating to the rights and privileges included in the promotional certificates.

❖ Business of Advertising Media

S. Thana Media Co., Ltd. (“S. Thana”) which its 100% shares are held by the Company engages in the business of renting out space for billboard (Out of Home Media). The business of S. Thana can reach all different target groups because of various sizes and forms of the billboards which are located throughout Bangkok Metropolitan Region and the major provinces in each region. S. Thana had long experiences and expertise as the provider of out of home media service and is successful in its business. It has strong branding which is accepted in the area of outdoor advertising media business. S. Thana has joined as a member of the Advertising & Sign Producing Association (ASPA) under membership no. ASPA 42065 and a member of the Asia Sign Association under membership no. ASPA 005. As it has complied with the rules and regulations of the associations, the standard of S. Thana is widely accepted among the entrepreneurs of outdoor advertising media business as well as the customers in both government and private sectors.

Billboard is a large advertising board for presenting still images. It is noticeable by a large number of people and target groups of customers. It is the type of advertising media that is outstanding and easy to understand. The billboard can be clearly seen from short and long distance and helps people to memorize the characteristics of the goods. In producing the advertising boards for presenting still images, various types of materials can be used in order to produce advertising images which are suitable for the characteristics of the goods and can attract the persons who see the billboard.

2.3 Shareholding Structure of the Group

Electronics Industry Company Limited (Public) is a holding company investing in EIC Semi, a producer and distributor of electronic spare parts. The Company’s shareholding structures as of December 31, 2017 are as follows:

No	Company	Registered Capital (Million Baht)	Holding (%)
1	EIC Semiconductor Co., Ltd. (“EIC Semi”)	474.03	99.99
2	S.Thana Media Co., Ltd. (“S.Thana”)	5.00	99.99

2.4 Revenue Structure of the Company

The classification of Company and subsidiary’s revenue structure from the year 2015 – 2017 can be summarized as follows:

Product Line / Business Group	Proceed by	% shareholding	Revenues (Million Baht)					
			2017	%	2016	%	2015	%
Income from Electronic Components	EIC, EIC SEMI	99.99						
▪ Rectifier Diodes			118.86	51.96	96.80	44.96	84.05	45.38
▪ High Speed Switching Diodes			2.08	0.91	2.74	1.27	5.20	2.81
▪ Zener Diodes			28.98	12.67	35.26	16.38	38.44	20.75
▪ Transient Voltage Suppressor Diodes			50.81	22.21	44.51	20.67	41.06	22.17
▪ Transistors			0.18	0.08	0.73	0.34	1.49	0.80
▪ Wafer			-	-	-	-	4.09	2.21
▪ Other			2.64	1.15	3.12	1.45	-	-
Total Sales			203.55	88.98	183.16	85.08	174.33	94.13
Income from Business of Renting out Space for Advertising Billboard	S.Thana*							
▪ Services Income		99.99	26.27	11.48	-	-	-	-
Total Services Income			26.27	11.48	-	-	-	-
Income from Defaulted Sales and Purchase Agreement	EIC		-	-	20.00	9.29	-	-
Gain(loss) on Exchange Rates	EIC		(7.96)	(3.48)	(1.02)	(0.47)	6.67	3.60
Gain on Disposal of Investment in Associate	EIC		-	-	7.13	3.31	-	-
Gain from other Investment	EIC		-	-	-	-	-	-
Interest Income	EIC		1.74	0.76	1.38	0.64	1.39	0.75
Other Income	EIC		5.17	2.26	4.64	2.16	2.82	1.52
Total Income			228.77	100.00	215.29	100.00	185.21	100.00

Note * The Company purchased the shares of S.Thana Media Co., Ltd. on October 5, 2017 and realized the income in the Company's Consolidated Financial Statement for the Year 2017 from October 5 to December 31, 2017.

3 Major Shareholders

The ten major shareholders according to the list of shareholders as of 27 October 2017 are as follows:

No.	Name of Shareholders	No. of shares	Ownership
1.	Miss Kanyanarom Wongpan	638,059,100	20.13
2.	Mr. Somyos Wongthongsalee	631,800,000	19.93
3.	Mrs. Aura-orn Akrasanee	211,750,000	6.68

4.	Mrs. Thansuda Phanitwong	56,000,000	1.77
5.	Mr. Withaya Chakpet	50,000,000	1.58
6.	Mr. Wiboon Phanitwong	50,000,000	1.58
7.	Mrs. Thansinee Wongvivat	49,000,000	1.55
8.	Mr. Thanawat Chaisiriporn	47,786,267	1.51
9.	Mr. Prasith Vethpanyawong	45,010,000	1.42
10.	Mr. Jatupol Ungrangsi	42,210,000	1.33

4 The Board of Directors

The Board of Directors consists of eight directors are as follows:

No.	Name	Position
1	ADM. Nakorn Aranyanark	Chairman of the Board of Directors
2	Mr. Kusol Sangkananta	Chief Executive Officer and Director
3	Mr. Kosol Phosuwan	Director
4	Mr. Khomchan Hathailak	Independent Director
5	Mr. Apichart Paphanpuwong	Independent Director
6	Mr. Chartchai Pokogwai	Director
7	Miss Sriphen Delokcharoen	Independent Director
8	Mr. Eakkachai Chaicherdchukit	Director

5 Summary of Significant Items in the Financial Statements and the Analysis of the Financial Position and Performance of the Company.

5.1 Comparative Financial Position

■ Statements of Financial Position

Unit : '000 Baht	Audited Statements of Financial Position As at			
	31 December 2014	31 December 2015	31 December 2016	31 December 2017
Assets				
Current Assets				
Cash and Cash Equivalents	32,149	180,365	125,485	120,157
Short-term Loan to Subsidiary	2,000	-	20,506	135,627
Short-term Loan to Related Company	-	14,000	7,957	15,000
Trade and other Receivables, Net	92,507	73,164	59,587	102,800
Inventories, Net	156,357	88,269	60,724	63,932

Unit : '000 Baht	Audited Statements of Financial Position As at			
	31 December 2014	31 December 2015	31 December 2016	31 December 2017
Advance Payment for Shares	-	-	-	-
Investment held for Sales	-	30,871	-	2,000
Total Current Assets	283,013	386,668	274,259	439,516
Non-current Assets				
Restricted Investment	2,000	4,040	2,058	3,072
Property, Plant and Equipment, Net	146,465	122,109	107,605	311,796
Goodwill, Net	-	-	-	40,233
Intangible Assets, Net	691	744	604	469
Deferred tax assets	-	-	-	15,265
Other Non-Current Assets	825	3,321	2,690	2,498
Total Non-Current Assets	149,981	130,215	112,958	373,333
Total Assets	432,994	516,883	387,216	812,850
Liabilities and Shareholder's Equity				
Current Liabilities				
Bank Overdrafts	-	1,848	1,996	106,759
Trade and Other Payables	10,168	34,955	21,949	35,880
Current Portion of Long-Term Lease Payable, Net	-	1,445	162	283
Income Tax Payable	-	-	-	2,157
Advance Received for Share Disposal	-	15,000	-	-
Other current liabilities	-	-	-	1,050
Total Current Liabilities	10,168	53,249	24,108	146,129
Non-Current Liabilities				
Deferred Tax Liabilities				40,233
Provision for Loss on Indemnity Claims				11,812
Employee Benefit Obligations	5,099	3,949	4,632	6,253
Long-term Lease Payable, Net	-	28,649	29,877	29,594
Deferred Gain on Sale and Leaseback	-	16,387	15,455	14,523
Provision for cost of dismantling assets	-	-	304	12,246
Other Non-Current Liabilities	203	-	3	3
Total Non-Current Liabilities	5,302	48,987	50,271	114,664

Unit : '000 Baht	Audited Statements of Financial Position As at			
	31 December 2014	31 December 2015	31 December 2016	31 December 2017
Total Liabilities	15,471	102,236	74,378	260,793
Shareholders' equity				
Share Capital				
Registered Share Capital				
Ordinary Shares at Baht 1 Each	600,000	1,318,386	1,485,294	6,271,367
Authorized, Issued and Paid-up Share Capital	476,881	667,634	700,464	3,169,876
Premium on Share Capital	167,751	167,751	167,751	-1,931,216
Retained Earnings (Deficit)				
Appropriates for Legal Reserve	13,726	13,726	13,726	13,726
Unappropriated	-271,332	-434,464	-569,104	-700,331
Other Components of Equity	30,497	-	-	-
Other Components of Shareholders' Equity				
Shareholders of the Company	417,524	414,647	312,838	552,056
Non-controlling Interests of Subsidiary Company	-	-	-	-
Total Shareholders' Equity	417,524	414,647	312,838	552,056
Total Liabilities and Shareholders' Equity	432,994	516,883	387,216	812,850

■ Statements of Comprehensive Income

Unit : '000 Baht	Audited Statements of Financial Position As at			
	31 December 2014	31 December 2015	31 December 2016	31 December 2017
Income				
Sales	180,907	174,322	183,159	203,556
Services Income	-	-	-	26,275
Income from Defaulted Sales and Purchase Agreement	-	-	20,000	-
Gain(loss) on Exchange Rates	1,160	6,671	-1,016	-7,964
Gain on Disposal of Investment in Associate	1,917	-	7,129	-
Interest Income	-	1,393	1,382	1,736
Other Income	2,058	2,823	4,641	5,170
Total income	186,042	185,209	215,295	228,773

Unit : '000 Baht	Audited Statements of Financial Position As at			
	31 December 2014	31 December 2015	31 December 2016	31 December 2017
Expenses				
Cost of Goods Sold	-232,908	-196,473	-143,831	-146,038
Cost of Goods Services	-	-	-	-13,390
Selling Expenses	-5,638	-6,269	-7,174	-11,177
Administrative Expenses	-32,929	-51,816	-68,211	-53,783
Remunerations for Directors and Management	-14,174	-56,309	-45,630	-15,165
Reversal (loss) of doubtful account	-	-	-	5,026
Doubtful account - Trade Accounts Receivable	-70,000	-	-31,765	-
Doubtful Account - Other Receivable and Long-term Loans to Related Companies and Interest Receivable	-	-1,027	-51,297	-
Share Loss on Investment in Associates	-26,415	-24,088	-	-
Reversal (loss) of Impairment on Investment in Associates	-125,887	-44,162	-	-
Loss on impairment of goodwill	-	-	-	-121,709
Loss on indemnity claims	-	-	-	-11,812
Total Expenses	-507,951	-380,144	-347,910	-368,048
Profit (Loss) before Finance Cost and Income Tax	-321,908	-194,935	-132,615	-139,275
Financial Cost	-	-601	-2,025	-2,984
Profit (Loss) before Income Tax Expenses	-321,909	-195,536	-134,640	-142,259
Tax Expenses	-1,189	-	-	10,743
Profit (Loss) for the Year	-323,098	-195,536	-134,640	-131,516
Other Comprehensive Income (Expense)				
Reversal on Tax Income (Tax Expenses) Related to Revaluation Surplus of Land	6,099	-	-	-
Re-measurement of Employee Benefit Obligations	-	1,907	-	288
Other Comprehensive Income for the Year, Net of Tax	6,099	1,907	-	288

Unit : '000 Baht	Audited Statements of Financial Position As at			
	31 December 2014	31 December 2015	31 December 2016	31 December 2017
Total Comprehensive Income (Loss) for the Year	-316,998	-193,629	-134,640	-131,227

■ Statements of Cashflow

Unit : '000 Baht	Audited Statements of Financial Position As at			
	31 December 2014	31 December 2015	31 December 2016	31 December 2017
Cash Flows from Operating Activities				
Loss before Income Tax for the Year from Continuing Operations	-321,909	-195,536	-134,640	-142,259
Adjustments to Reconcile Net Profit (Loss) to Net Cash Provided				
Share of Loss on Investment in Associates	26,415	24,088	-	-
Reversal (loss) on Impairment in Associate	125,887	44,162	-	-
Deferred Gain on Sale and Leaseback Transaction	-	-388	-932	-932
Gain on Disposal of Investment in Associate	-	-	-7,129	-
Depreciation	9,839	9,956	16,217	19,582
Doubtful Debt	70,000	1,027	83,062	83,062
Amortisation and Written - Off Assets	3,113	-458	11,816	1,160
Loss on Allowance for Devaluation of Inventories	71,745	25,149	8,459	-
Loss on Indemnity Claims	-	-	-	11,812
Interest Income	-296	-1,393	-1,382	-1,736
Interest Expense	-	601	2,025	2,984
Unrealized (gain) Loss on Exchange Rates	-1,163	-1,830	-1,102	4,764
Employee Benefit Liabilities	834	756	683	1,408
Loss from Operations before Changes in Operating Assets and Liabilities	-15,535	-93,866	-22,923	13,464
Operating Assets (increase) Decrease				
Trade and other Receivables	-15,526	20,731	-16,800	-23,148

Unit : '000 Baht	Audited Statements of Financial Position As at			
	31 December 2014	31 December 2015	31 December 2016	31 December 2017
Inventories	28,684	42,938	19,086	-3,208
Other Current Assets	-544	-1,145	1,151	-
Operating Liabilities Increase (Decrease)				
Trade and Other Payable	-3,431	24,549	-13,048	-5,572
Other Non-Current Liabilities	-3	-200	-	-45
Cash Paid in Operating Activities	-6,356	-6,993	-32,533	-7,366
Interest Income	305	332	891	353
Interest Expense	-	-601	-51	-1,037
Cash Paid for Corporate Income Tax	-628	-774	-116	-550
Net Cash Used in Operating Activities	-6,678	-8,035	-31,810	-8,600
Cash Flows from Investing Activities				
Temporary Investments	-	-	49,190	-113,738
Cash Proceed from Disposal of Investment in Associate	-	-	23,000	-
Short-term Loans to Related Parties	-	-14,000	6,043	-7,043
Long-Term Loans to Related Parties	-	-	-51,682	-
Short-Term Investment	-1,347	-	-	-
Investments in Associate and Transaction Cost	-152,302	-99,120	-	-
Cash Paid for Investment in Subsidiary	-	-	-	-346,543
Cash Proceed from Disposal of Assets	-	44,091	-	15
Purchases of Fixed Assets and Intangible Assets	-19,975	-11,424	-11,507	-6,301
Received Advances for Share Subscription	-	-	-	5,000
Cash Received on Disposal of Fixed Assets	-	-	-	-14
Advance Receives for Share Disposal	-	15,000	-	-
Net Cash Used in Investing Activities	-173,625	-65,453	-34,146	-468,625
Cash Flows from Financing				

Unit : '000 Baht	Audited Statements of Financial Position As at			
	31 December 2014	31 December 2015	31 December 2016	31 December 2017
Activities				
Bank Overdraft	-	1,848	148	4
Increase of Share Capital	-	190,752	32,830	370,445
Cash Received from Sale and Financial Leaseback Transaction	-	29,600	-	-
Paid of Direct Cost for Convertible Debentures	-18,368	-	-	-
Cash Received from Bill of Exchange	-	-	-	-104,760
Cash Received from Convertible Debentures	170,000	-	-	-
Payment for Lease Payable	-	-594	-2,028	-2,110
Repayment of Short-Term Loan to Related Party	-100	-	-	-
Net Cash Provided by (Used In) Financing Activities	151,533	221,607	30,950	473,099
Effect from Changes in Exchange Rate of Cash and Cash Equivalents	60	98	450	-1,203
Net Increase (Decrease) in Cash and Cash Equivalents	-28,710	148,216	-34,374	-5,329
Cash and Cash Equivalents as at Beginning of the Period	60,859	32,149	110,669	125,485
Cash and Cash Equivalents as at the End of the Period	32,149	180,365	125,485	120,156

■ Key Financial Ratio

Financial Ratio	2014	2015	2016	2017
Liquidity Ratio				
Current Ratio (Times)	27.83	7.26	11.38	3.01
Quich Ratio (Times)	12.46	4.76	8.53	1.53
Cash Ratio (Times)	-0.56	-0.25	-0.82	-0.10
Profitability Ratio				
Gross Profit Margin	-28.74%	-12.71%	21.47%	34.59%
Net Profit Margin	-170.39%	-104.55%	-62.54%	-64.95%
Return on Equity	-63.37%	-46.54%	-37.02%	-30.41%
Efficiency Ratio				

Financial Ratio	2014	2015	2016	2017
Return on Assets	-60.75%	-40.77%	-29.78%	-21.92%
Total Assets Turnover (Times)	0.36	0.39	0.48	0.34
Financial Policy Ratio				
Leverage Ratio (Cash Basis)	0.04	0.25	0.24	0.47

5.2 Financial Analysis and the Performance of the Company

5.2.1 Management Discussion and Analysis

The operating result of the Company and its subsidiary companies for the year ending December 31, 2017 showed the net loss of Baht 131.23 Million representing the decrease of 2.53% in net loss compared to net loss of Baht 134.64 Million of the same period of the previous year. The main factors are as follows:

1. Income earned from service of advertising board renting of S. Thana Media Co., Ltd. for the 3 month period commencing from October 1, 2017 to December 31, 2017 was in the amount of Baht 26.28 Million. The service cost was Baht 13.40 Million. Gross profit from the service of advertising board renting was equivalent to 50.96%.

2. Income earned from fine imposed for the breach of the Share Sale and Purchase Agreement in the amount of Baht 20 Million was the income received as a result of the default under the Share Sale and Purchase Agreement from receiving the payment of shares from the former shareholder of Smart Traffic Co., Ltd in year 2016.

3. Profit from the sale of fund invested in the associated company was Baht 7.13 Million. The Company sold the ordinary shares of Smart Traffic Co., Ltd. to the existing shareholders at a price of Baht 20 million and to the third parties at a price of Baht 18 Million by mean of bidding resulting in the Company's realization of the profit from the sale of investment fund.

4. Income from interest was Baht 1.74 Million increasing by Baht 0.35 Million (Income from interest in Year 2016 was Baht 1.38 million) equivalent to 25.62%. The income of Baht 1.40 Million was earned from the short-term loan in the form of bill of exchange under the name of the Company and the income of Baht 0.34 Million was earned from the bank deposit interest of EIC SEMI.

5. Expense of the sale was Baht 11.18 Million increasing by Baht 4.00 Million compared to the same period of the previous year (The expense of sale in year 2016 was Baht 7.18 Million) equivalent to 55.78% because there was the expense of sale of S. Thana Media Co., Ltd. in the amount of Baht 2.71 Million in the 4th quarter of 2016 and the expense of sale of EIC SEMI was increased by Baht 1.29 Million compared to the same period of the previous year (The expense of sale in Year 2016 was Baht 7.18 Million).

6. Administrative expenses were Baht 53.78 Million decreasing by Baht 14.43 Million compared to the previous year as a result of the reduction in the administrative expenses.

7. Remunerations of directors and executive officers were Baht 15.17 Million decreasing by Million 30.47 Baht compared to the same period of the previous year (The directors' remuneration in year 2016 was Baht 45.63 Million) equivalent to 66.77% as a result of the reduction in the administrative expenses.

8. Reversion (loss) from allowance for doubtful accounts was Baht 5.03 million decreasing from Baht 78.04 Million equivalent to 93.95% because the Company received the payment of debt from Khum Phornphan in the amount of Baht 5 million in 2017 and Baht 2 Million in February 2018 and the allowance for doubtful accounts was set for EIC SEMI in the amount of Baht 1.97 Million.

9. Loss on devaluation of goodwill was Baht 121.71 Million as a result of the assessment of the value expected to be returned at of December 31, 2017 by taking into consideration the calculation of the value of use based on the estimation of before-tax cash flow with reference to the financial estimation for the 10 year period. The Company therefore realized the devaluation of the investment in the ordinary shares of S. Thana in the said amount.

10. Loss from exchange rate was Baht 7.96 Million which increased by Baht 6.95 Million or 87.24% compared to the same period of the previous year due to the fluctuation of the Thai Baht.

11. Loss from compensation of damages was Baht 11.81 Million equivalent to 100% compared to the same period of the previous year as a result of the damages claimed by the injured party against EIC SEMI in the total amount of Yuan 2.38 Million. EIC is in the process of negotiation in order to request for a reduction in the amount of damages incurred. The result of the negotiation still cannot be confirmed.

12. Financial cost was Baht 2.98 Million increasing from the same period of the previous year by Baht 0.96 million equivalent to 47.36% due to the interest of the short-term loan in the form of bill of exchange in the amount of Baht 1 Million and the interest of the financial lease agreement in the amount of Baht 1.98 Million.

13. Expense of income tax was Baht 10.74 Million because EIC SEMI realized the asset of deferred income tax due to temporary difference and reversion of temporary difference in the amount of Baht 13 Million and S. Thana had outstanding income tax of Baht 2.26 Million.

14. Measurement of new value of obligations and benefits after leaving the job was Baht 0.29 Million as a result of the change of assumption for estimating the benefit of the employees as expense according to the Labor Protection Act (No.6) B.E. 2560 which specifies that the employees shall retire at the age of sixty with effect from September 1, 2017.

5.2.2 Financial Status

✦ Assets

The Company is engaged in the business of manufacturing and distributing semiconductors. The main assets of the Company are cash, inventory, account receivable, land and building and equipment. The total assets as of December 31, 2015, December 31, 2016 and December 31, 2017 were Baht 516.88 Million, 387.22 Million and 812.85 Million, respectively. As of December 31, 2017, the Company's total assets increased from the end of 2016 by Baht 425.63 Million which was equivalent to 109.92% as a result of the increase in the temporary fund invested in the debt securities in the amount of Baht 115.12 Million, accounts receivable in the amount of Baht 43.21 Million, short-term loans to related businesses in the amount of Baht 7.04 Million, inventory of Baht 3.21 Million, receipt of advance payment of shares in the amount of Baht 2 Million, secured fixed deposit in the amount of Baht 1.01 Million, building and equipment in the net amount of Baht 204.19 Million which increased as a result of the advertising board project due to the purchase of the ordinary shares of S. Thana Media Co., Ltd. including the goodwill of Baht 40.23 Million and deferred tax of Baht 15.26 Million as well as the decrease in cash and cash equivalent in the amount of Million 5.33 Baht, intangible assets of Baht 0.13 Million and non-current assets of Baht 0.19 Million.

✦ Liabilities

Total liabilities of the Company as of December 31, 2015, December 31, 2016 and December 31, 2017 were Baht 102.24 Million, 74.38 Million and 260.79 Million, respectively. Total liabilities as of December 31, 2017 increased from the end of 2016 for Baht 186.41 Million which was equivalent to 250.62% due to short-term loan Baht 104.76 Million, trade and other payables of Baht 13.93 Million, corporate income tax payable of Baht 2.16 Million, other current liabilities of Baht 1.05 Million, deferred tax liability of Baht 40.23 Million, provisions for claim for damages in the amount of Baht 11.81 Million, employee benefit obligation of Baht 1.62 Million, provisions for demolition of properties of Baht 11.94 Million as well as a decrease of financial lease payables in the amount of 0.16 Baht Million and deferred gain from sale and lease back of Baht 0.93 Million.

✦ Shareholders' Equity

Shareholders' equity as of December 31, 2015, December 31, 2016 and December 31, 2017 were Baht 414.65 Million, Baht 312.84 Million and Baht 552.06 Million, respectively. Shareholders' equity as of December 31, 2017 increased from the end of 2016 by Baht 239.22 Million which was equivalent to 43.32% due to the loss for the year 2017 in the

amount of Baht 131.23 Million, the issued and paid-up ordinary shares which increased by Baht 2,469.41 Million with an excess of par value in paid in capital account of Baht 2,098.97 Million.

(5) Other information which may materially affect the decision making of investors (if any)

Please consider the details of the Asset Acquisition and Disposal Transactions contained in the Information Memorandum on Acquisition and Disposal of Assets under Schedule (1).

(6) Pending Material Lawsuits or Claims

On December 1, 2016, the Company filed a civil lawsuit against Mrs. Pornpan Siriwong Na Ayudhaya (Black Case No. Por 2516/2559) for the breach of promissory notes in order to demand for principle payment in the amount of Baht 70 Million with interest at a rate of 3.5% per annum from July 31, 2015 until the date of filing totaling Baht 73.29 Million plus interest at a rate of 3.5% of principle per annum from the date of filing until the completion of payment. The court fixed March 20, 2017 as a date of determination of dispute issue.

On March 20, 2017, the court determined the issue of the case that whether the defendant was liable to pay the plaintiff pursuant to the promissory note and appointed the date for mediation on May 29, 2017. Provided that the parties were unable to mediate, the examination of witnesses will be carried out. Based on the completeness of documentary evidences and witnesses, the Company's lawyer believed that the court would rule in favor of the Company.

On 12 September 2017, the Company and Ms. Pornpan entered into the Settlement Agreement before the court, Ms. Pornpan has agreed to make a repayment of Baht 73.29 Million (the principal of Baht 70 Million and outstanding interest of Baht 3.29 Million calculated up to December 1, 2016) together with an interest at the rate of 3.5% per annum from June 16, 2017 until the payment is fully made.

(7) Interests or Connected Transactions Between the Listed Company and Directors, Management and Shareholders Directly or Indirectly Holding Shares Amounting to 10 Percent to More

The Company and its subsidiaries have transactions with its related companies. These companies are related through common shareholding and/or directorship.

Details of relationship between the Group and related parties which related through control or transaction are as follows:

Company's name / Person	Country	Relationship	
		Nature	Related by
EIC Semiconductor Co., Ltd.	Thailand	Subsidiary	Direct shareholding
Thai Prime Investment Limited*	British Virgin Island	Subsidiary	Direct shareholding
S.Thana Co., Ltd.	Thailand	Subsidiary	Direct shareholding
Smart Traffic Co., Ltd.**	Thailand	Associate	Direct shareholding
Sport Events International Inc. (Bermuda)*	Bermuda	Associate	Shareholding through subsidiary
Global Legends Series Ltd. (Bermuda)*	Bermuda	Associate	Shareholding through subsidiary
Unitop Rubber Co., Ltd.	Thailand	Related party	Common director and shareholding with subsidiaries
LED Lighting Co., Ltd.	Thailand	Related party	Common director with subsidiary

*The Company was not considered as a subsidiary or associate after the Company realized all ordinary shares of Thai Prime Investment Limited since 6 January 2017 onward.

**The Company was not considered as an associate after the Company realized all ordinary shares of Smart Traffic Co., Ltd. since 19 December 2016 onward.

Pricing policies for related transactions are as follows:

Transactions	Pricing policy
Rental Income	Mutually agreed price
Interest Income	Contract price

Transactions with related parties for the year ended 31 December 2017 and 2016 were as follows:

	(Unit : Baht)			
	Consolidated		The Company	
	2017	2016	2017	2016
Interest Income				
Thai Prime Investment Limited	-	-	-	1,763,685
LED Lighting Co., Ltd.	164,151	724,891	-	-
Sport Events International DMCC	-	491,001	-	-
	<u>164,151</u>	<u>1,215,892</u>	<u>-</u>	<u>1,763,685</u>
Other Income				
Unitop Rubber Co., Ltd.	684,750	660,000	-	-
Smart Traffic Co., Ltd.	-	115,658	-	115,658
	<u>684,750</u>	<u>775,658</u>	<u>-</u>	<u>115,658</u>

	(Unit : Baht)			
	Consolidated		The Company	
	2017	2016	2017	2016
Purchases Assets				
LED Lighting Co., Ltd.	9,500	781,660	-	-
Remunerations for directors and management				
Short-term Employee Benefits	14,438,746	45,529,050	7,244,000	36,310,000
Retirement Benefit Expenses	726,269	101,269	519,052	-
	<u>15,165,015</u>	<u>45,630,319</u>	<u>7,763,052</u>	<u>36,310,000</u>
Doubtful Account				
Thai Prime Investment Limited	-	-	-	69,680,085
Sport Events International DMCC	-	51,297,321	-	-
	<u>-</u>	<u>51,297,321</u>	<u>-</u>	<u>69,680,085</u>

Outstanding balances with related parties as at 31 December 2017 and 2016 were as follows:

	(Unit : Baht)			
	Consolidated		The Company	
	2017	2016	2017	2016
Other receivables – net				
Thai Prime Investment Limited	-	-	-	18,919,781
<u>Less</u> : Allowance for Doubtful Account	-	-	-	(18,918,781)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Short-term Loan to Subsidiary*				
EIC Semiconductor Co., Ltd.	-	-	2,000,000	2,000,000
Short-term Loan to Related Company**				
LED Lighting Co., Ltd.	15,000,000	7,956,753	-	-
Long-term Loan to Related Companies and Interest Receivable				
Thai Prime Investment Limited***	-	-	-	137,215,785
Sport Events International DMCC****	-	51,297,321	-	-
Total	-	51,297,321	-	137,215,785
<u>Less</u> : Allowance for Doubtful Account	-	(51,297,321)	-	(137,215,785)
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Movement of long-term loans to related companies and interest receivable during the period as follow;

	(Unit : Baht)			
	Consolidated			
	2016	Increase	Decrease*****	2017
Principle – Loan to Sport Events International				
DMCC	50,806,320	-	(50,806,320)	-
Interest Receivable	491,001	-	(491,001)	-
Total	51,297,321	-	(51,297,321)	-
<u>Less</u> : Allowance for Doubtful Account	(51,297,321)	-	51,297,321	-
Net	-	-	-	-

	(Unit : Baht)			
	Consolidated			
	2016	Increase	Decrease*****	2017
Principle - Loan to Thai Prime Investment Limited	134,469,515	-	(134,469,515)	-
Interest Receivable	2,746,270	-	(2,746,270)	-
Total	137,215,785	-	(137,215,785)	-
<u>Less</u> : Allowance for Doubtful Account	(137,215,785)	-	137,215,785	-
Net	-	-	-	-

	(Unit : Baht)			
	Consolidated		The Company	
	2017	2016	2017	2016
Short-term loan from subsidiary*****				
EIC Semiconductor Co., Ltd.	-	-	63,420,000	63,420,000

* Short-term loan represented unsecured loan denominated in Baht to subsidiary (EIC Semiconductor Co., Ltd.) of Baht 2 million which will be due at call and free of interest charge.

**As at 31 December 2017 and 2016, short-term loan to related company (LED Lighting Co., Ltd.) represented promissory notes denominated in Baht which will be due at call and bear interest at the rate of 3% per annum.

***As at 31 December 2016, long-term loan to subsidiary (Thai Prime Investment Limited) represented unsecured loan of USD 3.78 million bearing interest at the rate of 3% per annum. The loan will be due within 3 years.

At the Board of director's meeting No. 15/2016 held on 17 October 2016, it was an unanimously resolved to fully set up provision for doubtful long-term loan to subsidiary and interest receivable, therefore the Company fully set up provision for doubtful account of Baht 86.46 million and Baht 50.76 million in the company financial statements for the year ended 31 December 2015 (amended) and 2016, respectively.

At the Board of Director's meeting no. 19/2016 held on 7 December 2016, it was unanimously resolved to send a letter to request for repayment of total loans from Thai Prime Investment Limited. The Company issued a letter dated 20 December 2016 to terminate the loan agreement and requested for repayment of total loans within 27 December 2016.

On 6 January 2017, the Company entered into the Sales Agreement of Thai Prime Investment Limited's ordinary shares to the buyer (third party) and this also included long-term loan to subsidiary and interest receivable and advance to subsidiary totaling Baht 156.14 million. The Company received the fund of Baht 1.50 million and presented as other income in the consolidated and company statements of comprehensive income for the year ended 31 December 2017 in the same amount and reverse long-term loan to subsidiary and interest receivable and advance to subsidiary against provision for the whole amount in the company financial statement for the year ended 31 December 2017.

****As at 31 December 2016, long-term loan represented unsecured loan to related company (Sport Events International DMCC) denominated of USD 1.45 million bearing interest at the rate of 3% per annum. The loan of USD 1.40 million will be due within 3 years and the remaining amount of USD 0.05 million within 6 months.

At the Board of Director's meeting No. 15/2016 held on 17 October 2016, it was an unanimously resolved to fully set up provision for doubtful long-term loan to related company and interest receivable in the consolidated financial statement, therefore, the Company set up provision for doubtful account in the consolidated financial statements for the year ended 31 December 2016 of Baht 51.30 million.

****On 6 January 2017, the Company realized investment in subsidiary (Thai Prime Investment Limited), therefore, the Company has not presented such investment in the consolidated financial statements as at 31 December 2017.

*****Short-term loan from subsidiary (EIC Semiconductor Co., Ltd.) represented promissory notes denominated in Baht which will be due on 23 July 2016 with free of interest charge. However, this promissory note has been extended the due date which will be due on 22 July 2018.

(8) Summaries of Material Contracts During the Past 2 Years

Material contracts during the past 2 years are as follows:

1) On July 7, 2015, the Company entered into the agreement to purchase the shares of Thai Prime Investments Limited from the existing shareholder without consideration and sold those shares to the third person on January 6, 2017;

2) On June 29, 2016, the Company entered into the agreement to sell 391,800 shares of Smart Traffic Limited' shares representing 3.26% to the existing shareholders at the price of Baht 20 Million and on December 19, 2016, the Company sold 3,232,200 remaining shares representing 26.94% to the third person in the amount of Baht 18 Million.

3) On October 5, 2017, the Company purchased 50,000 shares of S. Thana Media Co., Ltd. representing 100 percent from the existing shareholders at the price of Baht 372 Million.

The Board of Directs of the Company hereby certified that the information contained in this report is true and complete in all respects.

Please be informed accordingly.

Sincerely yours,

-Mr. Kusol Sangkananta- / -Mr. Kosol Phosuwan-
(Mr. Kusol Sangkananta / Mr. Kosol Phosuwan)
Director/Chief Executive Officer