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รายงานประจำปี 2555

Annual Report 2012

บริษัท อินเตอร์เนชั่นแนลเอนจิเนียริง จำกัด (มหาชน)
The International Engineering Public Company Limited



บริษัท อินเทอร์เน็ตเอ็นจิเนียริ่ง จำกัด (มหาชน)
The International Engineering Public Company Limited

Message from the Board of Directors

In 2012, IEC continued to realize organizational and business restructuring policies to respond with its business plan where ICT and alternative energy are highly concentrated, as the joint investment with Electricity Generating PCL (“EGCO”) in GiDEC Co, Ltd., a subsidiary of IEC Green Energy Co., Ltd. in the 6.7MW Municipality Solid Waste Power Plant Project in Songkhla province, and IEC’s investments in Team Solar Co., Ltd. for the collective 4MW Solar Power Plants in Lamphun and Chiangmai provinces made notable progress, with an anticipation of electricity supply and distribution within the year 2013.

The restructuring scheme saw termination of cellphone retailing business and dispositions of operating assets under Nokia Franchise Partnership (Nokia Shop) in December 2012, attributable to significant declination of overheads in a business with lowly marginal profit. The Group’s performance on net losses as ended for the year 2011 & 2012 consequently decreased by 10.02%.

The Board set high expectations for the bygone year that the efforts to attain a self-balanced organizational and business structure would enhance the Group a sustainable revenue capacity and a promising future performance, as well as satisfactory return on investments for our valued shareholders and investors. IEC Group will keep striving to create sustainable benefits for our social environment and community.



(Lt. Somsak Yamasmit)
Chairman of the Board



(Dr. Jitkasame Ngarmnil)
Chief Executive Officer



Lt. Somsak Yamasmit

Title Chairman

Age 75

Education

- National Defense College of Thailand
- Bachelor's Degree in Business Administration, Utah State University, U.S.A.
- Thai Institute of Directors - DAP in 2005
- Role of Chairman Program (RCP) (Class 18) in 2008

Work Experience

- 2005-Present Chairman, Multi Risks Consultant (Thailand) Ltd.
- 2002-Present Chairman, Asian Capital & Consultant Co., Ltd.
- 2005-2011 Chairman, Sino-Thai Resources Development PCL



Mrs. Sunjutha Witchawut

Title Vice Chairman / Executive Chairman

Age 52

Education

- Master's Degree in Economics, University of Thai Chamber of Commerce
- Bachelor's Degree in Science, Prince of Songkla University
- Thai Institute of Directors - DAP in 2006

Work Experience

- 2009-Present Advisor to the Committee for Land, Natural Resources and Environment, the Parliament
- 2006-2008 Executive Chairman, Bliss-Tel Public Company Limited
- 2006-2007 Director, Adkinson Securities PCL
- 2003-2005 Advisor to the Subcommittee for Higher Education, the Parliament



Dr. Jitkasame Ngarmnil

Title Chief Executive Officer

Age 45

Education

- Ph.D. of Engineering in Electronics Imperial College London, the University of London, England
- Master of Engineering in Electronics King Mongkut's Institute of Technology Ladkrabang.
- Thai Institute of Directors - DCP in 2008

Work Experience

- 2010-2011 Chief Strategy Officer, The International Engineering Public Company Limited
- 2008-2009 Member of the Board of Director, CAT Telecom Public Company Limited
- 2006-2007 Secretary to the Minister of ICT
- 1990-2009 Vice Chancellor, Mahanakorn University of Technology



Mr. Sutee Phongpaiboon

Title Chairman of the Audit Committee

Age 48

Education

- Bachelor's of Law, Ramkhamhaeng University
- Thai Institute of Directors - DAP in 2007

Work Experience

- 1999-Present Chief of Lawyers, Sutee Phongpaiboon Law Office
- 2009-2011 Chairman of the Audit Committee, Power-P Public Company Limited



Lt. Dr. Suphornchai Siriwoharn

Title Member of the Audit Committee

Age 64

Education

- Doctor of Philosophy (Outstanding in Leadership and Human Behavior), School of Human Behavior, Department of Psychology, College of Arts and Sciences, United States International University, San Diego, California, USA.
- Master's Degree (Distinguished Honor) in Public Administration, Majoring in Public Policy and Project Management, Faculty of Public Administration, NIDA.

Work Experience

- 2004-Present Vice Chairman, Institute of Social and Economic Policy (ISEP)
- 2006-Present Visiting Lecturer, Ph.D. Program in Public Administration, Western University
- 2008-Present Visiting Lecturer, MD. Program in Public Administration, Chiangmai Rajabhat University
- 2007 Advisor, Industrial and Tourism Sub-committee, National Legislative Council.



Mr. Pracherd Sook-kaew

Title Member of the Audit Committee

Age 65

Education

- National Defense College of Thailand, Class 42
- Ph. D. (Honorary) in Agricultural Engineering, Maejo University
- Bachelor's Degree (Electrical Power) Faculty of Engineering, Chulalongkorn University

Work Experience

- Aug.-Oct. 2012 Director, Bliss-Tel Public Company Limited
- 2006-2008 Member of National Legislative Council, The Parliament
- 2005-2007 Governor, Provincial Electricity Authority (PEA)



Lt. JG Yuthana Sivaraks

Title Director

Age 47

Education

-LL.M. with specialization in International Law, Trade and Finance, Tulane University, USA

-LL.M. in Comparative Law, Pennsylvania State University, USA

-LL.B, Thammasat University

Thai Institute of Directors - DAP in 2008

Work Experience

- 2004-Present Legal Advisor and Partner, Baker & McKenzie
- 2008-Present Central Land Sub-Division Committee, Interior Ministry
- 2002-2006 Legal Committee of the King Prajadhipok's Institute



Dr. Tawatchai Suwannakum

Title Director

Age 51

Education

-Ph. D. (Electrical Engineering), University of Kassel

-MD. in Energy Technology, King Mongkut's University of Technology Thonburi

Work Experience

- 2011-Present Member, National Solar Energy Potentiality and Feasibility Study Sub-committee
- 2011-Present Director, IEC Green Energy Co., Ltd.
- 2011-Present Director, Team Solar Co., Ltd.

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Financial Information

			Unit: Thousand Baht
	2012	2011	2010
Total Assets	1,489,882	1,452,359	1,686,158
Total Liabilities	1,251,184	1,369,484	1,282,359
Shareholders' Equity	238,698	82,875	403,798
Revenue from Sales and Service	996,348	1,027,081	1,699,284
Total Revenue	1,054,856	1,169,484	1,785,006
Gross Profit	62,960	83,503	67,409
Net Profit	(288,758)	(320,923)	(897,361)
	2012	2011	2010
Earnings per Share (Baht)	(0.0043)	(0.0075)	(0.0280)
Dividend per Share (Baht)	-	-	-
Net Profit Margin (%)	(27.37)%	(27.44)%	(49.97)%
Return on Equity (%)	(446.07)%	(130.74)%	(132.72)%
Return on Asset (%)	(19.63)%	(20.45)%	(46.58)%
Book Value per Share (Baht)	0.0036	0.0019	0.0094

Operations in 2012

Company Information

The International Engineering Public Company Limited (IEC) head office is located at 408/37, 9th Floor Phaholyothin Place Tower, Phaholyothin Rd., Samsennai, Phayathai, Bangkok 10400. Corporate Registration No. 0107536000323 (formerly Bor Mor Jor 106), Homepage <http://www.iec.co.th>, Tel: (0) 2619-0199, Fax: (0) 2619-0019.

IEC was established in 1922 with the objective to construct the Bangkok-Aranyaprathet Railway, for the first time ever connecting Thailand to the Cambodian border. This project also marked the first time in Thai history that Caterpillar tractors were introduced to the construction industry. IEC later registered as a Thai national company in 1953 with a registered capital of THB 10 million. In 1965, IEC was appointed as a "Royal Appointment" company. In 1983, Siam Cement PCL foresaw the potential company growth for IEC, invested and took full control of IEC operations; IEC accordingly became an affiliate of the Siam Cement Group. In 1990, Siam Cement Group changed its investment policy, prompting

IEC's management to invest in itself. Joined by a group of additional investors, IEC management increased the registered capital to THB 120 million. In 1992, the company was listed in the Communication Sector of the Thai Stock Exchange, a year later becoming a public limited company. IEC has increased its capital continuously, today having a registered capital of THB 8,219.12 million and a paid-up capital of THB 6,702.93 million (figures as at 31 December 2012).

Nature of Business Operation

The International Engineering Public Company Limited and affiliated companies classified their operations in 2012 as follow:

1. Mobile Phone Business

- 1.1 Nokia Shop* (Nokia Franchise) Business under NFS (2010)
- 1.2 Communication Service Business (IEC3G) under IEC Technology Co., Ltd.
- 1.3 DTAC Distribution under ISD (2012)

2. Information Technology Business

- 2.1 System Integrator Business under IEC and IEC Technology Co., Ltd.
- 2.2 Digital Mobile TV Business under IEC
- 2.3 E-learning Business under IEC

3. Energy Business

- 3.1 Waste-to-Energy Power Plant under a subsidiary (Gidec Co., Ltd.) of IEC Green Energy Co., Ltd.
- 3.2 Solar Energy Power Plant under a subsidiary (Team Solar Co., Ltd. & Mae Taeng Solar Co., Ltd.) of IEC Green Energy Co., Ltd.

** On 21 December 2012, the Board of Directors Meeting No. 13/2012 approved the Company to cease operations of Nokia Shop.*

Structure of Shareholding and Investment in Subsidiaries

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
<u>Direct subsidiaries</u>				
1. IEC Green Energy Co., Ltd.	Providing consulting in research and development distributing the products regarding technology for environmental management and development of all energy and alternative energy	Thailand	100	100
2. IEC Technology Co., Ltd.	Information technology service	Thailand	100	100
3. IEC Distribution System Co., Ltd.	Repairing services for mobile phones and accessories (temporarily closed)	Thailand	100	100
4. IEC Business Partners Co., Ltd.	Investment deemed ended operations since 18/1/2012	Thailand	100	100
5. Triple Play Co., Ltd.	Mobile Media Content (On 26/3/2012 the entity was divested.)	Thailand	-	100
6. ISD (2012) Co., Ltd.	SIM card distribution (Since 24/2/2012)	Thailand	100	-
7. NFS (2010) Co., Ltd.	Mobile phone distribution (Since 13/7/2012)	Thailand	100	-
<u>Indirect subsidiaries</u>				
8. Anya Animation Co., Ltd.	Subcontracted production and distribution of visual and movie media contents (Divested since 26/3/2012)	Thailand	-	100
9. UFO Studio Asia Co., Ltd.	Computer game implementation (Divested since 26/3/2012)	Thailand	-	51
10. GIDEC Co., Ltd.	Operating electricity plant from waste (In the process of construction)	Thailand	50	100
<u>Direct subsidiaries</u>				
11. Team Solar Co., Ltd.	Operating electricity plant from solar energy (In the process of construction)	Thailand	100	100
12. Mae Taeng Solar Co., Ltd.	Operating electricity plant from solar energy (Since 9/7/2012, not in operation)	Thailand	100	-

Structure of Revenue

	% Holding	2012		2011		2010	
		MB	%	MB	%	MB	%
<u>Products & Services under the Company</u>							
Mobile phone business		410.64	38.93	918.77	78.56	1,620.79	90.80
Engineering business		2.17	0.20	18.86	-	25.37	1.42
Profit (Loss) from investment		-	-	-	1.61	-	-
Other revenues		54.85	5.20	128.64	11.00	24.72	1.39
Total revenues of the Company		467.66	44.33	1,066.27	91.17	1,670.88	93.61
<u>Products under subsidiaries</u>							
IEC Green Energy Co., Ltd.	100	0.66	0.06	2.21	0.19	0.06	-
<ul style="list-style-type: none"> ● Providing consulting in research and development distributing the products regarding technology for environmental management and development of all energy and alternative energy 							
IEC Technology Co., Ltd.	100	12.93	1.23	27.20	2.33	4.98	0.28
<ul style="list-style-type: none"> ● Information technology service 							
IEC Asset Co., Ltd.	100	-	-	38.49	3.29	57.73	3.23
<ul style="list-style-type: none"> ● Investment in IEC Building (Former internet ISP) (Divested since 31/8/2011) 							
IEC Distribution System Co., Ltd.	100	3.27	0.31	0.70	0.06	31.59	1.77
<ul style="list-style-type: none"> ● Repairing services for mobile phones and accessories (former IEC Easy Fix Co., Ltd.) 							
Triple Play Co., Ltd.	100	7.86	0.75	34.61	2.96	19.77	1.11
<ul style="list-style-type: none"> ● Mobile Media Content (On 26/3/2012 the entity was divested.) 							
NFS (2010) Co., Ltd.	100	100.63	9.54	-	-	-	-
<ul style="list-style-type: none"> ● Mobile phone distribution (Since 13/7/2012) 							
ISD (2012) Co., Ltd.	100	461.85	43.78	-	-	-	-
<ul style="list-style-type: none"> ● SIM card distribution (Since 24/2/2012) 							
Total revenue for the Company & subsidiaries		1,054.86	100.00	1,169.48	100.00	1,785.01	100.00
Growth Percentage (%)		(9.80)		(34.48)		(6.46)	

Operating Results and Competitions

- **Operating Results**

Operating performance of The International Engineering Public Company Limited for the year as ended 31 December 2012 in comparison with the previous year that the company and subsidiaries registers net losses in 2012, amounting THB 288.76 million, compared to THB 320.92 million net losses in the preceding year, or a decreased net loss of THB 32.16 million.

1. In 2012, the company and subsidiaries earn THB 996.35 million revenue from sales, service and rental, compared to THB 1,035.02 million in the preceding year, or a decreased amount of THB 38.67 million or 3.74%.

2. In 2012, the company and subsidiaries earn other revenues compared to that of the preceding year, a decreased amount of THB 75.96 million as in the preceding year, there were THB 60 million reversal of provision for asset impairment and THB 34.48 million reversal of loss estimation on company's liabilities.

In 2012, the company and subsidiaries posted THB 114.48 million G&A and other expenses fewer, equaling 26.34% of the total amount in the preceding year as a result of organizational restructuring and divestments in non-performing businesses like property-for-rent business.

Operating results of The International Engineering Public Company Limited for the year as ended 31 December 2012 in comparison with the previous year, the company registers net losses in 2012, amounting THB 197.31 million, compared to THB 249.93 million net losses in the preceding year, or a decreased net loss of THB 52.62 million. Details are as follow:

1. In 2012, the company earns THB 522.67 million revenue from sales and service, compared to THB 1,024.08 million in the preceding year, or a decreased amount of THB 501.41 million or 48.96%.

2. In 2012, the company earns other revenues compared to that of the preceding year, a decreased amount of THB 89.71 million as in the preceding year, there were THB 60 million reversal of provision for asset impairment and THB 57.57 million reversal of loss estimation on company's liabilities.

3. In 2012, the company posted THB 161.76 million G&A and other expenses fewer compared with that of the preceding year as a result of THB 30.92 million decreased losses from asset & investment impairment, THB 26.02 million decreased losses from transfer of claims due to reconciliation contract and THB 95.63 million reduced G&A expenses.

- **Competitions**

1. Mobile Phone Business

1.1 Nokia Shop (Nokia Franchise) Business under NFS (2010)

In 2012, for regional hubs and in Bangkok areas, customers had tendencies to buy smart phones, tablets and their second or third device options, a consequence after generalization of 3G and Wifi systems, particularly in office buildings and shopping malls. These devices can superbly responds to lifestyle diversity of city dwellers demanding multiple applications. However, Nokia products did not emerge popular in the market.

As a result, Nokia heavily lost their market share on smart phones, worsened by the unsuccessful launch of Lumia Window 7 and unpopular Lumia Window 8 unveiled in Q4.

The Company therefore ceased operations of Nokia Shop business in December 2012, taking into consideration of the unpleasant cellphone markets and the abruptly changing customer behavior in the past couple of years, which disabled the Company from achieving planned targets on sales quantities and operating performances.

1.2 Communication Service Business (IEC3G) under IEC Technology Co., Ltd.

In 2012, the 2G network providers authorized for 2100 MHz 3G business license invested continuously in 3G networks, expecting to launch their services in the middle of 2013. TRUE convergence was the trendsetter as they strive to become 3G network leader, with strong emphasis on high-speed data users that distinguishes 3G from 2G. AIS and DTAC meanwhile rally to launch 3G campaigns throughout the year, enabling customers under TOT3G and MVNO (Mobile Virtual Network Operator) network with more alternatives to adopt 3G services.

Under the circumstance of limited area coverage as TOT3G was struggling to expand its nationwide coverage and put off indoor blind spots, IEC3G was unsuccessful to achieve as planned. At the end of 2012, IEC3G had an approximate number of 8 thousand active subscribers.

1.3 DTAC Distribution under ISD (2012)

In 2012, DTAC extended their 3G coverage in urban areas and major districts as an attempt to become 3G marker leader. Road shows, promotional campaigns and various activities to strengthen and underline their flagged leadership in network service and efficiency on the existing Digital 1800 platform have been widely organized. Service fees and charges were variably adapted to different group of customers, plus integrated value-added services which helped cheapen and retain DTAC customers.

Over 70% of our products and services are online money refill for dealers and prepaid subscribers. Major markets for refillable cards are kept in surrounding districts away from urban areas, as the Company attempts to develop its transportation for greater sale coverage and to control payments, securing by payment thru banking system than cash payment.

2. Information Technology Business

2.1 System Integrator Business under IEC and IEC Technology Co., Ltd.

In 2012, IT infrastructure investments in Thailand decelerated in the early of the year due to economic situations and natural disasters continued from the end of 2011, which went exactly the way anticipated that IT investments would grow in the second half of the year. The expected growth is partly due to the purpose of IT restructuring on both existing and expansion phase of the former infrastructures.

For government sector, there have been substantial growths on IT investment as Thailand is regarded as a country with high IT investment comparing with countries of similar scale of population and economy like Indonesia and Malaysia.

Above trend gestures a positive sign for the Company's System Integrator business, blessed with strong competency and competitiveness in historical performance, service excellence, customer relationship and partner support.

2.2 Digital Mobile TV Business under IEC

Digital Mobile TV is in its initial stage of development in Thailand with no apparent rivalry. At present, most of the mobile TV is broadcasted through 3G mobile network, payments depending on packages.

MCOT Public Company Limited ("MCOT") agrees to mandate IEC the operator of Digital Mobile TV under a mutually-agreed contract which involves investment, project management, operational management, sales, marketing, ads and PR management in relation with Digital Mobile TV on UHF Channel 58 under the policy of MCOT.

2.3 E-learning Business under IEC

The Company views learning business as a fast-growing industry with small product alteration. Learning business may help create a new opportunity to support IEC's current core businesses. After having conducted researches on institutional textbooks, it is found that each academic institution is ready to adopt E-learning and M-learning (Mobile) packages, taken as a way to raise its standard of teaching.

Since the agreement signed with Lert Auksorn Publishing Co., Ltd. in 2010, IEC has liaised with Ministry of Education to distribute the learning packages. Due to political and ministerial internal change, the action plan has gone behind the schedule; however, IEC stays in focus, trying to distribute the package and proceed as planned.

3. Energy Business under IEC Green Energy Co., Ltd.

Renewable energy project is somewhat different from other type of business development as the project itself has certain influence over community and society. Counterparty of a project is usually the local authority with a mission of maintaining environmental condition of its community and territory.

Generally, an entry into a renewable energy project is possible through government bidding. After awarded with the project, an agreement with the local authority, validated in certain duration under terms and condition stipulated in the agreement will be established; whereas, competitions or new competitors in the same territory will not exist. Renewable energy project therefore is deemed a competition-free project along the contractual period.

In spite of this, IEC Green Energy strives to run the project smoothly by setting up CSR budget and fostering decent relationship with local communities, attempting to create jobs and earnings for local people, as well as to communicate with the community our goodwill towards industrial peace.

Related Transactions

Related transactions with connected person

The Board of Directors' Meeting No. 10/2011 of The Company held on 21 December 2011, resolved in approval for the Company's borrowing from Mr. Sakol Wacharasriroj, father of Mrs. Sunjutha Witchawut, the Vice Chairman of the Board and Chairman of the Executive Committee of the company, in an amount not exceeding THB 18 million with an interest rate of 15% per annum but no demand for collateral. Repayment of principal plus interest will be made in a single payment within 3 months after date of borrowing.

In March 2012, THB 6 million principals were repaid; therefore THB 12 million debts remained outstanding.

During May 2012, the Company asked for THB 5 million additional drawdown, making total outstanding principals of THB 17 million.

In July 2012, THB 17 million principals plus interests were fully paid to the lender.

Related party transactions and balances please see Notes to the Financial Statements No. 5

Financial Status

Revenue

The company and subsidiaries earn, in 2012, THB 996.35 million revenue from sales, service and rental, compared to THB 1,035.02 million in the preceding year, or an decreased amount of THB 38.67 million or 3.74%.

In 2012, the company and subsidiaries earn other revenues compared to that of the preceding year, a decreased amount of THB 75.96 million as in the preceding year, there were THB 60 million reversal of provision for asset impairment and THB 34.48 million reversal of loss estimation on company's liabilities.

Cost of Sales and Service

In 2012, cost of sales, service and rental of the company and subsidiaries reaches THB 933.39 million with a gross profit margin of 6.32%, compared to figures in 2011, THB 951.52 million and 8.07% respectively; whereas GP margin in 2012 decreased from the figure in 2011.

Selling, General and Administration Expenses

Selling, general and administration expenses of the company and subsidiaries in 2012 were collectively THB 238.03 million, compared to THB 338.63 million SG&A expenses in 2011, a THB 100.60 million decrease or 29.71%. as a result of organizational restructuring and divestments in non-performing businesses like property-for-rent business.

Assets

As of 31 December 2012, the company and subsidiaries have total assets of THB 1,490 million, compared to THB 1,452 million in 2011, equaling 2.58% increase due to increased amount of land, building and equipment of the energy-based subsidiaries.

Liabilities

As of 31 December 2012, the company and subsidiaries had total liabilities of THB 1,251 million, compared to THB 1,369 million in 2011, a THB 118 million or 8.64% decrease as in 2012, the company and subsidiaries earn a capital increase of THB 443 million, most of which have been contributed to energy business and partially been spent for debt repayments.

Liquidity and Source of Capital

In 2012, the company and subsidiaries spent THB 219 million net cash in operating activities as the company and subsidiaries registered losses from operations and inability to commercialize business, including debt and loan interest payments, mostly due from energy business.

THB 14 million net cash in investment activities were spent in 2012 through investment in energy business.

Whereas THB 384 million cashflow earned from financial activities in 2012 were obtained from capital increase.

Risk Factors

1. Strategic Risk

- Nokia Shop (Nokia Franchise) business *: Today, Nokia's product development is not strong enough to compete in mobile phone market. Its competitors outperform in R&D, marketing strategies and market shares. Nokia (Thailand) Ltd also appoints new mobile phone operators as its distributors, etc.

** The Company ceased Nokia Shop business operations in December 2012.*

2. Operational Risk

- System Integrator (SI) business exposes to harsh competitions, particularly in large-scale governmental biddings as there have been existing competitors and new entries emerging consistently into the market, whereas state-owned large projects remain handful and in irrelative growth. Political and economic turmoil such as cabinet reshuffle, change of top management in state enterprises or even political unrest have key impacts over SI business, i.e. project discontinuation, employment deceleration. A prolonged workforce mobilization in any project poses certain threats against fixed costs like salary payments.
- The great flood in central region and some parts of Bangkok in January & February 2012, including migrations of dwellers in flooded industrial zones caused the group's declining sale volume.
- 3G business licensing in 2012 emerged highly-competitive entries against TOT PCL, the 3G contractual partner of the group, along with TOT's unsuccessful expansion of base stations as planned, disabling IEC3G from extending widespread coverage.
- Due to emerging market growths in China and India, there have been surging demands for energy, leading to increasing cost of energy imports. It is foreseen that energy pricing will take a huge leap in the future. The Power Purchase Agreement made with Provincial Electricity Authority adopts PEA's wholesale price which relates to energy cost. Therefore, in terms of pricing, the Company should gain certain benefit, albeit there might be fluctuations and price declinations. In long run, energy price is believed to rise.

3. Financial Risk

- For System Integrator (SI) business, risks from exchange rate arise when there is an adjournment or cancellation of a project that requires reopening of bidding. If long extension from first to reopened bidding, the transactional value of imported products varies upon relative exchange rate. As each project contains a fixed appraisal value that remains unchanged, therefore project revenue declines as cost of goods increase due to the exchange rate.

4. Regulatory Risk

- Changes in state policies and regulations may affect conventional operating practices, the company however follow-up constantly on policy changes in order to keep alert and ready for self-adjustment to accord statutory requirements.
- The newly-enforced minimum monthly salary and daily wage policy caused the group's cost of salaries and wages to increase.
- Amendments of certain rules and regulations of the Office of National Broadcasting and Telecommunications Commission (NBTC), i.e. expiry date for prepaid system directly influence the group's business.

Significant Transactions in 2012

The company entered into significant transactions in 2012 as follows:

1. Establishment of New Subsidiaries

1.1 ISD (2012) Company Limited

On 22 February 2012, the Company established a new subsidiary, ISD (2012) Co., Ltd. to be the contract partner of DTAC for SIM card distribution in lieu of the Company. The subsidiary registered THB 5 million capitals, being held 100% by the Company.

1.2 Mae Taeng Solar Company Limited

On 9 July 2012, Team Solar Co., Ltd. (“TS”), an indirect subsidiary of the Company established a new subsidiary, Mae Taeng Solar Co., Ltd. to implement solar-energy power plant projects, Mae Malai 1 and Mae Malai 2 Projects, located at Tambon Khilek, Ampur Mae Taeng, Chiangmai province. The said company registered THB 60 million capitals, with 25% initial paid-up capitals. TS and IEC Green Energy Co., Ltd. hold 51% and 49% of the registered capital respectively.

1.3 NFS (2010) Company Limited

On 13 July 2012, the Company established a new subsidiary, NFS (2010) Co., Ltd. to accommodate Nokia Franchise Partnership business. The subsidiary registered THB 10 million capitals, being held 100% by the Company.

2. Divestment in Triple Play Company Limited.

On March 26, 2012, the Company divested all 3,100,000 shares held in Triple Play Co., Ltd., or 100% of paid-up capital to Ms. Konkanok Waiwong at THB 3.55 per share (approx.), equaling a total transaction value of THB 11,000,000.

Type of disposed assets:	Ordinary shares of Triple Play Co., Ltd.
Registered and paid-up capital:	THB 31,000,000
No. of shares before disposition:	3,100,000 shares
No. of shares disposed:	3,100,000 shares
% of shareholding after transaction:	-None-

3. Co-investment in Gidec Company Limited.

On September 28, 2012, Electricity Generating Public Company Limited (“EGCO”), a listed company in SET co-invested with IEC Green Energy Co., Ltd. (“IECG”), a 100% subsidiary of the Company. By subscribing 2,000,000 new ordinary shares of Gidec Company Limited (“GIDEC”), shareholding proportion in GIDEC held by EGCO and IECG is 50:50 percent each.

Type of securities:	Ordinary shares of Gidec Company Limited
Registered capital prior to capital increase:	THB 200,000,000
No. of shares before capital increase:	2,000,000 shares
Holding percentage before capital increase:	IECG held 2,000,000 shares (or 100%)
Registered capital after capital increase:	THB 400,000,000
No. of shares after capital increase:	4,000,000 shares
Holding percentage after capital increase:	1) IECG held 2,000,000 shares (or 50%) 2) EGCO held 2,000,000 shares (or 50%)

4. Capital Increase of the Company

On October 3, 2012, the Extraordinary General Meeting No. 1/2012 of the Company passed the following important resolutions:

- (1) Approve decrease of registered capital from THB 6,346,858,348 to THB 5,779,304,942 by elimination of 5,675,534,060 unsubscribed shares
- (2) Approve increase of registered capital by addition of THB 2,439,815,883 onto THB 5,779,304,942 current registered capital, forming a total registered capital of THB 8,219,120,825 by issuing 24,398,158,830 new ordinary shares at THB 0.10 (Ten Satang) par value
- (3) Approve issuance and sales of 24,398,158,830 new ordinary shares of the Company which will be allotted to existing shareholders at a subscription ratio of 2 existing ordinary shares for 1 new ordinary share. The selling price is THB 0.01 (One Satang) per share.

5. Relocation of The Company Headquarters

On October 1, 2012, the Company and affiliated companies relocated their new head offices to 408/37 Phaholyothin Place Tower, 9th Floor, Phaholyothin Road, Samsennai, Phaya Thai, Bangkok.

6. Termination of Nokia Franchise Partnership

On December 31, 2012, the Company terminated Nokia Franchise Partnership business, disposing all operating assets in Nokia shops to M. Link Asia Corporation PCL (“MLINK”) and long-term leasehold rights of Nokia shops in department stores to Computer System Connection International Co., Ltd. (“CSC”).

Audit Committee Report

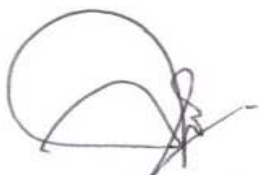
Dear shareholders of The International Engineering Public Company Limited:

The company's Audit Committee is established by resolution of the Board of Directors. The Committee consists of three independent directors, namely Mr. Sutee Phongpaiboon, Chairman, Lt. Dr. Suphornchai Siriwoharn and Mr. Pracherd Sook-kaew, members of the Committee. During 2012, meetings of the Audit Committee were held in five occasions.

The Audit Committee performs its work, gives independent opinions and follows duties and responsibilities as assigned by the Board of Directors, upholding good governance policy guideline by the Stock Exchange of Thailand as follow:

1. To review and ensure the quarterly and yearly financial statements of the company and subsidiaries are done according to generally-accepted accounting standard, adequately disclosed prior to approval of the Board of Directors
2. To review and ensure effective internal control, transparent operation compliant with company regulations, governing laws and rules
3. To convene meetings with management and internal auditor and to review connected transaction or any transaction that may have a conflict of interest to comply with legal and regulatory guidelines of the Stock Exchange of Thailand, in order to ensure the entered transaction is reasonable and create highest benefits to the company
4. To review and attend to audit report(s) of the Office of Internal Audit; to give advices for improvement of company's operations; and to consider and approve audit plans in 2013
5. To propose to the Board of Directors, the appointment of company's auditor and fixing of audit fees in 2013

The Audit Committee opines that the Company has completed the financial statements in compliance with the generally accepted accounting standard, providing adequate disclosure of information. After evaluation, the Committee deems the company establishes an internal control system sufficient and appropriate for the ongoing business, and performs in full compliance with the regulations of the Stock Exchange of Thailand.



(Mr. Sutee Phongpaiboon)
Chairman of the Audit Committee

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2012

AUDITOR'S REPORT

To The Shareholders of

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate financial statements of THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED, which comprise consolidated and separate statements of financial position as at 31 December 2012, 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 we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED as at 31 December 2012, and their financial performance and cash flows for the year then ended in accordance with the Thai financial reporting standards.

Emphasis of matters

Without qualifying my opinion

- 1) As stated in notes 2.4 to financial statements and as shown in the financial statements, the Group/ Company encountered the consecutively suffering loss, the results of operations for the year ended 31 December 2012, the consolidated and separate financial statements represented the operating loss in the amount of Baht 289 million and Baht 197 million respectively. And have the exceeding of current liabilities over current assets in the consolidated and separate financial statements in the amount of Baht 725 million and Baht 289 million respectively together with the Company and subsidiary still have various unfinished litigations. These factors have significant uncertainties that may raise substantial doubt about the ability to continue the Group/Company's operations as a going concern.
- 2) As stated in notes 4 to financial statements, on 26 March 2012, the Company has disposed total investments in a subsidiary, resulted loss on disposal of those investments. This disposal is to alleviate the problem arising from subsidiary's operations which did not conform to the plan, mitigate the effects of future losses and risks.
- 3) As stated in notes 2.3 to financial statements, on 18 January 2012, the Board of directors' meeting passed the resolution to dispose total investment in a subsidiary, therefore, the Company has reclassified the subsidiary's assets and liabilities to be assets classified as held for sale and liabilities included with asset classifies as held for sale and entered into agreement to buy and to sell with an acquirer with the condition that the acquirer must achieve the covenants in written with financial institution, a plaintiff, who sued the Company and subsidiary in being a guarantor and borrower in order to release the guarantee obligations and total liabilities from borrowings.
- 4) As stated in notes 38 to financial statements, On 4 January 2013, the Board of directors' meeting passed the resolution to acquire ordinary shares of Super Dream Power Co.,Ltd. for 9,898 share or 98.98% of registered and paid-up share capital at the price of Baht 110 million.

Other matters

The financial statements of THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED as at 31 December 2011 ,were audited by the other auditor whose report dated 26 March 2012that expressed an unqualified opinion on those statements included explanatory paragraph pertaining to (1) The various litigations related to a subsidiary and certain cases connected with the Company (2) The operation as a going concern (3) Disposal of investment in a subsidiary.

D I A International Audit Co., Ltd.



(Mrs. SuvimolKrittayakiern)

C.P.A. (Thailand)

Registration No. 2982

22 February 2013

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

(Unit: Baht)

Assets	note	Consolidated financial statements			Separate financial statements		
		December 31, 2012	December 31, 2011	January 1, 2011	December 31, 2012	December 31, 2011	January 1, 2011
Current assets							
Cash and cash equivalents	6	169,522,934	18,326,733	23,795,785	69,592,406	12,870,743	14,336,190
Current investments		-	-	15,835,469	-	-	8,884,700
Trade accounts receivable	5, 7	6,347,904	18,813,968	400,851,751	71,137,580	98,592,016	374,260,551
Other receivables	5, 7	141,023,262	109,887,551	356,004,677	85,165,518	52,842,785	331,796,390
Short-term loans	5	-	-	-	189,926,000	92,176,000	263,041,000
Inventories	8	26,098,707	69,780,894	44,609,640	930,322	65,377,002	41,499,418
Assets classified as held for sale	2.3, 30	14,725,298	-	-	-	-	-
Total current assets		357,718,105	216,809,146	841,097,322	416,751,826	321,858,546	1,033,818,249
Non-current assets							
Investments in subsidiaries	9	-	-	-	307,486,896	318,209,882	236,698,815
Investments in associates	10	-	-	80,000,000	-	-	-
Other long-term investments	11	525,000	525,000	14,392,182	525,000	525,000	525,000
Property, plant and equipment	12	821,131,099	571,343,087	95,951,988	57,043,140	84,597,349	23,627,163
Leasehold rights	13	26,044,488	58,714,639	65,079,010	26,044,488	58,714,639	26,187,907
Other intangible assets	14	146,048,659	182,368,348	11,004,658	9,300,477	45,572,133	10,922,271
Pledged deposits at financial institutions	35	36,048,632	277,541,138	433,345,440	22,618,795	265,414,930	432,818,875
Advance payment for assets	15	85,255,846	124,931,883	104,995,020	21,255,846	64,931,883	61,447,395
Other non-current assets	16	17,110,157	20,126,142	40,292,297	10,592,422	12,782,576	34,865,173
Total non-current assets		1,132,163,881	1,235,550,237	845,060,595	454,867,064	850,748,392	827,092,599
Total assets		1,489,881,986	1,452,359,383	1,686,157,917	871,618,890	1,172,606,938	1,860,910,848

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

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2012

(Unit: Baht)

	note	Consolidated financial statements			Separate financial statements		
		December 31, 2012	December 31, 2011	January 1, 2011	December 31, 2012	December 31, 2011	January 1, 2011
Liabilities and shareholders' equity							
<i>Current liabilities</i>							
Bank overdrafts and short-term loans							
from financial institutions	17	76,952,271	294,365,235	330,140,195	9,946,991	241,081,660	328,150,657
Trade and other payables	5, 18	112,045,774	269,777,343	271,868,097	66,992,679	113,405,869	144,487,367
Current portion of long-term loans	20	9,579,309	48,125,000	-	-	-	-
Current portion of long-term loans with demand at call and interest receivable	30	-	544,096,707	499,931,200	-	-	-
Current portion of long-term loans with demand at call	20	216,751,607	-	-	-	-	-
Current portion of financial lease liabilities	5, 21	832,981	800,288	702,378	-	-	-
Short-term loans	5, 19	-	53,700,000	-	-	57,000,000	67,360,000
Advance received for wood in a concession area		-	-	50,000,000	-	-	50,000,000
Liabilities included with asset classified as held for sale	2.3, 30	666,569,441	-	-	628,932,850	-	-
Total current liabilities		1,082,731,383	1,210,864,573	1,152,641,870	705,872,520	411,487,529	589,998,024
<i>Non-current liabilities</i>							
Long-term loans from financial institutions	20	131,301,955	95,204,607	1,000,000	-	-	-
Financial lease liabilities	21	867,010	1,699,991	676,183	-	-	-
Employee benefit obligations	22	3,965,502	4,101,756	10,955,841	2,262,610	1,804,887	7,861,067
Long-term provisions	23	29,394,042	56,352,470	108,661,901	55,657,411	698,818,608	953,295,948
Other non-current liabilities		2,924,141	1,260,933	8,423,697	2,847,068	1,183,860	515,257
Total non-current liabilities		168,452,650	158,619,757	129,717,622	60,767,089	701,807,355	961,672,272
Total liabilities		1,251,184,033	1,369,484,330	1,282,359,492	766,639,609	1,113,294,884	1,551,670,296

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

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2012

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		December 31, 2012	December 31, 2011	January 1, 2011	December 31, 2012	December 31, 2011	January 1, 2011
Liabilities and shareholders' equity	<i>note</i>						
<i>Shareholders' equity</i>							
Share capital	24						
Authorized share capital		8,219,120,825	6,346,858,348	6,346,858,348	8,219,120,825	6,346,858,348	6,346,858,348
Issued and paid-up share capital		6,702,931,766	4,273,184,826	4,273,184,826	6,702,931,766	4,273,184,826	4,273,184,826
Discount on ordinary shares	25	(3,655,807,779)	(1,469,035,533)	(1,469,035,533)	(3,655,807,779)	(1,469,035,533)	(1,469,035,533)
Retained earnings (deficit)							
Appropriated							
Legal reserve	26	400,000	400,000	400,000	400,000	400,000	400,000
Deficit		(3,004,472,909)	(2,720,095,739)	(2,401,269,253)	(2,942,544,706)	(2,745,237,239)	(2,495,308,741)
Total owners of the Company		43,051,078	84,453,554	403,280,040	104,979,281	59,312,054	309,240,552
Non-controlling interests		195,646,875	(1,578,501)	518,385	-	-	-
Total shareholders' equity		238,697,953	82,875,053	403,798,425	104,979,281	59,312,054	309,240,552
Total liabilities and shareholders' equity		1,489,881,986	1,452,359,383	1,686,157,917	871,618,890	1,172,606,938	1,860,910,848

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

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012

(Unit: Baht)

	note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Revenues					
Revenues from sales and services		996,348,027	1,027,080,848	522,669,895	1,024,084,593
Rental income		-	7,938,146	-	-
Other income	27	58,508,105	134,464,779	68,464,663	158,169,795
Total revenues		<u>1,054,856,132</u>	<u>1,169,483,773</u>	<u>591,134,558</u>	<u>1,182,254,388</u>
Expenses					
Cost of sales and services		933,387,711	917,419,478	491,777,385	967,253,974
Cost of rental		-	34,096,826	-	-
Selling expenses		13,339,142	21,769,638	7,867,602	13,582,471
Administrative expenses		224,689,477	316,861,921	145,654,930	241,284,088
Other expenses	28	95,517,235	117,827,650	122,712,374	188,847,726
Finance costs		20,936,454	21,097,853	20,429,734	21,214,627
Total expenses		<u>1,287,870,019</u>	<u>1,429,073,366</u>	<u>788,442,025</u>	<u>1,432,182,886</u>
Loss for the year from continuing operations		(233,013,887)	(259,589,593)	(197,307,467)	(249,928,498)
Loss for the period from discontinued operations		(55,744,403)	(61,333,779)	-	-
Loss for the year		<u>(288,758,290)</u>	<u>(320,923,372)</u>	<u>(197,307,467)</u>	<u>(249,928,498)</u>
Other comprehensive income (expense) for the period		-	-	-	-
Total comprehensive expense for the year		<u>(288,758,290)</u>	<u>(320,923,372)</u>	<u>(197,307,467)</u>	<u>(249,928,498)</u>
Loss from continuing operations attributable to:-					
Owners of the Company		(228,632,767)	(257,492,707)	(197,307,467)	(249,928,498)
Non-controlling interests		(4,381,120)	(2,096,886)	-	-
		<u>(233,013,887)</u>	<u>(259,589,593)</u>	<u>(197,307,467)</u>	<u>(249,928,498)</u>
Loss attributable to :-					
Owners of the Company		(284,377,170)	(318,826,486)	(197,307,467)	(249,928,498)
Non-controlling interests		(4,381,120)	(2,096,886)	-	-
		<u>(288,758,290)</u>	<u>(320,923,372)</u>	<u>(197,307,467)</u>	<u>(249,928,498)</u>
Basic earnings per share (Baht)					
Loss from continuing operations		(0.0045)	(0.0060)	(0.0039)	(0.0058)
Loss from discontinued operations		(0.0011)	(0.0014)	-	-
Loss for the year	29	<u>(0.0056)</u>	<u>(0.0075)</u>	<u>(0.0039)</u>	<u>(0.0058)</u>

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012

(Unit: Baht)

Consolidated financial statements								
Owners of the Company								
	note	Issued and paid-up share capital	Discount on ordinary shares	Retained earnings (Deficit)		Total owners of the Company	Non-controlling interests	Total shareholders' equity
				Legal reserve	Deficit			
Balance as at January 1, 2011		4,273,184,826	(1,469,035,533)	400,000	(2,401,269,253)	403,280,040	518,385	403,798,425
Total comprehensive expense for the year		-	-	-	(318,826,486)	(318,826,486)	(2,096,886)	(320,923,372)
Balance as at December 31, 2011		<u>4,273,184,826</u>	<u>(1,469,035,533)</u>	<u>400,000</u>	<u>(2,720,095,739)</u>	<u>84,453,554</u>	<u>(1,578,501)</u>	<u>82,875,053</u>
Balance as at January 1, 2012		4,273,184,826	(1,469,035,533)	400,000	(2,720,095,739)	84,453,554	(1,578,501)	82,875,053
Total comprehensive expense for the year		-	-	-	(284,377,170)	(284,377,170)	(4,381,120)	(288,758,290)
Disposal of investments in subsidiaries	4	-	-	-	-	-	1,606,496	1,606,496
Ordinary share increase	24	<u>2,429,746,940</u>	<u>(2,186,772,246)</u>	-	-	<u>242,974,694</u>	<u>200,000,000</u>	<u>442,974,694</u>
Balance as at December 31, 2012		<u>6,702,931,766</u>	<u>(3,655,807,779)</u>	<u>400,000</u>	<u>(3,004,472,909)</u>	<u>43,051,078</u>	<u>195,646,875</u>	<u>238,697,953</u>

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

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2012

(Unit: Baht)

		Separate financial statements				
		Issued and paid-up share capital	Discount on ordinary shares	Retained earnings (Deficit)		Total
				Legal reserve	Deficit	shareholders' equity
<i>note</i>						
	Balance as at January 1, 2011	4,273,184,826	(1,469,035,533)	400,000	(2,495,308,741)	309,240,552
	Total comprehensive expense for the year	-	-	-	(249,928,498)	(249,928,498)
	Balance as at December 31, 2011	<u>4,273,184,826</u>	<u>(1,469,035,533)</u>	<u>400,000</u>	<u>(2,745,237,239)</u>	<u>59,312,054</u>
	Balance as at January 1, 2012	4,273,184,826	(1,469,035,533)	400,000	(2,745,237,239)	59,312,054
	Total comprehensive expense for the year	-	-	-	(197,307,467)	(197,307,467)
	Ordinary share increase	2,429,746,940	(2,186,772,246)	-	-	242,974,694
	Balance as at December 31, 2012	<u>6,702,931,766</u>	<u>(3,655,807,779)</u>	<u>400,000</u>	<u>(2,942,544,706)</u>	<u>104,979,281</u>

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

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<i>Cash flows from operating activities</i>				
Loss for the period	(288,758,290)	(320,923,372)	(197,307,467)	(249,928,498)
<i>Adjustment profit before income tax to cash receipt (disbursement) from operating activities</i>				
Depreciation and amortization	21,260,065	41,801,501	17,116,228	23,065,183
(Reversed) allowance for doubtful accounts	2,310,393	47,485,243	(958,284)	31,196,473
(Reversed) allowance for devaluation of inventories	(6,896,205)	1,525,547	(1,963,454)	(2,936,491)
(Reversed) write off withholding tax	(808,347)	(2,162,363)	-	-
Loss on write off equipment and intangible assets	8,227,583	6,277,313	8,227,583	6,275,211
Gain (loss) on investments	8,369,167	14,279,490	4,722,986	21,971,887
Loss on transferring the right of claim under compromise agreement	-	26,023,337	-	26,023,337
Estimated loss on liabilities	-	2,351,429	4,395,372	-
Employee benefit expenses	1,209,715	2,837,947	457,723	2,196,758
(Gain) loss on sales of equipment	3,650,324	(2,301,131)	3,661,753	(5,064,161)
(Gain) loss on sales of leasehold rights	(2,249,706)	-	(2,249,706)	-
(Reversed) provisions	(2,307,227)	(35,480,378)	(2,307,227)	(57,570,484)
Loss on impairment of assets	83,495,399	75,875,413	82,932,265	140,852,502
Loss on devaluation of investment	-	-	27,000,000	-
(Reversed) provision for impairment of assets	-	(60,000,000)	-	(60,000,000)
Interest expenses	65,291,404	65,280,563	20,429,734	21,214,627
<i>Profit from operation before changes in operating assets and liabilities</i>	<u>(107,205,725)</u>	<u>(137,129,461)</u>	<u>(35,842,494)</u>	<u>(102,703,656)</u>

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

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<i>Changes in operating assets</i>				
Trade accounts receivable	4,946,878	365,541,245	29,062,404	275,305,012
Other receivables	(20,041,063)	203,114,529	(5,746,227)	220,770,609
Inventories	45,233,289	(26,696,801)	66,410,133	(20,941,093)
Other non-current assets	(196,059)	2,253,984	1,600,680	682,597
<i>Changes in operating liabilities</i>				
Trade and other payables	(93,602,070)	(81,790,959)	(61,558,549)	(32,872,019)
Other non-current liabilities	1,663,208	(7,162,764)	1,663,207	668,603
Decrease in employee benefit obligations	-	(9,692,032)	-	(8,252,938)
Payments for provisions	-	(8,500,000)	-	(8,500,000)
Sales of equity securities for trading	-	7,304,415	-	7,304,416
Cash provided by (used in) operating activities	(169,201,542)	307,242,156	(4,410,846)	331,461,531
Interest paid	(48,470,180)	(19,413,716)	(21,600,866)	(20,694,279)
Withholding tax received	845,147	2,171,873	-	-
Withholding tax paid	(2,042,703)	(11,983,994)	(1,868,714)	(12,055,789)
Net cash provided by (used in) operating activities	(218,869,278)	278,016,319	(27,880,426)	298,711,463
<i>Cash flows from investing activities</i>				
Pledged deposits at financial institutions	241,492,505	155,804,302	242,796,136	167,403,945
Purchase of building and equipment	(292,285,424)	(336,956,343)	(27,018,046)	(80,504,122)
Sales of building and equipment	28,346,654	13,085,024	27,701,782	3,045,068
Repayment for short-term loans to related parties	-	-	(180,150,000)	(147,425,000)
Proceeds from short-term loans to related parties	-	-	83,312,000	153,172,000
Proceeds from advance payment to related parties	-	17,000,000	-	-
Sales of leasehold right	4,120,000	-	4,120,000	8,400,145
Acquire of leasehold right	-	(40,341,000)	-	(40,341,000)
Sales of intangible assets	2,459	-	193	-
Purchase of intangible assets	-	(35,019,260)	-	(35,000,000)
Advance payment for assets	(4,000,000)	(3,484,488)	-	(3,484,488)
Recovered capital for concert exhibition	-	6,950,769	-	-

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

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Acquire investment in subsidiary and associate	-	(226,750,000)	(32,000,000)	(248,000,000)
Proceeds from sales of investment in related other companies	8,514,113	36,665,200	11,000,000	19,000,000
Net cash provided by (used in) investing activities	(13,809,693)	(413,045,796)	129,762,065	(203,733,452)
<i>Cash flows from financing activities</i>				
Increase (decrease) in bank overdrafts and short-term loans from financial institution	(216,964,308)	(34,789,422)	(231,134,670)	(86,083,458)
Proceeds from short-term loans from related persons and parties	17,000,000	-	9,000,000	132,190,000
Repayments for short-term loans from related persons and parties	(35,000,000)	-	(27,000,000)	(142,550,000)
Proceeds from short-term loans from non-related parties	89,400,000	115,700,000	89,400,000	-
Repayments for short-term loans from non-related persons	(126,770,000)	(62,000,000)	(128,400,000)	-
Proceeds from long-term loans from financial institution	214,422,000	23,052,000	-	-
Payments for long-term loans from financial institution	(118,736)	-	-	-
Payments for finance lease liabilities	(800,288)	1,121,718	-	-
Proceeds from share capital increase	442,974,694	-	242,974,694	-
Net cash provided by (used in) financing activities	384,143,362	43,084,296	(45,159,976)	(96,443,458)
Net increase (decrease) in cash and cash equivalents	151,464,391	(91,945,181)	56,721,663	(1,465,447)
Cash and cash equivalents at the beginning of the period	18,326,733	23,795,785	12,870,743	14,336,190
Cash and cash equivalents of subsidiary at the acquisition date	-	86,476,129	-	-
Cash and cash equivalents of subsidiary transferred to be assets classified as held for sale	(268,190)	-	-	-
Cash and cash equivalents at the end of the period	169,522,934	18,326,733	69,592,406	12,870,743

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

The International Engineering Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2012

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The International Engineering Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2012

1. General information

The International Engineering Public Company Limited “the Company” is incorporated in Thailand and has its registered office at 408/37 Phaholyothin Place 9th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok

The Company was listed on the Stock Exchange of Thailand on 13 May 1993.

The principal activities of the Company are operating as a distributor of mobile phones, and engineering products, and provider of installation and implementation of information technology system and waste elimination plant and power plant from waste and solar power plant.

The Company’s major shareholders’ who are the top 5 of shareholders, as at 31 December 2012 were as follows:

	<i>Shareholding owned</i> <i>(percent)</i>
1. Mrs. Manotip Chakrawantharm	11.55
2. Mr. Anuwat Kosol	4.48
3. Thai NVDR Co., Ltd.	3.23
4. Mr.Martin Simon Charles Heckford	2.98
5. Mr.Tischuan Nanawarathorn	1.88

2 Basis of Preparation of financial statements

2.1 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, the Ministry of Commerce dated 28 September 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 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.

2.2 Basis of consolidation

2.2.1 These financial statements have been consolidated by including the financial statements of subsidiaries in which The International Engineering Public Company Limited has a power to control such companies. Balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements on the controllable date.

Details of the Company's subsidiaries and joint-controlled entities as at 31 December 2012 were as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2012	2011
<i>Direct subsidiaries</i>				
1. IEC Green Energy Co., Ltd.	Providing consulting in research and development distributing the products regarding technology for environmental management and development of all energy and alternative energy	Thailand	100	100
2. IEC Technology Co., Ltd.	Information technology service	Thailand	100	100
3. IEC Distribution System Co., Ltd.	Repairing services for mobile phones and accessories (temporarily close in order)	Thailand	100	100
4. IEC Business Partners Co., Ltd.	Investments (discontinued operations since 18 January 2012)	Thailand	100	100
5. Triple Play Co., Ltd.	Mobile Media Content (on 26 March 2012, investments in this subsidiary were sold)	Thailand	50	100
6. ISD (2012) Co., Ltd.	Sale of mobile phones sim card (since 24 February 2012 and has not operated)	Thailand	100	-
7. NFS (2010) Co.,Ltd	Sale of mobile phones (since 13 July 2012)	Thailand	100	-
<i>Indirect subsidiaries</i>				
8. Anya Animation Co., Ltd.	Subcontracted production and distribution of visual and movie media contents (on 26 March 2012, investments in this subsidiary were sold)	Thailand	-	100
9. UFO Studio Asia Co., Ltd.	Computer game implementation (on 26 March 2012, investments in this subsidiary were sold)	Thailand	-	51
10. GIDEC Co., Ltd.	Operating electricity plant from waste (in the process of construction)	Thailand	-	100
11. Team Solar Co., Ltd.	Operating electricity plant from solar cell (in the process of construction)	Thailand	100	100
12. Maetang Solar Co., Ltd	Operating electricity plant from solar cell (since 9 July 2012 it has not operated)	Thailand	100	-

The consolidated and separate financial statements were included investments in an associate (Micronetic Plc.) at the cost of Baht 25 million (percentage of shareholding at 38.51) by using information from associate's financial statements which were not audited by the auditor since such associate encountered financial liquidity, thus, it could not led the auditor to examine the annual financial statements. However, the Company's management has set up allowance for devaluation of investments and provisions in full amount in the 2012 and 2011 financial statements.

As at December 31, 2012 the Company has no currently financial in formation of such associate.

- 2.2.2 The financial statements of subsidiaries have been prepared in conformity with the same accounting policies of the Company.
- 2.2.3 The balance of accounts and significant transactions between the Company and subsidiaries have been eliminated from these financial statements.
- 2.2.4 Non-controlling interest is the profit or loss and net assets of subsidiaries not belongs to the Company and separately presented in total profit or loss and shareholders' equity in consolidated financial statements.
- 2.2.5 Acquisition and disposal of subsidiaries

On 24 February 2012, the Company has acquired new subsidiary in the name "ISD (2012) Co., Ltd" as stated in notes 4 to financial statements.

On 26 March 2012 the Company has disposed directly investments in subsidiaries, Tiple Play Co., Ltd and Indirect subsidiaries are Anya Animation Co.,Ltd and UFO studio Asia Co.,Ltd as stated in note 4 to financial statements.

On 9 July 2012, subsidiaries has registered to establish new subsidiary in the name "Maetang Solar Co., Ltd" as stated in notes 4 to financial statements.

On 13 July 2012, the Company has registered to establish new subsidiary in the name "NFS (2010) Co., Ltd" as stated in notes 4 to financial statements.

2.3 Discontinued operations

At the Board of directors' meeting held on January 18, 2012, passed the resolution to dispose total investment in IEC Business Partners Co., Ltd. ("IEC BP"), a subsidiary and entered into agreement to buy and to sell with an acquirer. The Company then adopted TFRS 5 (Revised 2009) "Non-current Assets Held for Sale and Discontinued Operations" by reclassifying assets classified as held for sale and liabilities included with asset classifies as held for sale separately from current assets and currents liabilities in the consolidated and separate financial statements as at 31 December 2012 respectively. Discontinued operations were separately presented in the consolidated statements of comprehensive for the year ended 31 December 2012 and reclassified the comparative consolidated statements of comprehensive income for the year ended 31 December 2011 including disclose the results of operation and cash flows of discontinued operations as stated in notes 30 to financial statements.

2.4 Continuing operations

The Group/ Company encountered the consecutively suffering loss but has been in decline, as shown in the financial statements that as at 31 December 2012 the consolidated and separate financial statements represented operating loss in the amount of Baht 289 million and Baht 197 million respectively, compared on period of year basis, the operating loss would be decreased in the amount of Baht 32 million and 53 million respectively. As at 31 December 2012, the Group/Company have the exceeding of current liabilities over current assets in the consolidated and separate financial statements in the amount of Baht 725 million and Baht 289 million respectively together with the Group/Company are still pending various unfinished litigations. These factors have significant uncertainties that may raise substantial doubt about the ability to continue their operations as a going concern. These interim financial statements have been prepared on the assumption that the Group/Company will continue their operations as a going concern, therefore, do not made any adjustments the valuation of assets at the salable price, liabilities at the repayable amount and reclassification of assets and liabilities. However, the Company is being solved these problem by providing co-investor and restructured the business to be properly appropriated with the currently economic situation

2.5 Issuance of new accounting standards

The Federation of Accounting Professions issued new and revise financial reporting standards which effective for the accounting period beginning on or after January 1, 2013. The Company has not applied and is being evaluated the effect from adoption as follows:

	Contents	Effective date
<i>Accounting Standards</i>		
TAS 12	Income Taxes	January 1, 2013
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013

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

3 Significant accounting policies

3.1 Cash and cash equivalents

Cash and cash equivalents are cash and deposits at bank which held to maturity not over 3 months and without commitment.

3.2 Trade and other receivables

Trade and other receivables are stated at their net realizable value.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

3.3 Inventories

Inventories

Inventories are stated at the lower of cost and net realizable value.

Cost is calculated using the moving average cost and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. In case of work in process, cost includes spare parts and supplies, labor cost including appropriate share of costs based on service to be provided.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

3.4 *Assets classified as held for sale and liabilities included assets classified as held for sale*

Assets, liabilities and non-controlling interests in subsidiary in which it intended to dispose such investment in total within 1 year, have been reclassified as assets classified as held for sale, liabilities included assets classified as held for sale and non-controlling interests included assets classified as held for sale. And in the separate financial statements, the Company has reclassified investments in subsidiary company as assets classified as held for sale.

Net assets of discontinued operations held for sale are stated at the lower of cost or fair value after deduction with selling expenses.

3.5 *Investments*

Investments in subsidiaries, and associates

Investments in subsidiaries, and associates in the separate financial statements are accounted for using the cost method less an allowance for devaluation of investments. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Equity securities which are not marketable securities are stated at cost less impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group/Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

3.6 *Property, plant and equipment*

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items for major components of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Leased assets

Leases in terms of which the Group/Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipments acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group/Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	20	years
Leasehold building improvement	5-17	years
Leased equipment	5	years
Tools and equipment	5	years
Furniture, fixtures and office equipment	5	years
Vehicles	5	years
Land and construction in progress	No depreciation	

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.7 Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group / the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Software licences	5	years
Right on electricity current trading contracts	25	years

Amortisation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

3.8 *Leasehold rights*

Leasehold rights that are acquired by the Group/the Company, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Leasehold rights are amortized in the profit or loss on a straight-line basis over the estimated useful lives of 3-27 years.

3.9 *Impairment*

The carrying amounts of the Group's/Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For financial assets carried at amortised cost, the reversal is recognised in profit or loss.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest method.

3.11 *Employee benefits*

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when they are incurred.

Post-employment benefit plans and other long-term employee benefits

Defined contribution plans

The Group/the Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group / the Company. The fund's assets are held in a separate trust fund and the Group / the Company's contributions are recognized as expenses when incurred.

Post-employment benefit plans

The Company has obligations in respect of the pensions that it must make to employees upon retirement under the labor law. The Company treats these pension obligations as the post-employment benefit plan.

The obligation under the post-employment benefits is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and disability rates as described in note 22 to the financial statements.

Actuarial gains and losses arising from post-employment benefits are recognized in immediately in profit or loss.

3.12 Provisions

A provision is recognised when the Group/Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.13 Revenue

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Service income on engineering is recognized by reference to the stage of completion.

Revenue and cost incurred from installation and implementation of information technology system are recognized in profit or loss by reference to the stage of completion of the contract activity. The stage of completion is assessed by reference to surveys of work performed. When the outcome of service contract cannot be estimated reliably, installment service revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable. An expected loss on a service contract is recognized immediately in profit or loss.

Other service income is recognized as income when the services are rendered.

Rental income

Rental and service income pursuant to property lease and service agreements is recognized basing on the revenue sharing percentage stipulated in the related contract as installments fall due and service is rendered.

Interest and other income

Interest income is recognised in profit or loss as it accrues. Dividend income is recognised in profit or loss on the date the Group/the Company's right to receive payments is established.

Other income is recognized on an accrual basis.

3.14 Expenses

Expenses are recognized on the accrual basis.

Finance costs

Finance costs comprise interest expense on borrowings and similar costs that are charged to the profit or loss for the period in which they are incurred.

Borrowing costs that are not directly attributable to the acquisition or construction of a qualifying asset are recognised in profit or loss using the effective interest method.

Operating leases

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.15 Income tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3.16 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

3.17 Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value, attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

3.18 Use of estimates and judgments

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

4 Acquisition and disposal of subsidiaries

Acquisition of the subsidiary

- ISD (2012) Co., Ltd. (“ISD”)

AT the Board of directors’ meeting No. 2/ 2012 held on 22 February 2012, passed the resolution to acquire a subsidiary, ISD (2012) Co., Ltd. (“ISD”) to operate in business of sim card distribution with DTAC under happy seller project-dtac instead of the Company and changed the business counterparty to be ISD which is effective on 1 May 2012 onwards. ISD has registered share capital amount of Baht 5 million divided into 500,000 shares of Baht 10 each which fully paid-up. The Company held at 100 percent share capital of this subsidiary and registered the establishment with the Ministry of Commerce on 24 February 2012.

- NFS (2010) Co., Ltd. (“NFS”)

At the Board of directors’ meeting No.7/2012 held on 25 May 2012, passed the resolution to acquire a subsidiary, NFS (2010) Co., Ltd. (“NFS”) to operate in business of Nokia mobile phone distribution instead of the Company and changed the business counterparty to be NFS which is being processed. NFS has registered share capital amount of Baht 10 million divided into 1,000,000 shares of Baht 10 each which fully paid-up. The Company held at 100 percent share capital of this subsidiary and registered the establishment with the Ministry of Commerce on 13 July 2012.

- Mae Tang Solar Co., Ltd. (“MTS”)

At the meeting of Board of directors No. 9/2012 held on 2 July 2012 of subsidiary “Team Solar Co., Ltd.” passed the resolution to establish a subsidiary, Mea Tang Solar Co., Ltd. in order to operate business in investment in solar cells electricity generation project (Chiengmai province) which had registered share capital amount of Baht 60 million divided into 6,000,000 ordinary shares of Baht 10 each , paid-up 25% of share capital, has the proportion of holding shares by Team Solar Co., Ltd. at 51% and IEC Green Energy Co., Ltd. at 49% and has registered with the Ministry of Commerce on 9 July 2012.

Disposal of subsidiaries

- Triple Play Co., Ltd. (“TPP”)

At the Board of directors’ meeting No. 3/2012 held on 26 March 2012, passed the resolution to dispose total investments in a subsidiary, Triple Play Co., Ltd. (“TPP”) which held at 100 percent and indirectly two subsidiaries of the Company, Anya Animation Co., Ltd. (“ANYA”) and UFO Studio Asia Co., Ltd. (“UFO”) which held by TPP at 100 and 51 percent respectively to an individual, Miss Kornkanok Vaivong in the contract value of Baht 11 million by receiving and transferring the ownership in 3.1 million ordinary shares on 26 March 2012.

The Company determines the selling price at Baht 3.55 per share which evaluated by the Company’s management. As a result, the Company incurred loss on disposal of investments in the consolidated and separate financial statements in the amount of Baht 8.4 million and Baht 4.7 million respectively. This disposal is to alleviate the problem arising from subsidiary’s operation did not conform to the plan, mitigate the effects of future losses and risks, release the lawsuit obligations and management trouble to be complied with the conditions of concession contract with the another company.

The significant information in statements of financial position of Triple Play Co., Ltd. (consolidated financial statements are included financial statements of ANYA and UFO) which were not audited/ reviewed as at the disposal date as detailed below:

	<i>(Unit: Baht)</i>
	Consolidated financial statements
<i>Assets</i>	
Cash and cash equivalents	2,485,887
Trade and other receivables	13,352,319
Short-term loans	1,670,000
Inventories	5,345,103
Property, plant and equipment	5,561,788
Other non-current assets	1,209,700
Total assets	<u>29,624,797</u>

	<i>(Unit: Baht)</i>
	Consolidated financial statements
<i>Liabilities</i>	
Bank overdrafts	(448,655)
Trade and other payables	(10,683,808)
Employee benefit obligations	(729,635)
Total liabilities	(11,862,098)
<i>Net Assets</i>	17,762,699
Less: Non-controlling interests (UFO)	(1,606,467)
Investments value based on proportion of the Company	19,369,166
Investments selling price	(11,000,000)
Loss on sales of investment	8,369,166
Investments selling price	11,000,000
Less: Cash and cash equivalents of subsidiary	(2,485,887)
Net cash received from investment	8,514,113

The results of operation of the group of Triple Play Co., Ltd. since January 1, 2012 until the disposal date are as below:

	<i>(Unit: Baht)</i>
	Consolidated financial statements
Revenues	7,860,434
Expenses	(5,287,186)
Net profit	2,573,248

5 Related persons and party transactions and balances

For the purposes of these financial statements, parties are considered to be related to the Group/Company if the Group/Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related persons and parties were as follows:

Name of entities	Country of Incorporation/ nationality	Natures of relationship
1. IEC Green Energy Co., Ltd.	Thailand	Subsidiary, 100% shareholding
2. IEC Technology Co., Ltd.	Thailand	Subsidiary, 100% shareholding
3. IEC Distribution System Co., Ltd.	Thailand	Subsidiary, 100% shareholding
4. IEC Business Partners Co., Ltd.	Thailand	Subsidiary, 100% shareholding
5. Triple Play Co., Ltd	Thailand	Subsidiary, 100% shareholding (until 26 March 2012)
6. ISD (2012) Co., Ltd.	Thailand	Subsidiary, 100% shareholding (since 24 February 2012)
7. NFS (2010) Co., Ltd.	Thailand	Subsidiary, 100% shareholding (since 13 July 2012)
8. Anya Animation Co., Ltd.	Thailand	Indirect subsidiary held by Triple Play Co., Ltd., 100% shareholding (until 26 March 2012)
9. GIDEC Co., Ltd.	Thailand	Indirect associate held by IEC Green Energy Co., Ltd. 50% shareholding
10. Team Solar Co., Ltd.	Thailand	Indirect subsidiary held by IEC Green Energy Co., Ltd., 100% shareholding
11. MeaTang Solar Co., Ltd.	Thailand	Indirect subsidiary held by Team Solar Co., Ltd., at 51% and IEC Green Energy Co., Ltd. at 49% shareholding
12. UFO Studio Asia Co., Ltd.	Thailand	Indirect subsidiary held by Triple Play Co., Ltd., 51% shareholding (unit 26 March 2012)
13. UFO Interactive Games Inc.	America	Related company (unit 26 March 2012)
14. Micronetic Plc.	Thailand	Associate, 38.51% shareholding

Name of entities	Country of Incorporation/ nationality	Natures of relationship
15. Ethnic Earth.Com Holdings Co., Ltd.	Thailand	Related company by shareholding
16. The M. Group Plc.	Thailand	Related company by shareholding
17. Sri U-Thong Co., Ltd	Thailand	Related company by shareholding
18. Integrated Business Consultants Co., Ltd.	Thailand	Related company, a key management personnel of the Company is a former director of such company
19. A related person	Thailand	Related person with a key management personnel of the Company (Chairman of the Executive Committee)
20. Sorisa (Thailand) Co., Ltd.	Thailand	Related company with a key management personnel of the Company (Chairman of the Executive Committee)
21. Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Group/Company (whether executive or otherwise).

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods or rendering of services	Market price
Rental income on non-moving assets	Market price as per the contract
Sales of fixed assets	Higher than book value
Interest income	7.25-8.5% per annum
Income on advertising signboard area	Contract price which is not higher than the market price provided for the another hires
Purchase of goods	Cost plus margin (0.5%)
Purchase of leasehold rights	Carrying value (close to market price)
Rental expense	Market price as per the contract
Consulting fee for development of business and organization	Agreed price as per the contract.
Inventory management expense	Market price as per the contract
Interest expense	7.25-15% per annum
Directors' and managements' remunerations represent director bonus, meeting allowance, salary and others	The amounts are approved by the Company's directors and shareholders

Significant transactions for the years ended 31 December 2012 and 2011 with related parties were as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenue				
Subsidiaries				
Sales of goods or rendering of services	-	-	109,859,660	86,455,088
Interest income	-	-	12,410,588	7,063,855
Other income	-	-	247,781	385,016
Associates				
Sale of goods or rendering of services	-	-	-	24,543,452
Other related companies				
Sales of goods or rendering of services	-	7,371,307	-	-
Rental income	-	4,787,913	-	-
Expenses				
Subsidiaries				
Administrative expenses	-	4,000,000	-	14,152,993
Interest expenses	-	-	-	229,342
Purchase of leasehold rights	-	-	-	40,204,556
Related persons				
Interest expenses	1,318,852	-	1,318,852	-
Key management personnel				
Interest expenses	197,723	73,973	-	73,973
<i>Key management personnel compensation</i>				
Short-term employee benefits	31,062,002	41,603,234	24,057,361	31,020,897
Post-employment benefits	1,310,036	1,823,776	847,466	1,391,380
Total key management personnel remuneration	<u>32,372,038</u>	<u>43,427,010</u>	<u>24,904,827</u>	<u>32,412,277</u>

Balances as at 31 December 2012 and 2011 with related parties were as follows:

Trade accounts receivable - related parties

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Subsidiaries				
IEC Business Partners Co., Ltd.	-	-	-	10,000
IEC Technology Co., Ltd.	-	-	1,461,453	4,217
NFS(2010) Co.,Ltd	-	-	30,142,952	-
GIDEC Co., Ltd.	-	-	-	6,289,841
Team Solar Co., Ltd.	-	-	36,997,488	86,797,488
Total	<u>-</u>	<u>-</u>	<u>68,601,893</u>	<u>93,101,546</u>

Other receivables from related parties

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Other receivable s and advances				
Subsidiaries				
IEC Green Energy Co., Ltd.	-	-	9,005,239	1,081,497
IEC Technology Co., Ltd.	-	-	2,466,154	1,288,370
IEC Business Partners Co., Ltd.	-	-	21,018,597	21,067,005
IEC Distribution System Co.,Ltd.	-	-	-	1,000,087
GIDEC Co., Ltd.	-	-	7,094	-
Team Solar Co., Ltd.	-	-	17,550	-
ISD (2012) Co., Ltd.	-	-	1,183,595	-
NFS(2010) Co.Ltd.	-	-	2,422,767	-
Associate				
Micronetic Plc.	16,658,516	16,658,516	16,658,516	16,658,516
Other related companies				
Ethnic Earth.Com Holding Co., Ltd.	8,935,247	8,935,247	8,935,247	8,935,247
The M Group Plc.	450,000,000	450,000,000	450,000,000	450,000,000
Total	<u>475,593,763</u>	<u>475,593,763</u>	<u>511,714,759</u>	<u>500,030,722</u>
<i>Less Allowance for doubtful accounts</i>	<u>(475,593,763)</u>	<u>(475,593,763)</u>	<u>(496,612,360)</u>	<u>(497,612,447)</u>
Net	<u>-</u>	<u>-</u>	<u>15,102,399</u>	<u>2,418,275</u>

(Unit:Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Allowance for doubtful accounts:-				
Subsidiaries				
IEC Business Partners Co., Ltd.	-	-	21,018,597	21,018,597
IEC Distribution System Co., Ltd.	-	-	-	1,000,087
Associate				
Micronetic Plc.	16,658,516	16,658,516	16,658,516	16,658,516
Other related companies				
Ethnic Earth.Com Holding Co., Ltd.	8,935,247	8,935,247	8,935,247	8,935,247
The M Group Pcl.	450,000,000	450,000,000	450,000,000	450,000,000
Total	475,593,763	475,593,763	496,612,360	497,612,447

Short-term loans to related parties

(Unit:Baht)

	Interest rate		Consolidated		Separate	
			financial statements		financial statements	
	2012	2011	2012	2011	2012	2011
	<i>(% per annum)</i>					
Short-term loans						
Subsidiaries						
IEC Green Energy Co., Ltd.	7.25-8.5	7.25-8.5	-	-	155,720,000	69,650,000
IEC Technology Co., Ltd.	7.25-8.5	7.25	-	-	27,206,000	22,526,000
IEC Business Partner Co., Ltd.	none,	none,				
	7.25-8.5	7.25-8.5	-	-	164,206,000	152,866,000
IEC Distribution System Co., Ltd.	7.25-8.5	7.25	-	-	-	12,252,000
ISD (2012) Co., Ltd.	8.5	-	-	-	7,000,000	-
Associate						
Micronetic Plc.	7.5-15.0	7.5-15.0	20,475,294	20,475,294	20,475,294	20,475,294
Other related company						
Ethnic Earth.Com Holding Co., Ltd.	7.0-7.5	7.0-7.5	16,770,000	16,770,000	16,770,000	16,770,000
			37,245,294	37,245,294	391,377,294	294,539,294
<i>Less Allowance for doubtful accounts</i>			<i>(37,245,294)</i>	<i>(37,245,294)</i>	<i>(201,451,294)</i>	<i>(202,363,294)</i>
Net			-	-	189,926,000	92,176,000

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Allowance for doubtful accounts:-				
Subsidiaries				
IEC Business Partner Co., Ltd.	-	-	164,206,000	152,866,000
IEC Distribution System Co., Ltd.	-	-	-	12,252,000
Associate				
Micronetic Plc.	20,475,294	20,475,294	20,475,294	20,475,294
Other related company				
Ethnic Earth.Com Holding Co., Ltd.	16,770,000	16,770,000	16,770,000	16,770,000
Total	37,245,294	37,245,294	201,451,294	202,363,294

Movement of short-term loans to related parties for the year ended 31 December 2012 are as follows:

(Unit: Baht)

	31 December		31 December	
	2011	payment	proceed	2012
Consolidated financial statements				
Associate				
Micronetic Plc.	20,475,294	-	-	20,475,294
Other related company				
Ethnic Earth.Com Holding Co., Ltd.	16,770,000	-	-	16,770,000
Total	37,245,294	-	-	37,245,294
Separate financial statements				
Subsidiaries				
IEC Green Energy Co., Ltd.	69,650,000	145,460,000	(59,390,000)	155,720,000
IEC Technology Co., Ltd.	22,526,000	7,750,000	(3,070,000)	27,206,000
IEC Business Partner Co., Ltd.	152,866,000	11,340,000	-	164,206,000
IEC Distribution System Co., Ltd.	12,252,000	5,600,000	(17,852,000)	-
ISD (2012) Co., Ltd.	-	10,000,000	(3,000,000)	7,000,000
Total	257,294,000	180,150,000	(83,312,000)	354,132,000
Grand Total	294,539,294	180,150,000	(83,312,000)	391,377,294

Other payables – related parties

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Other payables and advance receipt				
Subsidiaries				
Triple Play Co., Ltd.	-	-	-	2,235
IEC Technology Co., Ltd.	-	-	205,154	-
IEC Business Partners Co., Ltd.	-	-	-	4,057
IEC Distribution System Co., Ltd.	-	-	-	260,699
ISD (2012) Co., Ltd.	-	-	7,588	-
NFS (2010) Co.Ltd.	-	-	5,554,004	-
Associate				
Micronetic Plc.	346,076	346,076	250,076	250,076
Other related companies				
UFO Interactive Games Inc.	-	590,591	-	-
Key management personnel				
A related person	-	73,973	-	73,973
Accrued expenses - related company				
Integrated Business Consultants Co., Ltd.	-	1,000,000	-	1,000,000
Total other payables	<u>346,076</u>	<u>2,010,640</u>	<u>6,016,822</u>	<u>1,591,040</u>

Short-term loans from related parties

(Unit: Baht)

	Interest rate		Consolidated		Separate	
			financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(% per annum)					
Short-term loans						
Subsidiaries						
Triple Play Co., Ltd.	8.5	8.5	-	-	-	3,300,000
Key management personnel						
A related person	15.0	15.0	-	18,000,000	-	18,000,000
A related person	8.5	-	-	-	-	-
Total			<u>-</u>	<u>18,000,000</u>	<u>-</u>	<u>21,300,000</u>

Movement of short-term loans to related persons and parties for the year ended 31 December 2012 are as follows:

Consolidated financial statements				<i>(Unit: Baht)</i>
	December 31, 2011	payment	proceed	December 31, 2012
Related persons				
A related person	18,000,000	9,000,000	(27,000,000)	-
A related person	-	8,000,000	(8,000,000)	-
Total	<u>18,000,000</u>	<u>17,000,000</u>	<u>(35,000,000)</u>	<u>-</u>
Separate financial statements				
Subsidiaries				
Triple Play Co., Ltd.	3,300,000	-	(3,300,000)	-
Total	<u>3,300,000</u>	<u>-</u>	<u>(3,300,000)</u>	<u>-</u>
Related persons				
A related person	18,000,000	9,000,000	(27,000,000)	-
Total	<u>18,000,000</u>	<u>9,000,000</u>	<u>(27,000,000)</u>	<u>-</u>
Grand total	<u>21,300,000</u>	<u>9,000,000</u>	<u>(30,300,000)</u>	<u>-</u>

Financial lease liabilities

	<i>(Unit: Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Other Related companies				
Sorisa (Thailand) Co., Ltd.	1,699,991	2,500,279	-	-
Total	<u>1,699,991</u>	<u>2,500,279</u>	<u>-</u>	<u>-</u>

Significant agreements with related parties

Commitments to its related parties were as follows:

(Unit:Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Commitments				
IEC Business Partners Co., Ltd. to financial institution	350	350	350	350
Guarantee obligations CAT of IEC Technology Co., Ltd.	2	2	2	2
Guarantee 3G project of IEC Technology Co., Ltd.	3	3	3	3
Total	355	355	355	355

Directors' remuneration

The Ordinary General Meeting of Shareholders (New) held on 18 May 2012 passed a resolution to approve the remuneration for directors, executive directors and member of the Audit Committee for 2011 in the amount not exceeding Baht 7 million.

Significant agreements with related parties

The Executive Board Meeting of the Company held on 8 August 2011 passed a resolution to enter into an agreement with Integrated Business Consultants Co., Ltd. to obtain the advice, suggestion and useful comment to the development of the business and the feasibility study and an effective strategy for the business and organization and the operational plan for the Company and the Group for a period of six months from 19 August 2011 to 18 February 2012 with the monthly service of Baht 1,000,000.

6 Cash and cash equivalents

6.1 Cash and cash equivalents as at 31 December 2012 and 2011 are detailed follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash on hand	779,799	2,342,698	312,944	1,856,277
Cash at banks – current accounts	2,110,857	207,786	85,506	41,039
Cash at banks – savings accounts	166,632,278	15,776,249	69,193,956	10,973,427
Total	169,522,934	18,326,733	69,592,406	12,870,743

6.2 Non-cash transactions

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Payment of wood in a concession area to other company by transferring the right of claims under the compromise agreement				
share capital decrease to offset deficit of subsidiary	-	50,000,000	-	50,000,000
A subsidiaries reduced share capital in order to compensate the deficit	-	-	-	850,000,000
Share subscription payable in subsidiary	-	20,250,000	-	-
Transfer leasehold right	25,680,000	-	25,680,000	-
Transfer prepaid for assets	43,676,037	-	43,676,037	-

7 Trade account and other receivables

Trade accounts receivable

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Trade accounts receivable from related parties	-	-	68,601,893	93,101,546
Trade accounts receivable from other parties	14,533,937	36,188,281	5,663,622	8,111,317
Total	14,533,937	36,188,281	74,265,515	101,212,863
<i>Less</i> Allowance for doubtful accounts	(8,227,472)	(22,313,645)	(3,169,374)	(4,777,342)
Trade accounts receivable, net	6,306,465	13,874,636	71,096,141	96,435,521
Accrued income from other parties	41,999	6,658,228	41,439	2,156,495
<i>Less</i> Allowance for doubtful accounts	(560)	(1,718,896)	-	-
Accrued income from other parties, net	41,439	4,939,332	41,439	2,156,495
Total	6,347,904	18,813,968	71,137,580	98,592,016

Aging analyses for trade accounts receivable were as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Related parties				
Within credit terms	-	-	1,461,453	-
Overdue				
Less than 3 months	-	-	30,142,953	86,801,704
3 - 6 months	-	-	-	2,382,866
6 - 12 months	-	-	-	3,906,976
Over 12 months	-	-	36,997,487	10,000
Total	-	-	68,601,893	93,101,546

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Other parties				
Within credit terms	2,720,081	3,287,637	47,337	405,543
Overdue				
Less than 3 months	2,166,336	12,494,966	955,484	652,315
3 - 6 months	164,459	6,382,604	125,310	30,703
6 - 12 months	140,225	3,155,992	138,226	1,406,359
Over 12 months	9,342,836	10,867,082	4,397,265	5,616,397
Total	11,813,856	32,900,644	5,616,285	7,705,774
Less Allowance for doubtful accounts	14,533,937	36,188,281	5,663,622	8,111,317
Net	(8,227,472)	(22,313,645)	(3,169,374)	(4,777,342)
Trade accounts receivable, net	6,306,465	13,874,636	2,494,248	3,333,975
Other parties	6,306,465	13,874,636	71,096,141	96,435,521

The normal credit term granted by the Group ranges from 7-30 days.

Other receivables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Related parties	475,593,763	475,593,763	511,714,760	500,030,722
Less Allowance for doubtful accounts	(475,593,763)	(475,593,763)	(496,612,361)	(497,612,447)
Net	-	-	15,102,399	2,418,275
Other parties	190,781,871	156,384,647	117,995,579	96,384,675
Less Allowance for doubtful accounts	(49,758,609)	(46,497,096)	(47,932,460)	(45,960,165)
Net	141,023,262	109,887,551	70,063,119	50,424,510
Other receivables, net	141,023,262	109,887,551	85,165,518	52,842,785

Other receivables - other parties

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Prepaid expenses	10,769,812	10,959,691	945,703	4,576,413
Prepaid for goods	371,064	-	371,065	-
Advance payment for development project	6,005,014	6,000,000	6,000,000	6,000,000
Other advance payment	4,023,354	3,345,918	2,846,757	2,745,418
Accrued interest income	742,158	3,195,967	705,227	3,195,967
Value added tax refundable	56,715,205	58,969,956	1,688,090	8,977,232
Withholding tax	29,528,798	26,906,559	28,765,247	26,896,533
Other receivables	82,626,466	47,006,556	76,673,490	43,993,112
Total	190,781,871	156,384,647	117,995,579	96,384,675
<i>Less</i> Allowance for doubtful accounts	(49,758,609)	(46,497,096)	(47,932,460)	(45,960,165)
Other receivables-other parties, net	141,023,262	109,887,551	70,063,119	50,424,510

8 Inventories

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Finished goods	37,034,931	74,951,986	6,968,112	73,368,949
Work in progress	1,706,491	4,771,269	-	9,296
Spare parts and supplies	-	12,293,631	-	-
Cost of film production	-	6,449,072	-	-
Total	38,741,422	98,465,958	6,968,112	73,378,245
<i>Less</i> Allowance for devaluation of inventories	(12,642,715)	(28,685,064)	(6,037,790)	(8,001,243)
Net	26,098,707	69,780,894	930,322	65,377,002

Inventories at book value amount of Baht 30 million as at 31 December 2012 were used as collateral against liabilities from banks.

9 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2012 and 2011 were as follows:

(Unit:Baht)

	Ownership		Paid-up capital		Cost method		Allowance for		At cost - net		Dividends	
	percentage						devaluation of investments					
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(Percent)</i>		<i>(Million Baht)</i>									
<i>Separate financial statements</i>												
<i>Direct subsidiaries</i>												
IEC Green Energy Co., Ltd.	100	100	312	500	302,900,000	302,900,000	413,104	413,104	302,486,896	302,486,896	-	-
IEC Technology Co., Ltd.	100	100	200	200	196,255,000	196,255,000	196,255,000	196,255,000	-	-	-	-
IEC Business Partners Co., Ltd.	-	100	-	250	-	250,000,000	-	250,000,000	-	-	-	-
IEC Distribution system Co.,Ltd	100	100	112	95	112,000,000	95,000,000	112,000,000	95,000,000	-	-	-	-
Triple Play Co., Ltd.	-	100	-	31	-	31,000,000	-	15,277,014	-	15,722,986	-	-
ISD (2012) Co.,Ltd	100	-	5	-	5,000,000	-	-	-	5,000,000	-	-	-
NFS (2010) Co., Ltd.	100	-	10	-	10,000,000	-	10,000,000	-	-	-	-	-
Total					626,155,000	875,155,000	318,668,104	556,945,118	307,486,896	318,209,882	-	-

- IEC Green Energy Co., Ltd.

The Extraordinary Meeting of Shareholders of the subsidiary (“IEC Green Energy Co., Ltd.”) held on 11 November 2011 passed a resolution as follows:

To increase the company’s authorized share capital by Baht 338 million by the creation of 33,800,000 ordinary shares of Baht 10 par value, in the amount of Baht 650 million in order to support investment in alternation energy business. As of 26 March 2012, the company has not registered such increase of share capital.

- IEC Technology Co., Ltd.

At the Extraordinary Meeting of Shareholders of IEC Technology Co., Ltd. Held on 12 December 2012 passed the resolution to increase share capital for another Baht 40 million from Baht 200 million to Baht 240 million by issuing new 4,000,000 ordinary shares of Baht 10 each in order to implement the operation liquidity and using as investment in the project. The registration is made intervals based on the number of share issued in each time in compliance with the resolution of the Board of director.

- IEC Business Partners Co., Ltd.

The Extraordinary Meeting of Shareholders of IEC Business Partners Co., Ltd. held on 4 January 2011 resolved to increase the Company’s authorized share capital by Baht 180 million by the creation of 18,000,000 new ordinary shares of Baht 10 par value. The increased share capital will be registered in each time of the number of distributed shares. As of 26 March 2012, the increase of share capital has not been registered.

At the Board of directors’ meeting held on January 18, 2012, passed the resolution to dispose investments in subsidiary, IEC Business Partner Co., Ltd. (“IEC BP”). The Company has reclassified investments in such subsidiary as assets classified as held for sale as stated in notes 30 to financial statements.

- IEC Distribution System Co., Ltd.

At the Extraordinary Meeting of Shareholders of IEC Distribution System Co., Ltd. Held on 27 December 2012 passed the resolution to increase share capital for another Baht 17 million from Baht 95 million to Baht 112 million by issuing new 1,700,000 ordinary shares of Baht 10 each in order to implement the operation liquidity and using as investment in the project. On 27 December 2012, subsidiary has paid such increase share capital in full and registered the increase capital with Ministry of Commerce on 27 December 2012.

- Triple Play Co., Ltd.

At the Board of directors’ meeting No. 3/2012 held on March 26, 2012, passed the resolution to dispose investments in subsiary “Triple Play Co., Ltd.” and the Company has disposed such investments in subsidiary on March 26, 2012 as stated in notes 4 to financial statements.

- Team Solar Co., Ltd (the direct subsidiary of IEC Green Energy Co., Ltd.)

At the shareholders' extraordinary meeting No. 1/2012 held on 23 March 2012 of subsidiary "Team Solar Co., Ltd.", passed the resolution to increase its share capital for the amount of Baht 37 million from Baht 50 million to Baht 87 million by issuing new 370,000 ordinary shares of Baht 100 each. Subsidiary has received the share capital payment and registered with the Ministry of Commerce on 2 April 2012.

At the shareholders' extraordinary meeting No. 2/2012 held on 14 June 2012 of subsidiary "Team Solar Co., Ltd.", passed the resolution to increase its share capital amount 63 million from Baht 87 million to Baht 150 million by issuing new 630,000 ordinary shares of Baht 100 each by intervals registered the increase share capital and issued the increase share capital 76,500 shares and received the payment amount of Baht 7.65 million, the increase share capital was registered with the Ministry of Commerce on 26 July 2012, as a result, the registered share capital is Baht 94.65 million.

- GIDEC Co., Ltd

At the shareholders' extraordinary meeting No. 1/2012 held on 15 March 2012 of subsidiary "GIDEC Co., Ltd", passed the resolution to increase its share capital for the amount of Baht 60 million from Baht 200 million to Baht 260 million by issuing new 600,000 ordinary shares of Baht 100 each.

At the shareholders' extraordinary meeting No. 3/2012 held on 15 October 2012 passed the resolution as follows:

- To cancel resolution to increase share capital amount of Baht 60 million in compliance with the shareholders' extraordinary meeting of GIDEC Co., Ltd. No. 1/2012 held on 15 March 2012 as previously approved.
- To increase share capital amount of Baht 200 million from Baht 200 million to Baht 400 million by issuing new 2,000,000 shares of Baht 100 each. The existing shareholders waived the right on increase share capital to Electricity Generating Public Company Limited and the payment for share capital had been received and registered with the Ministry of Commerce on 20 November 2012.

- Mae Tang Solar Co., Ltd.

At the shareholders' extraordinary meeting No. 2/2012 held on 27 December 2012 of Mae Tang Solar Co., Ltd", passed the resolution to decrease its share capital for the amount of Baht 45 million from Baht 60 million to Baht 15 million in order to restructure its capital and registered the decrease share capital with the Ministry to Commerce on 4 February 2013.

10 Investments in associates

Investments in associates as at 31 December 2012 and 2011 were as follows:

(Unit: Baht)

	Ownership		Paid-up capital		Cost method		Equity method		Allowance for devaluation of investments		Equity method - net	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(Percent)		(Million Baht)									
Consolidated												
financial statements												
<i>Associates</i>												
Micronetic Plc.	38.51	38.51	100	100	24,826,800	24,826,800	24,826,800	24,826,800	24,826,800	24,826,800	-	-
Total					24,826,800	24,826,800	24,826,800	24,826,800	24,826,800	24,826,800	-	-
Separate												
Financial statements												
<i>Associates</i>												
Micronetic Plc.	38.51	38.51	100	100	24,826,800	24,826,800	24,826,800	24,826,800	24,826,800	24,826,800	-	-
Total					24,826,800	24,826,800	24,826,800	24,826,800	24,826,800	24,826,800	-	-

The Group has not recognized losses relating to certain investments in associates (Micronetic Plc.) for using the equity method where its share of losses exceeds the carrying amount of those investments which was based on the financial information as at 30 September 2009 (the latest). The Group's cumulative shares of unrecognized losses were Baht 60 million. As of 31 December 2012, such associate had no financial information, and allowance for devaluation of investments was set up in full.

11 Other long-term investments

Other long-term investments as at 31 December 2012 and 2011 were as follows:

(Unit: Baht)

	Cost method		Allowance for devaluation of investments		Cost method - net	
	2012	2011	2012	2011	2012	2011
Consolidated financial statements						
General investments						
Sri U – Thong Co., Ltd.	21,000,000	21,000,000	21,000,000	21,000,000	-	-
Ethnic Earth.Com Holding Co., Ltd.	8,995,000	8,995,000	8,995,000	8,995,000	-	-
Auto Info Co., Ltd.	400,000	400,000	-	-	400,000	400,000
Electricity Generating Pcl.	125,000	125,000	-	-	125,000	125,000
Net	30,520,000	30,520,000	29,995,000	29,995,000	525,000	525,000
Separate financial statements						
General investments						
Sri U – Thong Co., Ltd.	21,000,000	21,000,000	21,000,000	21,000,000	-	-
Ethnic Earth.Com Holding Co., Ltd.	8,995,000	8,995,000	8,995,000	8,995,000	-	-
Auto Info Co., Ltd.	400,000	400,000	-	-	400,000	400,000
Electricity Generating Pcl.	125,000	125,000	-	-	125,000	125,000
Net	30,520,000	30,520,000	29,995,000	29,995,000	525,000	525,000

12 Property, plant and equipment

(Unit: Baht)

	Consolidated financial statements								Total
	Land	Buildings	Leasehold building improvement	Leased equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Assets under construction	
<i>Cost</i>									
At 1 January 2011	20,869,443	20,215,360	262,297,250	694,257	29,493,998	203,298,352	12,920,808	448,324,623	998,114,091
Acquisitions through purchase of business	27,000,000	38,791,799	-	-	-	8,075	3,660,000	153,502,860	222,962,734
Deductions from sale of subsidiary	-	(19,422,490)	(143,138,646)	-	-	(17,278,163)	(3,300,000)	-	(183,139,299)
Additions	26,947,270	-	14,832,013	-	686,326	7,879,918	7,967,563	278,643,253	336,956,343
Transfer/write off	-	-	227,945	-	(724,603)	(134,931)	-	631,589	-
Disposals	-	-	(11,841,220)	(51,057)	(11,572,515)	(13,660,831)	(2,768,382)	-	(39,894,005)
At 31 December 2011	74,816,713	39,584,669	122,377,342	643,200	17,883,206	180,112,420	18,479,989	881,102,325	1,334,999,864
Transfer to asset classified as held for sale	(20,261,322)	-	(19,869,549)	-	-	(2,970,257)	-	(447,821,540)	(490,922,668)
Decrease from sale of subsidiary	-	-	(5,921,467)	-	(2,082,172)	(38,909,862)	-	-	(46,913,501)
Additions	-	-	9,491,226	-	42,000	13,813,121	1,100,000	294,780,033	319,226,380
Transfer/write off	-	6,267,500	(17,763,711)	-	2,029,252	(6,243,428)	-	31,915,111	16,204,724
Disposals	-	-	(87,023,521)	(638,200)	(9,746,675)	(111,392,175)	(3,787,905)	-	(212,588,476)
At 31 December 2012	54,555,391	45,852,169	1,290,320	5,000	8,125,611	34,409,819	15,792,084	759,975,929	920,006,323

(Unit: Baht)

Consolidated financial statements

	Land	Buildings	Leasehold building improvement	Leased equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Assets under construction	Total
Accumulated depreciation									
At 1 January 2011	-	1,200,269	126,345,799	694,234	22,770,694	148,969,616	9,146,111	-	309,126,723
Acquisitions through purchase of business	-	1,976,788	-	-	-	477	-	-	1,977,265
Decrease from sale of subsidiary	-	(1,394,162)	(37,053,855)	-	-	(9,492,057)	(1,189,808)	-	(49,129,882)
Depreciation charge for the year	-	1,334,548	17,151,350	-	189,315	15,975,270	1,875,739	-	36,526,222
Disposals	-	-	(6,134,071)	(51,054)	(8,965,436)	(11,572,917)	(1,814,562)	-	(28,538,040)
At 31 December 2011	-	3,117,443	100,309,223	643,180	13,994,573	143,880,389	8,017,480	-	269,962,288
Transfer to assets classified as held for sale	-	-	(18,548,014)	-	-	(2,941,005)	-	-	(21,489,019)
Decrease from sale of subsidiary	-	-	(4,070,347)	-	(1,234,937)	(14,570,500)	-	-	(19,875,784)
Depreciation charge for the year	-	2,036,858	4,948,986	-	267,270	5,358,320	2,223,149	-	14,834,583
Transfer/write off	-	-	(13,573,571)	-	-	(2,853,058)	-	-	(16,426,629)
Disposals	-	-	(68,440,656)	(638,180)	(9,313,299)	(98,985,239)	(2,902,418)	-	(180,279,792)
At 31 December 2012	-	5,154,301	625,621	5,000	3,713,607	29,888,907	7,338,211	-	46,725,647

(Unit: Baht)

Consolidated financial statements

	Land	Buildings	Leasehold building improvement	Leased equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Assets under construction	Total
<i>Allowance for impairment losses</i>									
At 1 January 2011	16,283,572	-	109,960,690	-	5,334,279	14,424,740	-	447,032,099	593,035,380
Decrease from sale of subsidiary	-	-	(105,964,563)	-	-	(6,857,165)	-	-	(112,821,728)
Impairment losses	-	-	1,321,528	-	-	19,954,847	-	827,080	22,103,455
Disposal	-	-	(5,086,630)	-	(2,514,319)	(968,580)	-	(53,089)	(8,622,618)
At 31 December 2011	16,283,572	-	231,025	-	2,819,960	26,553,842	-	447,806,090	493,694,489
Transfer to assets classified as held for sale	(16,283,572)	-	(1,321,528)	-	-	-	-	(447,821,540)	(465,426,640)
Decrease from sale of subsidiary	-	-	-	-	-	(21,438,250)	-	-	(21,438,250)
Impairment losses	-	-	967,850	-	509,981	113,529	-	48,597,529	50,188,889
Transfer/write off	-	-	4,473,560	-	-	(4,489,008)	-	15,448	-
Disposal	-	-	(4,290,382)	-	(444,058)	(134,471)	-	-	(4,868,911)
At 31 December 2011	-	-	60,525	-	2,885,883	605,642	-	48,597,527	52,149,577
<i>Net book value</i>									
- Owned assets	58,533,141	36,467,226	21,837,094	20	1,068,673	9,678,189	7,097,314	433,296,235	567,977,892
- Financial lease assets	-	-	-	-	-	-	3,365,195	-	3,365,195
Total at 31 December 2011	58,533,141	36,467,226	21,837,094	20	1,068,673	9,678,189	10,462,509	433,296,235	571,343,087
- Owned assets	54,555,391	40,697,868	604,174	-	1,526,121	3,915,270	5,941,008	711,378,402	818,618,234
- Financial lease assets	-	-	-	-	-	-	2,512,865	-	2,512,865
Total at 31 December 2012	54,555,391	40,697,868	604,174	-	1,526,121	3,915,270	8,453,873	711,378,402	821,131,099

(Unit:Baht)

Separate financial statements

	Land	Buildings	Leasehold building improvement	Leased equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Assets under construction	Total
<i>Cost</i>									
At 1 January 2011	608,122	792,870	82,288,757	91,057	10,289,902	111,510,488	7,366,131	450,000	213,397,327
Additions	-	-	14,708,223	-	686,326	6,167,147	6,555,105	52,387,321	80,504,122
Transfer/write off	-	-	227,945	-	(724,603)	(417,388)	-	914,046	-
Disposals	-	-	(11,841,220)	(51,057)	(963,059)	(2,687,567)	(513,705)	-	(16,056,608)
At 31 December 2011	608,122	792,870	85,383,705	40,000	9,288,566	114,572,680	13,407,531	53,751,367	277,844,841
Additions	-	-	9,287,826	-	-	13,139,086	1,100,000	3,491,135	27,018,047
Transfer/write off	-	-	(6,922,647)	-	-	(1,504,195)	-	38,011,780	29,584,938
Disposals	-	-	(86,888,118)	(40,000)	(8,067,379)	(107,173,760)	(3,787,905)	-	(205,957,162)
At 31 December 2012	608,122	792,870	860,766	-	1,221,187	19,033,811	10,719,626	95,254,282	128,490,664
<i>Accumulated depreciation</i>									
At 1 January 2011	-	452,637	61,722,772	91,054	10,214,561	104,360,835	7,171,375	-	184,013,234
Depreciation charge for the year	-	39,735	14,088,968	-	19,099	3,445,353	801,885	-	18,395,040
Disposals	-	-	(6,134,072)	(51,055)	(962,940)	(2,338,404)	(339,461)	-	(9,825,932)
At 31 December 2011	-	492,372	69,677,668	39,999	9,270,720	105,467,784	7,633,799	-	192,582,342
Depreciation charge for the year	-	39,725	4,631,271	-	14,029	4,834,756	1,205,013	-	10,724,794
Transfer - net	-	(17)	(5,549,609)	-	-	(313,887)	-	-	(5,863,513)
Disposals	-	-	(68,437,325)	(39,999)	(8,078,062)	(95,135,823)	(2,902,418)	-	(174,593,627)
At 31 December 2012	-	532,080	322,005	-	1,206,687	14,852,830	5,936,394	-	22,849,996

(Unit: Baht)

Separate financial statements

	Land	Buildings	Leasehold building improvement	Leased equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Assets under construction	Total
<i>Allowance for impairment losses</i>									
At 1 January 2011	-	-	5,737,013	-	-	19,917	-	-	5,756,930
Impairment losses	-	-	(5,171,029)	-	-	79,249	-	-	(5,091,780)
At 31 December 2011	-	-	565,984	-	-	99,166	-	-	665,150
Impairment losses	-	-	907,295	-	-	-	-	48,597,528	49,504,823
Decrease	-	-	(1,473,279)	-	-	(99,166)	-	-	(1,572,445)
At 31 December 2012	-	-	-	-	-	-	-	48,597,528	48,597,528
<i>Net book value</i>									
- Owned assets	608,122	300,498	15,140,053	1	17,846	9,005,730	5,773,732	53,751,367	84,597,349
- Financial leases assets	-	-	-	-	-	-	-	-	-
Total at 31 December 2011	608,122	300,498	15,140,053	1	17,846	9,005,730	5,773,732	53,751,367	84,597,349
- Owned assets	608,122	260,790	538,761	-	14,500	4,180,981	4,783,232	46,656,754	57,043,140
- Financial leases assets	-	-	-	-	-	-	-	-	-
Total at 31 December 2012	608,122	260,790	538,761	-	14,500	4,180,981	4,783,232	46,656,754	57,043,140

	<i>(Unit: Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
Depreciation was included in:-	2012	2011	2012	2011
Cost of sales of goods or rendering of services	-	9,980,715	-	-
Administrative expenses	14,834,583	26,545,507	10,724,794	18,395,040
Total	14,834,583	36,526,222	10,724,794	18,395,040

As at 31 December 2012 and 2011, the book value of lands including structures existing at the present and to be constructed in the future have been mortgaged as collateral for obligations under loan agreements, which was summarized as follows: -

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Lands	61	20	-	-
Condominium	34	36	-	-
Buildings under construction	22	22	-	-
Machinery under installation	1,085	688	-	-
Total	1,202	766	-	-
Less Allowance for impairment losses	(461)	(461)	-	-
Net book value	741	305	-	-

Please also see Notes 20 and 35 to the financial statements.

Property, plant and equipment under construction

- Digital Mobile TV project

As described in Notes 15 and 37 to the financial statements, since 2010, the Company operates a portable digital television via a UHF frequency under the 58 – bands. The control system has been installed and deployed at the IEC building. Total budget cost amounted to Baht 250 million and actual cost incurred as of 31 December 2012 totaled Baht 119 million and the remaining amounted to Baht 131 million until. At the report date.

- Production of Ethanol plant project

The subsidiary (IEC Business Partners Co., Ltd.) had property, plant and equipments of which cost as at 31 December 2012 amounted to Baht 465 million less provision for impairment loss of asset of Baht 461 million balanced to Baht 4 million. The said assets related to the contentions cases in purchasing asset from IGA that has been still in the process of the Court's consideration. As of 22 February 2013, those cases have not been finalized. Please also see Note 35 to the financial statements.

- Waste disposal and power plant from waste projects

Borrowing costs relating to the acquisition of the land and the construction of power plant from waste was capitalized as part of the assets for 2012 of Baht 21.6 million (accumulated interest amount of Baht 28.5 million). The interest rate to be capitalized was MLR and MLR+1% per annum.

As described in Note 33 to the financial statement, since 2011, the subsidiary (GIDEC Co., Ltd.) constructed the waste disposal and generate electricity from waste plant on land under lease agreement with Hatyai Municipal, Song Kha province. Total budget cost amounted to Baht 761 million (funds from external source of Baht 400 million and from internal source of Baht 361 million). As of 31 December 2012, the actual cost incurred totaled Baht 493 million and the remaining amounted to Baht 268 million and has been expected to complete by June 2013.

- Solar power plant project

Cost of borrowings related to the acquisition of land and solar power plant is recorded as part of assets for the year 2012 amount of Baht 5.3 million (accumulated interest amount of Baht 5.3 million). The interest rate is charged at MLR-1% per annum as stated in notes 33 to financial statements.

Indirectly subsidiary (Team Solar Co., Ltd.) has constructed solar power plant at Lumpoon project of which total budget cost amounted to Baht 240 million. Actual cost incurred until 31 December 2012 amounted to Baht 233 million and the remaining amounted to Baht 7 million. The project has been expected to finished by March 2013.

13 Leasehold rights

	<i>(Unit: Baht)</i>	
	Consolidated	Separate
	financial statements	Financial statements
<i>Cost</i>		
At 1 January 2011	275,413,773	73,679,013
Increase	40,341,000	40,341,000
Decrease	(37,219,280)	(37,219,280)
Decrease from sale of subsidiary	(201,734,760)	-
At 31 December 2011	76,800,733	76,800,733
Increase	-	-
Adjustment	(1,721,477)	(1,721,477)
Decrease	(38,921,017)	(38,921,017)
At 31 December 2012	36,158,239	36,158,239
<i>Accumulated amortization</i>		
At 1 January 2011	104,575,196	44,938,056
Amortization for the year	4,885,526	4,320,006
Decrease	(31,171,968)	(31,171,968)
Decrease from sale of subsidiary	(60,202,660)	-
At 31 December 2011	18,086,094	18,086,094
Amortization for the year	5,119,857	5,119,857
Adjustment	(1,721,477)	(1,721,477)
Decrease	(11,370,723)	(11,370,723)
At 31 December 2012	10,113,751	10,113,751
<i>Accumulated impairment losses</i>		
At 1 January 2011	144,650,670	2,553,050
Impairment losses	(2,553,050)	(2,553,050)
Decrease from sale of subsidiary	(142,097,620)	-
At 31 December 2011	-	-
No change during year	-	-
At 31 December 2012	-	-
<i>Net book value</i>		
At 31 December 2011	58,714,639	58,714,639
At 31 December 2012	26,044,488	26,044,488

Amortizations for the year were included in:-

	<i>(Unit: Baht)</i>			
	Consolidated		Separate	financial
	financial statements		statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cost of sales of goods or rendering of services	-	565,520	-	-
Administrative expenses	<u>5,119,857</u>	<u>4,320,006</u>	<u>5,119,857</u>	<u>4,320,006</u>
Total	<u>5,119,857</u>	<u>4,885,526</u>	<u>5,119,857</u>	<u>4,320,006</u>

14 Other intangible assets

(Unit: Baht)

	Consolidated financial statements				
	Computer software	Advance payment for computer software	Television broadcasting's right	Right in the agreements	Total
<i>Cost</i>					
At 1 January 2011	33,252,280	10,300,000	-	-	43,552,280
Addition	19,260	-	35,000,000	-	35,019,260
Transfer	(1)	-	-	136,734,184	136,734,183
At 31 December 2011	33,271,539	10,300,000	35,000,000	136,734,184	215,305,723
Transfer to assets classified as held for sale	(157,009)	-	-	-	(157,009)
Decrease from sale of subsidiary	(134,000)	-	-	-	(134,000)
Transfer	10,300,000	(10,300,000)	-	-	-
Decrease	(26,284,313)	-	-	-	(26,284,313)
At 31 December 2012	16,996,217	-	35,000,000	136,734,183	188,730,400
<i>Accumulated amortization</i>					
At 1 January 2011	26,760,242	-	-	-	26,760,242
Amortization for the year	389,753	-	-	-	389,753
At 31 December 2011	27,149,995	-	-	-	27,149,995
Amortization for the year	1,305,625	-	-	-	1,305,625
Transfer to assets classified as held for sale	(157,008)	-	-	-	(157,008)
Decrease from sale of subsidiary	(20,050)	-	-	-	(20,050)
Decrease	(20,650,868)	-	-	-	(20,650,868)
At 31 December 2012	7,627,694	-	-	-	7,627,694
<i>Provision for impairment</i>					
At 1 January 2011	5,787,380	-	-	-	5,787,380
No change during year	-	-	-	-	-
At 31 December 2011	5,787,380	-	-	-	5,787,380
Decrease	(5,733,332)	-	-	-	(5,733,332)
Impairment losses	-	-	35,000,000	-	35,000,000
At 31 December 2012	54,048	-	35,000,000	-	35,054,048
<i>Net book value</i>					
At 31 December 2011	334,164	10,300,000	35,000,000	136,734,184	182,368,348
At 31 December 2012	9,314,475	-	-	136,734,183	146,048,659

(Unit:Baht)

	Separate financial statements			Total
	Computer software	Advance payment for computer software	Television broadcasting's right	
<i>Cost</i>				
At 1 January 2011	31,463,742	10,300,000	-	41,763,742
Addition	-	-	35,000,000	35,000,000
Decrease	(1)	-	-	(1)
At 31 December 2011	31,463,741	10,300,000	35,000,000	76,763,741
Transfer	10,300,000	(10,300,000)	-	-
Decrease	(24,914,780)	-	-	(24,914,780)
At 31 December 2012	16,848,961	-	35,000,000	51,848,961
<i>Accumulated amortization</i>				
At 1 January 2011	25,208,138	-	-	25,208,138
Amortization for the year	350,137	-	-	350,137
At 31 December 2011	25,558,275	-	-	25,558,275
Amortization for the year	1,271,576	-	-	1,271,576
Decrease	(19,281,367)	-	-	(19,281,367)
At 31 December 2012	7,548,484	-	-	7,548,484
<i>Accumulated impairment losses</i>				
At 1 January 2011	5,633,333	-	-	5,633,333
No change during year	-	-	-	-
At 31 December 2011	5,633,333	-	-	5,633,333
Decrease	(5,633,333)	-	-	(5,633,333)
Impairment losses	-	-	35,000,000	35,000,000
At 31 December 2012	-	-	35,000,000	35,000,000
<i>Net book value</i>				
At 31 December 2011	272,133	10,300,000	35,000,000	45,572,133
At 31 December 2012	9,300,477	-	-	9,300,477

Amortizations for the year were included in:-

	<i>(Unit:Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cost of sales of goods or rendering of services	-	-	-	-
Administrative expenses	<u>1,305,625</u>	<u>389,753</u>	<u>1,271,576</u>	<u>350,137</u>
Total	<u>1,305,625</u>	<u>389,753</u>	<u>1,271,576</u>	<u>350,137</u>

Television broadcasting's right

On 1 July 2011, the Company entered into a representative of the production and broadcast on television agreement with other company to produce and broadcast on television under the channel name "BIG 1", via the channel in Digital Mobile TV System. The television broadcast right is covered the period of 3 years of Baht 35 million from 1 July 2011 to 30 June 2014 and will be amortized as an expense when the Company commences in commercial operations. Please also see Note 33 to the financial statements.

Right in the agreements

In year 2011, the Company invested in its two subsidiaries as follows:

1. GIDEC Co., Ltd

GIDEC Co., Ltd. has entered into the hire of work agreement for waste management with a government entity, term of the agreement for 25 years and the purchase and sale agreement for electricity from garbage energy with another government entity, the term of the agreement for 5 years (renewal every 5 years without expiry date). For payment of investment, the Company paid for the amount higher than fair value of net value of such company's assets. The management considered and determined that such higher payment than fair value in the amount of Baht 110.7 million is cost of right in the agreement which its subsidiary has entered into before the purchase date of business and the Company will amortize the right in such agreement according the estimate of economic benefits derived from the assets.

2. Team Solar Co., Ltd.

Team Solar Co., Ltd. has entered into the purchase and sale agreement for electricity from solar energy with a government entity, term of the agreement for 5 years (renewal every 5 years without expiry date). For payment of investment in such company, the Company paid for the amount higher than fair value of net value of such company's assets. The management considered and determined that such higher payment than fair value in the amount of Baht 26 million is cost of right in the agreement which its subsidiary has entered into before the purchase date of business and the Company will amortize such right according the estimate of economic benefits derived from the assets.

15 Advance payment for assets

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Advance payment for equipment in Digital Mobile TV Project	21,255,846	64,931,883	21,255,846	64,931,883
Advance payment for designing Disposal of Municipal Solid Waste Plant Utilized Plasma Gasification (PG) Technology	43,547,625	43,547,625	-	-
Advance payment for right in technology	64,000,000	60,000,000	-	-
	128,803,471	168,479,508	21,255,846	64,931,883
<i>Less</i> provision for impairment	(43,547,625)	(43,547,625)	-	-
Net	85,255,846	124,931,883	21,255,846	64,931,883

Prepaid for equipment in Digital Mobile TV Project

As at 31 December 2012, the Company has advance payment for equipment in Digital Mobile TV Project via a UHF frequency under the 58 – bands pursuant to the business contract between the Company and MCOT Public Company Limited. As present the Company has been in the process to import such equipment. Please also see Notes 12, 33 and 37 to the financial statements.

Advance payment for designing Disposal of Municipal Solid Waste Plant Utilized Plasma Gasification (PG) Technology

IEC Green Energy Co., Ltd. has advance payment alternative energy project as designing disposal of Municipal Solid Waste Plant Utilized Plasma Gasification (PG) Technology since 2009 amount of Baht 43.55 million. In 2011 approved to temporarily stop the project until the commercial returns will be appropriately possible and set up an allowance of impairment of advance payment according to the agreement in full amount. At present, such project has not been proceeded.

Advance payment for right in technology

- Subsidiary (GIDEC Co., Ltd.) acquired the right.
- On Ash Melting Gasification technology and obtaining the consulting in waste disposal and power plant from waste with Solitech Co., Ltd. in order to operate waste disposal and power plant project size 6 MW with Hat yai Municipal, Song Kha province by using Ash Melting Gasification technology with Energy Recovery incinerator. Subsidiary agreed to pay compensation for the technology amounted to Baht 80 million with 4 installments. As of 31 December 2011, subsidiary already paid in the amount of Baht 64 million and a remaining amounted to Baht 16 million, the final payment, to be paid when completion. Under that agreement has some conditions in relation to employment to perform a design of system and engineering, coordinate and control all construction and construction of waste incinerators with management system of waste, transfer the right in technology, breach of agreement which will be entitled to claim, etc.

16 Other non-current assets

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Deposit for purchase of computer software	60,500,000	60,500,000	60,500,000	60,500,000
Deposit for producing the original learning package	21,400,000	21,400,000	21,400,000	21,400,000
Others deposits-other parties	17,699,632	20,126,142	11,181,896	12,782,576
Total	99,599,632	102,026,142	93,081,896	94,682,576
Less Provision for impairment	(82,489,475)	(81,900,000)	(82,489,475)	(81,900,000)
Net	17,110,157	20,126,142	10,592,421	12,782,576

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Provision for impairment consist of:				
Deposit purchase right on computer software	60,500,000	60,500,000	60,500,000	60,500,000
Deposit for hire of production of original learning media	21,400,000	21,400,000	21,400,000	21,400,000
Other deposit-other parties	589,475	-	589,475	-
Total	(82,489,475)	(81,900,000)	(82,489,475)	(81,900,000)

- Deposit for producing the original learning medias of E – Learning project

On 21 October 2010 and 6 January 2011, the Company entered into an agreement in supply and distribution of learning media including an additional agreement with a company in order to supply learning media. The Company paid cost of hiring amounted to Baht 21.40 million for guarantee under the agreement.

Subsequently, as learning media has to be certified by the Office of Vacation Education Commission, which is non-controlling process of the Company, so, based on prudence, resolved to set up an allowance for impairment of deposit for the above project. On 20 October 2011 up to 31 December 2012, the process of certification prepared by the Office of Vacation Education Commission has not been finalized.

17 Bank overdrafts and short-term loans from financial institutions

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Bank overdrafts	9,946,991	40,275,638	9,946,991	39,953,463
Promissory notes	-	135,000,000	-	135,000,000
Trust receipts	67,005,280	118,104,059	-	65,142,659
Bills of exchange	-	985,538	-	985,538
Total	76,952,271	294,365,235	9,946,991	241,081,660

As at 31 December 2012, the Company has overdrafts line with a financial institution amount of Baht 10 million and a subsidiary has total credit line with a financial institution amount of Baht 400 million, guaranteed by common collaterals as stated in note 20 to financial statements.

18 Trade and other payables

	<i>(Unit: Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Trade accounts payable	16,583,989	41,941,576	1,664,750	28,734,069
Other payable	95,461,785	227,835,767	65,327,929	84,671,800
Total	112,045,774	269,777,343	66,992,679	113,405,869
<i>Trade accounts payable</i>				
Related parties	-	-	-	-
Other parties	16,583,989	41,941,576	1,664,750	28,734,069
Total	16,583,989	41,941,576	1,664,750	28,734,069
<i>Other payable</i>				
Related parties	346,076	2,010,640	6,016,822	1,591,040
Other parties	95,115,709	225,825,127	59,311,107	83,080,760
Total	95,461,785	227,835,767	65,327,929	84,671,800
<i>Other payable consist of:</i>				
Payable to purchase of fixed asset	-	97,453,448	-	-
Accrued expenses	25,944,845	61,621,517	12,891,838	47,739,039
Other payables	21,354,094	33,344,714	3,067,856	7,353,655
Customs Department payable	43,104,847	26,779,472	43,104,847	26,779,471
Damages guarantee	63,709	1,371,313	63,709	63,709
Unearned revenue	2,185,637	2,269,898	-	-
Undue output tax	415,084	632,639	182,857	47,726
Accrued interest expenses	2,047,493	2,352,126	-	1,097,160
Total	95,115,709	225,825,127	59,311,107	83,080,760

19 Short-term loans

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Related parties	-	18,000,000	-	21,300,000
Other party	-	35,700,000	-	35,700,000
Total	-	53,700,000	-	57,000,000

Movements of short-term loans during the years ended 31 December 2012 and 2011 were as follows:

(Unit: Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
At 1 January	53,700,000	57,000,000
Increase	106,400,000	98,400,000
Decrease	(160,100,000)	(155,400,000)
At 31 December	-	-

As at 31 December 2011, short-term loans from person who is non-related person amounted to Baht 35.70 million in the consolidated and the separate financial statements represented the promissory note, due on demand, requiring payable a principal and interest on due date. Interest is charge at 8.5% per annum. Such short-term loan was secured by investment in GIDEC Co., Ltd. amounted to Baht 50 million (share certificate of 500,000 shares). In 2012, the Company has repaid principals including interest and redeemed collaterals already.

20 Long-term loans/ Current portion of long-term loans with demand at call

(Unit: Baht)

	Consolidated	
	financial statements	
	2012	2011
Long-term loans from financial institutions	357,632,871	143,329,607
<i>Less</i> Current portion of long-term loans with demand at call	(216,751,607)	-
<i>Less</i> Current portion of long-term loans due within one year	(9,579,309)	(48,125,000)
Net	131,301,955	95,204,607

Movements of long-term loans for the year ended 31 December 2012 and 2011 are as follows:

(Unit: Baht)

	Consolidated	
	financial statements	
	2012	2011
At 1 January	143,329,607	1,000,000
Increase	214,422,000	142,329,607
Decrease	(118,736)	-
At 31 December	357,632,871	143,329,607

- 1) On 14 June 2010, IEC Distribution System Co., Ltd. (“the subsidiary”) entered into a loan agreement with a domestic financial institution (“SME Bank”) in the amount of Baht 1 million, requiring repayment within 6 years with 24 months grace period from the date of first drawdown. Interest rate is charged at 3% per annum. The first year and second year payment shall be interest and third year payment shall be principal with monthly interest not less than Baht 22,000. All payment will be complete no longer than 72 months from the date of first drawdown onwards. Such loans have no collaterals.

- 2) On 27 December 2010, GIDEC Co., Ltd. (“the subsidiary”) entered into the credit facilities agreement with a domestic commercial bank (“the bank”) in the amount not exceeding Baht 400 million divided into long term loans of Baht 257 million. As at 31 December 2012, loan was drawn down in amount of Baht 216.75 million, a remaining amounted to Baht 40.25 million, repayable within 7 years as from the date of signing agreement (on 27 December 2010), requiring grace period of 22 months from 27 December 2010. Interest rate is monthly charged at MLR per annum in the first year and MLR+1% per annum from the second year onward, as from the date of first withdrawn amount. When the grace period is due, the subsidiary will monthly repay the principal with interest in the amount not less than Baht 8 million.

In November 2012, subsidiary has not repaid loans under agreement, resulting to it breach of loans agreement and the bank could demand the principal repayment immediately, Subsidiary’s management is being negotiated for extension the repayment period. At present, the negotiation is still pending the bank’s consideration. As at 31 December 2012, long-term loans in full amount were reclassified to be current portion of long-term loans.

The subsidiary’s condominium with structure thereon and indemnity from fire insurance of building, machineries, equipment and composition including the subsidiary’s share certificates were mortgaged as collateral for the above loan. In addition, the guarantee from the subsidiary’s directors was conducted in full amount of loan (please also see notes 35 and 37 to the financial statements). The following rights are transferred to the bank.

- Right of rental land owned by Hat Yai Municipal is in particular factory constructed thereon.
 - Right of management is in accordance with the agreement on construction and managing community waste.
 - Right of claims is in accordance with the agreement on construction and managing community waste.
 - Right of management is in accordance with the electricity sale agreement.
 - Right of claims is in accordance with the electricity sale agreement.
- 3) On May 2, 2012, Team Solar Co., Ltd. (“subsidiary”) entered into loans from financial institution in a local bank (“CIMB”) amount of Baht 140 million (withdrew in full) with the principal repayment within 8 years, is graced for 6 months. Interest is payable on a monthly basis at the rate of MLR-1% for the 1st-2nd year, MLR-0.50% for the 3rd-4th year and MLR per annum. The principal is repayable after the grace of repayment amount of Baht 0.78 million (please see notes 35 and 37 to the financial statements). Such loans are guaranteed by
- Title deeds, ownership of borrower
 - Solar cell and equipment used in electricity current generation, ownership of borrower
 - Right to received bank deposits
 - IEC Green Energy Co., Ltd. and the Company
 - The Company’s share capital
 - Claim on receipt the payment under electricity current agreement
 - 3 directors of subsidiary

21 Finance lease liabilities

Long-term financial lease liabilities matured

	<i>(Unit: Baht)</i>	
	Consolidated	
	financial statements	
	2012	2011
Within one year	885,960	885,960
Over one year but within five years	885,960	1,771,920
Total	1,771,920	2,657,880
<i>Less</i> Deferred interest	<i>(71,929)</i>	<i>(157,601)</i>
Present value of minimum amount must be paid	1,699,991	2,500,279
<i>Less</i> Current portion	<i>(832,981)</i>	<i>(800,288)</i>
Net	867,010	1,699,991

22 Employee benefit obligations

The Company operates a post-employment benefit based on the Company's policy and the requirement of Thai Labor Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations:

	<i>(Unit: Baht)</i>	
	Consolidated financial statements	Separate financial statements
<i>For the year ended 31 December 2012</i>		
Employee benefit obligations plan as at January 1, 2012	4,101,756	1,804,887
Current cost of services and interest, increase	1,209,715	457,723
Total	5,311,471	2,262,610
Decrease from disposal of subsidiaries	(729,635)	-
Decrease from transfer to liabilities included with assets classified as held for sale	(616,334)	-
Employee benefit obligations plan as December 31, 2012	3,965,502	2,262,610

Principal actuarial assumptions at the reporting date

	Consolidated financial statements	Separate financial statements
<i>For the year ended 31 December 2012</i>		
Discount rate	3.21 – 4.26	3.86
Salary increase rate	5	5
Staff turnover rate (depend on working year)	0.00 – 41.00	0.00 – 41.00
Mortality rate (Thai Mortality Ordinary Table year 2008)	5.00TMO08	5.00 TMO08

23 Long-term provisions

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Provision on lawsuit from the Customs Department and payable on assets	29,394,042	56,352,470	29,394,042	48,026,645
Provision for loss of subsidiaries, associates and joint controlled entities	-	-	26,263,369	650,791,963
Total	29,394,042	56,352,470	55,657,411	698,818,608

- **Provision on lawsuits from the Customs Department and payable on assets**

Provision on lawsuits from the Customs Department

The Company recognized a provision on lawsuit from the Customs Department as 31 December 2012 amounting to Baht 29 million as the details in the Note 34 to the financial statements.

- **Provision for loss of subsidiaries and associates**

The Company recognized a provision due to guarantee for loss of subsidiaries and associates according to the agreement to share the burden of external debt which were summarized as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Subsidiaries				
IEC Technology Co., Ltd.	-	-	21,332,039	21,332,039
IEC Business Partners Co., Ltd.	-	-	-	628,923,967
ISD (2010) Co., Ltd.	-	-	4,395,373	-
IEC Distribution system Co., Ltd.	-	-	535,957	535,957
Total	-	-	26,263,369	650,791,963

24 Share capital / Warrants

	Par value (Baht)	2012		2011	
		Number	Amount	Number	Amount
		(Shares / in Baht)			
Authorized share capital					
At 1 January -Ordinary shares	0.1	63,468,583,480	6,346,858,348	63,468,583,480	6,346,858,348
Increase of shares	0.1	-	2,439,815,883	-	-
Reduction of share	0.1	-	(567,553,406)	-	-
At 31 December -Ordinary shares	0.1	<u>63,468,583,480</u>	<u>8,219,120,825</u>	<u>63,468,583,480</u>	<u>6,346,858,348</u>
Issued and paid-up					
At 1 January -Ordinary shares	0.1	42,731,848,260	4,273,184,826	42,731,848,260	4,273,184,826
Increase of shares	0.1	24,297,469,400	2,429,746,940	-	-
At 31 December -Ordinary shares	0.1	<u>67,029,317,660</u>	<u>6,702,931,766</u>	<u>42,731,848,260</u>	<u>4,273,184,826</u>

- At the General Meeting of Shareholders held on 20 May 2011, passed the resolution to allot and offer the increase of 11,675,534,060 ordinary shares, which are unsubscribed shares due to allot and offer to the existing shareholders (RIO) as the resolution of the Extraordinary General Meeting of Shareholders held on 2 August 2010 regarding allot and offer the shares to the private placement.
- According to the Board of directors' meeting No. 3/2012 held on 26 March 2012, 4,000 million ordinary shares have been offered to 3 private placements. The Company has received the payment from allotment and offering of 4,000 million ordinary shares at Baht 0.01 each amounting to Baht 40 million (the issued and paid-up share capital increased by Baht 400 million and discount on share capital amount of Baht 360 million). The Company has registered the fully paid-up of increase share capital with the Ministry of Commerce on 5 April 2012.
- According to the Board of directors' meeting No. 6/2012 held on 15 May 2012, passed the resolution to appropriate and dispose 2,000 million shares to a private placement at the offering price of Baht 0.01 each. The Company has received the payment from appropriation and offering the increase share capital amount of Baht 20 million (issued and paid-up share capital amount of Baht 200 million and discount on share capital amount of Baht 180 million). The Company has registered the increase share capital with the Ministry of Commerce on 24 May 2012.
- At the shareholders' extraordinary meeting No. 1/2012 held on 3 October 2012, passed the resolution as follows:
 - Decrease share capital from amount of Baht 6,346,858,348 to Baht 5,779,304,942 by cancelling ordinary shares which were not issued 5,675,534,060 shares of Baht 0.10 each.
 - Increase share capital form amount of Baht 5,779,304,942 to Baht 8,219,120,825 by issuing new 24,398,158,830 ordinary shares of Baht 0.10 each for reserving the energy business operation and use in working capital of the Company.

The Company has registered the decrease and increase share capital with the Ministry of Commerce on 11 October 2012.

- Issued and offer the increase ordinary shares for 24,398,158,830 shares by allocating to the existing shareholders at the ratio of 2 existing shares for 1 new share at the offering price of Baht 0.01 each.

The Company has received the subscription 18,233,000,000 shares and the payment amount of Baht 182,300,000 and has registered the changes in share capital with the Ministry of Commerce on 8 November 2012 (as at 31 December 2012, the registered share capital is Baht 8,219,120,825 and the paid-up share capital amount of Baht 6,702,931,766).

The exercise of warrants to purchase ordinary shares (IEC – W1)

On 19 June 2009, the Company issued warrants to purchase the Company's ordinary shares for offering to the existing shareholders who subscribe the new ordinary shares. The details are as follows:

Type of warrants	:	Issued in the name of respective holder and negotiable
Number of warrants	:	9,061,301,160 units
Maturity of warrants	:	5 years from the issuing and offering date
Offering price	:	At Baht 0 per unit
Exercise ratio	:	1 warrant (IEC-W1) per 1 ordinary share
Exercise price	:	The exercise price will be announced quarterly that will be 10% discount of the Company's weighted average share price in 7 consecutive business days calculated from the first business date of the ending month in each quarter. The exercise price is however must be lower than Baht 0.01 per share.
Date of maturity	:	18 June 2014
Last exercise date	:	31 March 2014
Listing date	:	13 July 2009

In March 2012, the right to purchase ordinary shares is exercised for 64,469,400 share at Baht 0.01 each amounting to Baht 644,694. The Company has received the payment from exercise right and registered the increase share capital with the Ministry of Commerce on 5 April 2012.

As at 31 December 2012, the balance of unexercised warrants amounted to 8,996,731,760 units.

25 **Discount on ordinary shares**

(Unit: Baht)

	Consolidated and Separate financial statements	
	2012	2011
	<u>2012</u>	<u>2011</u>
Discount on ordinary shares, net		
Premium on ordinary shares	226,287,593	226,287,593
Discount on ordinary shares	<u>(3,882,125,372)</u>	<u>(1,695,323,126)</u>
Net	<u>(3,655,837,779)</u>	<u>(1,469,035,533)</u>

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

26 **Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution

27 **Other income**

(Unit::baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Interest income	3,743,154	6,919,045	15,899,437	13,662,426
Gain on sales of equipment	-	2,218,538	-	5,064,161
Gain on transfer of Leasehold right	2,249,706	-	2,249,706	-
Reversed provision for impairment				
- Wood in concession	-	60,000,000	-	60,000,000
Reversed provisions	2,307,227	35,480,378	2,307,227	57,570,484
Reversed allowance for doubtful accounts	-	-	958,284	-
Other service income	16,870,673	6,903,229	16,870,673	6,903,229
Rental income	2,773,937	4,720,642	2,773,937	4,720,642
Dividend income	15,125	28,875	15,125	28,875
Net exchange rate gain	359,429	399,550	101,230	45,426
Adjustment trade accounts payable and accrued expenses	22,173,083	-	22,173,083	-
Others	8,015,771	17,794,522	5,115,961	10,174,552
Total	<u>58,508,105</u>	<u>134,464,779</u>	<u>68,464,663</u>	<u>158,169,795</u>

28 Other expenses

(Unit::baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Impairment loss of assets	83,495,399	73,726,805	82,932,265	140,852,502
Loss on devaluation of investment	-	-	27,000,000	-
Loss on sale of investments	8,369,166	18,077,508	4,722,986	21,971,887
Loss on transferring the right of claim as per the compromise agreement	-	26,023,337	-	26,023,337
Provision loss of subsidiaries and associates - net	-	-	4,395,372	-
Loss on sale of equipment	3,652,670	-	3,661,751	-
Total	95,517,235	117,827,650	122,712,374	188,847,726

29 Loss per share

Basic loss per share

Basic loss per share for the years ended 31 December 2012 and 2011 is calculated by dividing the net loss for the years attributable to equity holders of the Company by the weight average number of shares issuing during the years as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Loss for the year attributable to equity holders of the Company (basic)	<u>(284,377,170)</u>	<u>(318,826,486)</u>	<u>(197,307,467)</u>	<u>(249,928,498)</u>
Number of ordinary shares				
outstanding at 1 January	42,731,848,260	42,731,848,260	42,731,848,260	42,731,848,260
Effect of shares issued	<u>8,451,425,960</u>	<u>-</u>	<u>8,451,425,960</u>	<u>-</u>
Weighted average number of ordinary shares outstanding	<u>51,183,274,220</u>	<u>42,731,848,260</u>	<u>51,183,274,220</u>	<u>42,731,848,260</u>
Basic loss per share	(0.0056)	(0.0075)	(0.0038)	(0.0058)

Diluted loss per share

For the year ended 31 December 2012, the Company has not presented diluted loss per share since effects from the exercise right of warrants to purchase ordinary shares, resulted decrease in diluted loss per share reversal.

For the year ended 31 December 2011, the Company has not calculated diluted loss per share since the average fair value of ordinary shares during the year is less than the exercise price to purchase ordinary shares.

30 Segment information/Discontinued operations

Segment information is presented in respect of the Group's / the Company's business and geographic segments. The primary format is based on the Group's / the Company's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest or dividend-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Business segments

The Group comprises the following main business segments:

- Segment 1 represents telecommunication segment represents distributing mobile phone, refill card, mobile phone repair and installation and implementation of information technology system.
- Segment 2 represents lease of property and service represents managing IEC Building and property projects until 31 August 2011.
- Segment 3 represents investments in securities represent, investing in new business (waste disposal plant and power plant from waste and solar power plant).
- Segment 4 represents discontinued operations

Geographic segments

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

Revenues and results of operations from business segments for the year ended 31 December 2012 and 2011 are as follows:

Business segment results

(Unit: Million Baht)

	Consolidated financial statements											
	Segment 1		Segment 2		Segment 3		Segment 4		Eliminated		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Total income	1,176	1,224	-	53	3	3	-	-	(125)	(109)	1,054	1,171
Gain (loss) on investments	-	-	-	-	-	(19)	-	-	-	5	-	(14)
Sales of goods or rendering of services	1,106	1,084	-	36	-	-	-	-	(110)	(93)	996	1,027
Rental income	-	-	-	15	-	-	-	-	-	(7)	-	8
Loss for the year	(221)	(362)	-	(10)	(91)	(118)	-	-	23	169	(289)	(321)
Investments	307	332	-	-	436	376	-	-	(743)	(707)	-	1
Property, plant and equipment	59	93	-	-	767	478	-	-	(4)	-	822	571
Intangible assets	9	46	-	-	137	137	-	-	-	-	146	183
Leasehold rights	26	59	-	-	-	-	-	-	-	-	26	59
Advance payment for assets	21	65	-	-	64	60	-	-	-	-	85	125
Pledged deposits at financial institutions	24	265	-	-	12	12	-	-	-	-	36	277
Total assets	938	1,241	-	-	1,501	998	-	-	(949)	(787)	1,490	1,452
Total liabilities	867	1,262	-	-	1,567	1,227	-	-	(1,183)	(1,120)	1,251	1,369
Depreciation	12	31	-	1	3	4	-	-	-	-	15	36
Amortisation	6	5	-	1	-	-	-	-	-	-	6	6

(Unit: Million Baht)

Separate financial statements

	Segment 1		Segment 2		Segment 3		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Total income	591	1,182	-	-	-	-	591	1,182
Gain (loss) on investments	-	-	-	-	-	(22)	-	(22)
Sales of goods or rendering of service	523	1,024	-	-	-	-	523	1,024
Loss for the year	(197)	(228)	-	-	-	(22)	(197)	(250)
Investments	307	319	-	-	-	-	307	319
Property, plant and equipment	57	85	-	-	-	-	57	85
Intangible assets	9	46	-	-	-	-	9	46
Leasehold rights	26	59	-	-	-	-	26	59
Advance payment for assets	20	65	-	-	-	-	20	65
Pledged deposits at financial institutions	23	265	-	-	-	-	23	265
Total assets	872	1,173	-	-	-	-	872	1,173
Total liabilities	767	1,113	-	-	-	-	767	1,113
Depreciation	11	18	-	-	-	-	11	18
Amortisation	6	5	-	-	-	-	6	5

Discontinued operations held for sale

As stated in notes 2.3 to financial statements, the Board of directors' meeting No. 1/2012 held on 18 January 2012, passed the resolution to dispose total investment in IEC Business Partners Co., Ltd. ("IEC BP"), a subsidiary which the Company held at 100% by disposing to Energy Choice Holding Co., Ltd. for 25 million ordinary shares at Baht 0.01, amounting to Baht 250,000 which entered into agreement to buy and to sell with an acquirer on 20 January 2012 with the condition that the acquirer proceed under the determined condition to be completed that the acquirer will pay for share capital including receive the transferring of ownership from the Company when the acquirer achieved the covenants in written with financial institution, a plaintiff, who sued the Company and IEC BP in being a guarantor and borrower in order to release the guarantee obligations and total liabilities from borrowings. At present, the acquirer is being operated.

As at 31 December 2012, IEC BP has the registered and paid-up share capital for 25 million shares of Baht 10 each amounting to Baht 250 million which had book value of Baht 33.48 per share (negative) and the Company has commitment from consulting expenses amount of Baht 34 million. As stated in notes 5 to financial statements, in the consolidated financial statements, the Company has reclassified assets and liabilities of subsidiary as assets classified as held for sale and liabilities included with asset classifies as held for sale amount of Baht 14.73 million and Baht 666.57 million respectively and investments in subsidiary and liabilities from guarantee subsidiary were reclassified to assets classified as held for sale amount of Baht 0 (net of provision for impairment) and liabilities included with assets classified as held for sale amount of Baht 628.93 million in the separate financial statements. When the disposal is completed, the Company will have an advantage from the ability to release the guarantee obligations which is financial and operation trouble, therefore, liabilities from guarantee the subsidiary have been reversed in full amount in the separate financial statements. Assets classified as held for sale and liabilities included with assets classified as held for sale as at 31 December 2012 are detailed below:

	<i>(Unit: Baht)</i>
	Consolidated financial statements
	<hr/>
<i>Assets classified as held for sale</i>	
Cash and cash equivalents	268,190
Trade accounts receivable	10,350,098
Property, plant and equipment	4,007,009
Other non-current assets	100,000
Total assets classified as held for sale	<hr/> <hr/> 14,725,297
 <i>Liabilities included with assets classified as held for sale</i>	
Bank overdrafts and short-term loans from financial institutions	-
Trade and other payables	69,350,410
Current portion of long-term loans with demand at call and interest receivable	588,262,214
Current liabilities	14,658
Employee benefit obligations	616,334
Long-term provisions	8,325,825
Total liabilities included with assets classified as held for sale	<hr/> <hr/> 666,569,441
Assets classified as held for sale-net	<hr/> <hr/> (651,844,144)

	<i>(Unit: Baht)</i>
	Separate financial statements
	<hr/>
Assets classified as held for sale	
Investments in subsidiaries	250,000,000
Provision for impairment of investment	(250,000,000)
Total assets classified as held for sale	<hr/> <hr/> -
 <i>Liabilities included with assets classified as held for sale</i>	
Long-term provisions	628,932,850
Total liabilities included with assets classified as held for sale	<hr/> <hr/> 628,932,850
Assets classified as held for sale -net	<hr/> <hr/> (628,932,850)

The results of operation of subsidiaries which held for sale as discontinued operations for the year ended 31 December 2012 and 2011 are detailed as below:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Income	214	4,405
Expenses	(55,959)	(68,209)
Net profit	(55,745)	(63,804)

Statements of cash flows for the year ended 31 December 2012 as detailed as below:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Net cash provided by (used in) operating activities	(11,451)	(5,030)
Net cash provided by (used in) investing activities	-	18,706
Net cash provided by (used in) financing activities	11,340	(14,186)
Net increase(decrease) in cash and cash equivalents	(111)	(510)
Cash and cash equivalents at beginning of period	379	889
Cash and cash equivalents at ending of period	268	379

Notes to financial statements for discontinued operations classified as held for sale which are the significant information of subsidiary (“IEC BP”) are detailed as below:

1. Current portion of long-term loans with demand at call and interest receivable

(Unit: Baht)

	Consolidated financial statements	
	2012	2011
Long-term loans	339,734,669	339,734,669
Accrued interest expenses	248,527,545	204,362,038
Total	588,262,214	544,096,707
<i>Less Current portion of long-term loans with demand at call</i>	<i>(588,262,214)</i>	<i>(544,096,707)</i>
Net	-	-

On 30 January 2007, IEC Business Partners Co., Ltd. (“the subsidiary”) entered into a loan agreement with a local financial institution of Baht 350 million in order to acquire assets from International Gasohol Corporation Limited (“IGA”). The loan had a grace period of one year from the first drawdown. The principal repayment will be made in 26 quarterly installments starting from January 2008 of Baht 13 million each for the first to twenty-fifth installments and the rest for the twenty-sixth installment. The interest rate is charged at MLR+0.5% per annum. This loan is secured by the assets acquired from International Gasohol Corporation Limited. The agreement contained certain conditions on events of defaults, among other things, interest charged immediately at highest rate as an announcement by that financial institution (20% per annum), and/or terminating the term of agreement, and/or forces all securities or certain and maintaining debts to equity ratio, etc.

On 29 May 2007, the subsidiary notified to temporarily stop the payment under the loans agreement due to the subsidiary’s assets used as collateral on the above loan have not been registered the servitude on entrance and exit established by law. The subsidiary failed to pay interest expense, accrued interest expense of the principal amounted to Baht 339.73 million with interest at 8% per annum calculated from 9 May 2007 to 29 May 2007 and 13% per annum calculated from 30 May 2007 onward, As at 31 December 2012 amounted to Baht 248.53 million and is unable to maintain debt to equity ratio due to agreement.

On 25 January 2008, a subsidiary received the letter from bank to notify to cancel the loan agreement dated 30 January 2007 and the guarantee agreement on the above loan, to call the subsidiary and the Company repaying debts (as at 18 January 2008) of Baht 339.73 million for principal and of Baht 45.61 million for interest, totalling Baht 385.34 million, and to redeem the mortgaged assets within 30 days as from the date of receiving letter. On 20 March 2008, the subsidiary and the Company were sued by the bank regarding false of loan agreement, guarantee agreement and mortgage agreement in the amount of Baht 397.07 million and made the payment under the loan agreement with interest and enforcing the mortgage.

As at June 30,2011 the Court read their sentences to the subsidiary, as the borrower, and the Company (“IEC”), as the guarantor, jointly paid the amount of Baht 340.33 milion with interest at 8% per annum on the principal amounted to Baht 339.73 million, from 9 May 2007 to 29 May 2007 and 13% per annum from 30 May 2007 until payment is made. In case of default, will be seized mortgaged assets comprised land and structure thereon and machinery, to auction in order to settle the outstanding debt. If not enough will be seized other assets to auction in order to settle the outstanding debt in full. The Board of Directors Meeting held on 6 July 2011 unanimously resolved to authorize the attorney to appeal the case to prosecute. Subsequently, the subsidiary and the Company filed a petition to suspend the execution and appeal against the judgment to the Civil Court. The Court of First Instance ordered to accept the petition and the appeal on 4 October 2011, and to the

subsidiary and the Company sending the plaintiffs the copies of those documents to defend and then collecting them to submit to the Appeal Court's trial. Subsequently, the plaintiff filed the appeal to the Court. The ultimate outcome has not been known.

On 14 September 2009, the legal consultant of the subsidiary and the Company sent the letters to International Gasohol Corporation Limited ("IGA") and such bank to cancel the juristic act in relation to purchase of assets, borrowing, mortgage and guarantee. When the cancellation is made, it results to the above voidable act to be as the void act and the parties shall be restored to the condition in which they were previously. On 2 June 2010, the subsidiary and the Company filed a lawsuit against IGA, IGA's directors and the bank totaling 4 persons to the Civil Court in order to request the cancellation of fraudulent acts and claim compensation in the amount of Baht 89 million. On 28 September 2011, the defendant filed for requesting to strike the case out of the cast list temporarily since the Court ordered to execute assets of IGA. On 23 December 2011, subsidiary filed to claim the payment in the bankruptcy case to the Official Receiver as the 5th creditor in the amount of Baht 89 million. At present, the comprised debtor is being negotiated but could not be achieved, then the new appointment shall be made on December 19, 2012 as stated in notes 6 to financial statements.

On 12 May 2010, the subsidiary was sued by the bank in bankruptcy to the Central Bankruptcy Court but such complaint was refused. At present, the ultimate outcome of this case has not been known as described in notes 6 to financial statements. However, the management of the Company and the subsidiary provided their opinion that the juristic act in relation to purchase assets between IGA and the subsidiary may be cancelled by the Court and the parties shall be restored to the condition in which they were previously. When the cancellation of the fraud juristic act is made, a lawsuit in bankruptcy does not affect to the subsidiary.

2. Property, plant and equipment of subsidiary ("IEC BP") had the cost as at 31 December 2012 amount of Baht 465 million less provision for impairment of assets amount of Baht 461 million, the remaining value of assets amounted to Baht 4 million. Such assets still have contentious case in respect of assets acquisition from IGA which is still pending the Court's trial. At present, the ultimate outcome has not been known.
3. Long-term provisions of subsidiary ("IEC BP") were recorded provisions from liabilities incurred from assets payable litigation amount of Baht 8 million.
4. The Extraordinary Meeting of Shareholders of IEC Business Partners Co., Ltd. held on 4 January 2011, passed the resolution to increase its authorized share capital by Baht 180 million by the creation of 18,000,000 new ordinary shares of Baht 10 par value. The increased share capital will be registered in each time of the number of distributed shares. At present, the increase of share capital has not been registered.

5. Commitments with non-related person and parties of subsidiary (“IEC BP”) are as below:

On 16 November 2011, the Company entered into an agreement to hire the other company (“advisor”) as consultants to solve debt problem and procure the investors to purchase shares of IEC Business Partners Co., Ltd. (the subsidiary) and to settle the obligation by law with a domestic commercial bank or the creditors who entitled to claim a debt from the bank (“the creditor”). The success fees are determined in the amount to Baht 34 million (excluding VAT) when this operation is achieved. The contract period is extended until March 2013.

6. Contingent liabilities from litigation of various case of subsidiary (“IEC BP”) are as below:

Case no.	Plaintiff/ Complainant	Defendant/ Objector	Description
Civil case: Black case No.842/2550	Mr. Smith	Subsidiary (IEC Business Partners Co., Ltd.)	On 26 February 2007, the subsidiary was filed a lawsuit with regard to the transaction in acquiring assets of International Gasohol Corporation Limited (“IGA”) with a claim of Baht 181 million. The plaintiff requested the Court to invalidate, cancel the registration of the transfer of ownership and registered IGA as a ownership or order all defendants to pay the balance of the proceeds of Baht 181 million with the interest of 7.5 % per annum, starting from filing date until fully settlement. The court appointed to hearing the sentence on 26 October 2010 and provided their sentence that the plaintiff has no power to sue because of acting as IGA’s shareholder who is unable to file a petition for revoking the juristic act in relation to purchase assets between IGA and the subsidiary in compliance with the Law except compensation only, therefore, the case has been dismissed. Currently, the case has been in the process of appeal. At present, the ultimate outcome has not been known.
Civil case: Black case No. Tor 407/2551	Domestic commercial bank (bank)	Subsidiary (IEC Business Partners Co., Ltd.) was the borrower and the Company was the guarantor	On 20 March 2008, a subsidiary were sued with regard to false of loan agreement, guarantee agreement and mortgage agreement and made the payment under the loan agreement of Baht 397.07 million with interest of 20% per annum on principal of Baht 339.73 million, starting from the sue date until the settlement will be completed. In case of default, the execution of judgment will be performed to auction the mortgaged assets in order to settle the

Case no.	Plaintiff/ Complainant	Defendant/ Objector	Description
			<p>outstanding debt On 26 April 2011 the Court read their sentences to the subsidiary as the borrower and the Company (“IEC”) as the guarantor jointly paid in the sued amount with interest. In case of default, the mortgaged assets comprised land and structure thereon and machinery will be seized for public auction in order to settle the outstanding debt. If it is not enough, other assets will be seized for public auction in order to settle the outstanding debt in full. Subsequently, on 29 September 2011, the subsidiary and the Company filed a petition to suspend the execution and appeal against the judgment to the Civil Court. The Court of First Instance ordered to accept the petition and the appeal on 4 October 2011 to the subsidiary and Company sending the plaintiffs the copies of those documents to defend within the due date. The properties are being assessed in the Appeal Court’s trial.</p>
<p>Civil case: Black case No. 219/2552</p>	<p>IGA</p>	<p>Subsidiary (IEC Business Partners Co., Ltd.)</p>	<p>On 22 January 2009, a subsidiary was sued in relation to a lawyer fee of Baht 1 million and claim due to default under sale and purchase of assets agreement in the amount of Baht 82.54 million with interest at 7.5 % per annum on principal of Baht 77.21 million total Baht 82.54 million. However, as at 31 December 2012, the subsidiary recorded payable on assets and provisions amounted to Baht 69 million and Baht 8 million respectively. At present, the plaintiff (IGA) informed to the Court that it is bankrupt, requested the Court nominated the Official Receiver to be a plaintiff and the Court allowed and made appointment with the plaintiff’s creditors on 5 March 2013.</p>
<p>Bankruptcy case: Black case No. 5297/2553</p>	<p>Domestic commercial bank</p>	<p>Subsidiary (IEC Business Partners Co., Ltd.)</p>	<p>On 12 May 2010, a subsidiary was sued in bankruptcy to the Central Bankruptcy Court. The Court determined a date of consideration on 21 July 2010. Subsequently, the subsidiary filed a request to postpone the consideration to 16 July 2010 and 23 September 2010. The subsidiary filed a statement of defence on the above petition to the Central Bankruptcy Court. The Court determined</p>

Case no.	Plaintiff/ Complainant	Defendant/ Objector	Description
			the date of taking of evidences from the creditor's witnesses and the debtor's witnesses on 21 February 2011, 14 March 2011, 11 May 2011 and 24 August 2011. On such date, plaintiff filed the petition to the Court that, the plaintiff sold the business to Thanachart Bank Public Company Limited and the status change, so the plaintiff has to firstly carry out the process of status change. On such date, the Court postponed the trial to 8 November 2011 but there is flood situation the trial is postponed. At present, the ultimate outcome has not been known.
Civil case: Black case No. 1937/2553	Subsidiary (IEC Business Partners Co., Ltd.) and the Company	IGA, the authorized directors and a domestic commercial bank	On 2 June 2010, the subsidiary and the Company, filed a lawsuit against IGA, the authorized directors and a bank totaling 4 persons, in order to cancel the fraud juristic act and claim the compensation in the amount of Baht 98 million. On 28 September 2011, IGA's and IGA authorized directors' lawyers filed the petition to the Court to temporarily dispose the case because of the absolute receivership order from the Central Bankruptcy Court to IGA. On 23 December 2011, the subsidiary's lawyer filed an application for liquidation in bankruptcy case to the official receiver as the fifth creditor with claim amounted to Baht 89 million. At present, the Official Receiver is being made appointment for the first meeting of creditors on 15 May 2013.

31 Promotional privileges

The Boards of Investment approved the subsidiary relation to promoted business, summarized as follows:

- GIDEC Co., Ltd.

On 19 January 2011, the subsidiary has been granted privileges relating to the business of 7.1 Public utilities and basic services and 7.26 Waste water treatments, disposal services or transport of industrial waste or toxic chemicals, the privileges granted is summarized follows:

- exemption from payment of import duty on machinery;
- exemption from payment of income tax from the promoted business totally not exceeding 100% of investments (excluding land and working capital) for a period of eight years from the date on which the income is first derived from disposal/waste by burn;
- exemption from payment of income tax from the promoted business for a period of eight years from the date on which the income is first derived from production electricity from waste;
- exemption of dividends received from the promoted business in the computation of taxable income;
- a 50% reduction in the normal income tax rate on the net profit derived from promoted business for production electricity from waste for a period of five years, commencing from the expiry date of exemption from income tax;
- double deductions from the costs of transportation, electricity and water supply a period of ten years from the date on which the income is first derived from production electricity from waste;
- Additional 25 % deduction of the cost of installation or construction of facilities beyond normally depreciation.

As the promoted company, the subsidiary must comply with certain terms and conditions prescribed in the promotional certificate. As of 31 December 2012, the subsidiary has not informed to operate the above promoted business yet.

- TEAM SOLAR Co., Ltd.

On 19 October 2010, the subsidiary has been granted privileges relating to the business of 7.1 Public utilities and basic services is summarized follows:

- exemption from payment of import duty on machinery;
- exemption from payment of income tax from the promoted business for a period of eight years from the date on which the income is first derived ;
- exemption of dividends received from the promoted business in the computation of taxable income;

- a 50% reduction in the normal income tax rate on the net profit derived from promoted business for a period of five years, commencing from the expiry date of exemption from income tax;
- double deductions from the costs of transportation, electricity and water supply a period of ten years from the date on which the income is first derived ;
- Additional 25 % deduction of the cost of installation or construction of facilities beyond normally depreciation.

32 Financial instruments

Financial risk management policies

The Group/Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's/Company's operations and its cash flows.

The Company's exposure to interest rate risk relates primarily to its cash at financial institution, loans to, bank overdrafts, short-term and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2012 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the reprising date if this occurs before the maturity date as follows:

Consolidated financial statements					
	Interest rate (% p.a.)	Fixed interest			Total
		rates - within 1 year	Floating interest rate	Non-interest bearing	
		(Thousand baht)			
<u>Financial assets</u>					
Cash and cash equivalents	0.625 -0.75	-	168,743	780	169,523
Trade accounts receivable	-	-	-	6,348	6,348
Pledged deposits at financial institutions	0.10 -2.20	79	35,970	-	36,049
Total		79	204,713	7,128	211,920
<u>Financial liabilities</u>					
Bank overdrafts	8.0-8.25	-	76,952	-	76,952
Trade payables	-	-	-	112,046	112,046
Long-term loans from financial institutions	8.0-8.25	-	357,633	-	357,633
Financial lease liabilities	2.00	1,700	-	-	1,700
Total		1,700	434,585	112,046	548,331

Separated financial statements					
	Interest rate (% p.a.)	Fixed interest			Total
		rates - within 1 year	Floating interest rate	Non-interest bearing	
		(Thousand baht)			
<u>Financial assets</u>					
Cash and cash equivalents	0.625-0.75	-	69,280	312	69,592
Trade accounts receivable	-	-	-	71,138	71,138
Loans to related parties and Interest receivable	7.00-15.00	-	189,926	-	189,926
Pledged deposits at financial institutions	0.10-2.20	79	22,540	-	22,619
Total		79	281,746	71,450	353,275
<u>Financial liabilities</u>					
Bank overdrafts	8.175	-	9,947	-	9,947
Trade payables	-	-	-	66,993	66,993
Total		-	9,947	66,993	76,940

Foreign currency risk

The exposure of the Company and its subsidiaries to foreign currency risk is limited since the majority of business transactions are denominated in Thai Baht.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group/Company as and when they fall due.

The Group/Company focuses on cash sales. Management also has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date the Group / the Company has a credit risk as mentioned in note 7 to the financial statements. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the reporting date. However, due to the large number of parties comprising the Group's/the Company's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's/the Company's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

The Group's/the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

As the majority of the Company's financial assets and liabilities are short-term in nature and the loans carry interest at rates close to current market rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position. Methodology of fair value measurement depends upon characteristics of the financial instruments. The fair value is determined by reference to the latest quoted market price or by using an appropriate valuation technique.

33 Commitments with non-person and related parties

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<i>Capital commitments</i>				
Software licenses	3	3	3	3
Design cost of disposal of Municipal Solid Waste Plant by Plasma Gasification Technology	10	10	-	-
Equipment for Digital Mobile TV project	131	131	131	131
Ash Melting Gasification technology right	16	20	-	-
Construction cost, machinery and equipment for waste disposal plant and electricity plant form waste	252	315	-	-
Construction cost, machinery and equipment for electricity plant from solar cells (Only for Lumpoon 1 and Lumpoon 2 projects)	7	95	-	-
Total	419	574	134	134
<i>Non-cancellable operating lease commitments</i>				
Within one year	24	20	23	19
After one year but within five years	33	29	31	26
After five years	35	41	24	30
Total	92	90	78	75
<i>Other commitments</i>				
Performance bonds and bid bonds	75	170	70	133
Software maintenance	6	7	6	7
Total	81	177	76	140

As at 31 December 2012, the Group has a commitment as follows:

- During the year 2011, the Company has a commitment to purchase the equipment relating to Digital Mobile TV Project via a UHF frequency under the 58-band. The most of boardcast engineering services were completed. The system is installed at IEC building and transmitter system is installed at MCOT, the total budgets amounted to Baht 250 million, the costs incurred as at December 31, 2012 amounted to Baht 119 million, remaining amount of Baht 131 million Up to the reporting date the Company is awaiting for the proceeding of MCOT for requesting the import license of equipment from the Office of National Boardcasting and Telecommunications Commission “NBTC” to import by customs ceremony and for futher installation.
- From 2010 up to present, the indirect subsidiary (“GIDEC Co., Ltd.”) operates Ash Melting Gasification technology for generate electricity plant from waste that purchases the waste from Hat Yai Municipal, Songkhla province for producing and distributing electricity to Provincial Electricity Authority. Total budget amounted to Baht 761 million (from external source of fund amount of Baht 400 million and internal source amount of Baht 361 million). The costs incurred until 31 December 2012 amounted to Baht 493 million, remaining amount of Baht 268 million The project expected to be completed within April 2013.
- The indirect subsidiary (“Team Solar Co., Ltd.”) operates electricity plant from solar cells for producing and distributing electricity to Provincial Electricity Authority at Lumpoon province. Total budgets amounted to Baht 240 million. The costs incurred as at 31 December 2012 amounted to Baht 233 million and remaining amount of Baht 7 million.
- The Company has a commitment on payment monthly fee to produce and manage for marketing to BIG Media Group Co., Ltd. (“BIG”) amount of Baht 3.37 million for the first year, and the amount in appropriate rate for the second and third years according to the representative of the production broadcast on television agreement dated 1 July 2011. Subsequently, on 23 January 2012, the Company received the approval from BIG to temporarily terminate such payment from January 2012 to June 2012 and reduce unpaid compensation from August 2011 to December 2011, a remaining amounted to Baht 10 million is recorded in other payables. As at 31 December 2012 ,the Company paid already.

34 **Contingent liabilities and contingent assets**

Contingent liabilities

Case No.	Plaintiff/Complainant	Defendant/ Objector	Description
Civil case: Black case No.2978/2554	a company	the Company	On 8 August 2011, the Company was sued by a company in alleging infringement, exercised in dishonest right and demand because the Company used information about broadcasting in Digital Mobile TV project in full operation between plaintiff and MCOT Public Company Limited (“MCOT”) to compose an important document in the select of co-operation with MCOT. This act impacted to the plaintiff who did not get a fair treatment but got the damage. The claim amount was Baht 170 million with interest rate at 7.5% per annum of claim amount. On 19 December 2012 the Court of First Instance dismissed the case. At present, the case is still pending the period extension for appeal.
Civil case: Black case No. Por Bor. 2504/2552	Domestic commercial bank (bank)	Associate (Micronetic Plc.) was the borrower and the Company was guarantor	On 30 June 2009, the Company was sued by a bank with regard to guarantee for loan of an associate to the Civil Court in order to the Company payable the principal including interest amounted to Baht 12.26 million. On 4 April 2011. On the due date, the Court decided both defendants to pay in the amount of Baht 12.26 million with the interest of 15% per annum of principal amounted to Baht 12.1 million starting from the sue date onwards until the settlement to plaintiff will be completed. Subsequently, on 30 August 2011, the Company as guarantor already paid to the bank in amount of Baht 8.5 million. And the Company has recorded such company as receivable and the Company has exercised the right to take recourse from Micronetic Plc. by filed the petition to the Central Bankruptcy Court and on 26 April 2012, the Court ordered to execute the assets of such company in accordance with the black case No.531/2555 and the red case No. 3031/2555.

Case No.	Plaintiff/Complainant	Defendant/ Objector	Description
Civil case: Black case No.710/2554	Other company (a company)	Subsidiary(IEC Green Energy Co., Ltd.)	Subsidiary was sued by a company due to breach of agreement for payable the trading support. During November 2006, the unpaid trading support to plaintiff amounted to Baht 487,490. The case is ended on 19 October 2012, the Civil Court dismissed the red case No. 4187/2555 and the plaintiff did not file the appeal.

- Since January 2004, the Customs Department sent notices to the Company seeking the return of approximately Baht 69.8 million (including interest accrued up to December 2005) in tax subsidiaries provision in the form of tax coupons, which the Company received from 9 companies and used for making payment of excise tax, on the grounds that the other companies had fraudulently acquired the tax coupons from the Customs Department. Since August 2004, the Customs Department had filed suit against the Company with the tax courts in 30 cases, seeking to recover approximately Baht 46.8 million (including interest accrued up to December 2005). Suits had not yet been filed over the remaining amount of Baht 23 million (including interest). To date, the Court of First Instance ruled in favor of the plaintiff in 18 cases and 12 cases dismissed. The Supreme Court already sentenced 29 cases in favor of the Customs Department and the Company had to pay compensation on tax coupons to the Customs Department amounted to Baht 43.10 million (as at 31 December 2012 it was shown as other payables) to be included interest (7.5 % per annum since 2004). As at December 31, 2012, the Company already recorded all contingent liabilities amounting to Baht 29.39 million.

Contingent assets

Case No.	Plaintiff	Defendant	Description
Black case no.1255/2553	the Company	Former employee	On 19 March 2010, the Company as the plaintiffs filed a lawsuit against former employee as the defendant regarding the violation of an employment agreement. Because the defendant took the property and embezzlement of the Company's products of Baht 5,554,327 and on 16 December 2010, the Central Labour Court ruled that the defendant returned the property and goods to the Company or order defendant to pay the compensation of Baht 5,554,327 with interest rates 7.5 % per annum from 5 September 2009 onwards until the debt settlement will be completed. The Company has been in the process of investigation of the property to enforce the defendant under the law.

35 Pledged assets

As at 31 December 2012, the Group's/Company's bank deposits of Baht 36 million in the consolidated financial statements, and Baht 22 million in the separate financial statements, have been used as collateral for issuing the letters of guarantee by the domestic commercial banks for bidding, compliance with the agreements and borrowings.

As at 31 December 2012, 17 title deeds including present and future structures, condominium, building under construction, machinery under installation of two subsidiaries (cost value of Baht 1,202 million)

36 Expenses by nature

Certain accounts included in calculating profit (loss) for the years ended 31 December 2012 and 2011 have been classified by nature as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Change in finished goods and work in process	47	(29)	66	(20)
Purchase of finished goods, and cost of rendering of services and rental	871	953	425	987
Management benefit expenses	33	43	25	32
Employee benefit expenses	47	68	21	46
Depreciation and amortization expenses	21	42	17	23
Doubtful debts expense	2	47	-	31
Loss on investments	8	14	5	22
Provision loss of subsidiaries and others	-	2	4	-
Impairment loss of assets	84	76	83	141
Loss on devaluation of investment	-	-	27	-
Loss on transferring the right of claim as per the compromise agreement	-	26	-	26
Consulting fee	16	15	5	11

37 Significant agreements

- On 29 October 2010, the Company signed on the business contract with MCOT Public Company Limited (“MCOT”) regarding the Digital Mobile TV business via a UHF frequency under the 58 – band. The Company takes charge of marketing and broadcast engineering services in Bangkok Metropolitan and outlying areas. The contract period is 5 years from the date of commercial operation with an automatic renewal by 5 years per each from the expiry date. The contract contains the significant term as follows:
 - Invest in the Project;
 - Deliver the equipments to MCOT;
 - Manage and take charge of marketing;
 - Manage the operating, accounting and billing system;
 - Agree to transfer DVB-T/H system of this project to MCOT with the term set out in the contract that MCOT agrees to renewal of contract by extending a period of 5 years.

MCOT agrees to pay compensation at the percentage of monthly total income generated from this project.

- On 11 April 2009, Team Solar Co., Ltd. (the subsidiary) entered into two power purchase agreements with the Provincial Electricity Authority (“PEA”) for project’s Lumpoon 1 and Lumpoon 2. The subsidiary agrees to sell electricity to PEA within 1 March 2011, the agreement is effective from 11 April 2009 for a period of five years and automatically renewal for a period of five years and effective until the subsidiary will cease trading electricity by written request to terminate the agreement or either party fails to comply with the condition of the agreement. The payment term according to the conditions is prescribed in the regulations for the purchase of electricity of PEA. However, as of 31 December 2011, the subsidiary is under construction and the subsidiary has been approved by the PEA to extend to sell electricity to 30 March 2013.
- On 23 June 2010, GIDEC Co., Ltd. (the subsidiary) entered into a construction and services management of waste disposal system in community and amendment memorandum with Hatyai Municipality. The municipality agreed the subsidiary to construct the waste disposal system in community and to install the pollution treatment system on land owned by municipality. The subsidiary has the right to manage such system for a period of 25 years from the date of signing the contract. The significant details are as follows.

- The subsidiary agreed to pay land rental amounted to Baht 500,000 per year to the municipality.
 - The subsidiary provided the property insurance coverage and determined the municipality as the beneficiary.
 - The municipality agreed to pay a waste disposal to the subsidiary at a rate of Baht 290 per ton for a period of 10 years and after the eleventh year to twenty-fifth year, a waste disposal rate will be revised every 5 years and the subsidiary has right to increase a waste disposal rate according to inflation rate but not more than 10% in every 5 years.
 - The subsidiary shall pay compensation to the municipality at a rate of 10% of revenue from waste disposal. The municipality shall deduct compensation from waste disposal expenses to be withdrawn by the subsidiary each month.
 - Constructions, building, machineries and other equipments under the agreement are owned by the municipality after the end of the agreement or the date of termination.
 - The subsidiary shall pay a consulting fee to the municipality for procuring work during construction period at the actual amount but not exceeding Baht 4,000,000.
- On 4 January 2011, GIDEC Co., Ltd. (the subsidiary) entered into a power purchase agreements with the Provincial Electricity Authority (“PEA”). The subsidiary agrees to sell electricity to PEA within 22 August 2011, the agreement is effective from 4 January 2011 for a period of five years and continuous renewed for a period of five years by automatically and effective until the subsidiary has ceased trading electricity by written request to terminate the agreement or either party fails to comply with the condition of the agreement. The payment term according to the conditions prescribed in the regulations for the purchase of electricity of PEA. However, as of 31 December 2012, the subsidiary is under construction and the subsidiary has been approved by the PEA to extend to sell electricity to 22 April 2013.
 - On 29 April 2011, the subsidiary (GIDEC Co., Ltd.) entered into a letter to divide a space of land (Nor Sor 3 Kor) located at Khuanlang district, AmphurHatyai, Songkha province of 38 rai 40 square wah for a period of 25 years from 25 June 2010 to 25 June 2035 in order to construction and manage waste disposal system in community, sizing not less than 250 tons per day. Total rental expenses amounted to Baht 15.26 million, annually payable on 25 June of following year at the rental rate from Baht 500,000 to Baht 732,050 per year with deposit amounted to Baht 1,526,275. Under the rental agreement No. 27/2554 dated 1 December 2010 certain conditions such as properties owned by the lessor.
 - On 16 November 2011, the Company entered into an agreement to hire an other company (“advisor”) as consultants to solve debt problem and procure the investors to purchase shares

of IEC Business Partners Co., Ltd. (the subsidiary) and to settle the obligation by law with a domestic commercial bank or the creditors who entitled to claim a debt from the bank (“the creditor”). The fees determined the base on success of work amounted to Baht 34 million (excluding VAT) when this operation is achieved.

38 Events after the reporting period

- On 4 January 2013, the Board of directors’ meeting of (“IEC”) No. 1/2013 passed the resolution as follows :

- Approve the Company to acquire ordinary shares of Super Dream Power Co., Ltd. (“SDP”) from the existing shareholder (Con Solar Equipment Co., Ltd.) for 9,898 shares or 98.98% of registered and paid-up share capital. Ordinary share of Super Dream Power Co., Ltd. has carrying book value as at 31 December 2011 amount of Baht 99.70 per share and the Company acquired at the selling price of Baht 11,113.36 per share, total investment value amount of Baht 110 million. The Company used the valuation including benefits basis, estimated by the Company’s management.

The Company entered into agreement for share acquisition on 7 January 2013 and has paid on the agreement date amount of Baht 90 million and the another Baht 20 million on 30 January 2013.

That acquisition is to invest in electricity generating from solar energy project for 5.25 Megawatt at Tak province and the construction budget of electricity plant amount of Baht 383 million. “SDP” entered into agreement with Provincial Electricity Authority (“PEA”) dated 24 August 2012, agreement period is 5 years and renewal for 5 years each, the Company will obtain adder from PEA in the amount of Baht 6.50 per unit. Electricity current is determined to sell on 10 February 2013 for which SDP has filed for extension period to be next 12 months, which is currently considered of PEA.

- Resolve to allocate the increase share capital for 2,000 million shares to a specific investor (Mr.Kenuo Lin) at the price of Baht 0.04 each, and there is subscription and payment for share capital on 24 January 2013 amounted to Baht 80 million.
- On 9 January 2013, the board of directors’ meeting of “SPD” passed the resolution to rent the land at Amphur Mae ramad, Tak province ,the electricity generating from solar energy project. At the rate of rental not over Baht 9,400 per rai per annum period rental 10 years .Such that the Company will has commitment from land rental agreement amount of Baht 9.9 million.
- On 24 January 2013, the board of directors’ meeting (and at the Extraordinary meeting of shareholders held on 18 December 2012) of IEC Technology Co.,Ltd passed the resolution to increase share capital for another ordinary shares of baht 10 each. The first issue and paid-up 75% (Baht 7.50 per shares) amounted to baht 30 million .The Company(“IEC”) had paid such increase share capital on 28 January 2013 and registered the increase share capital with the Ministry of Commerce on 31 January 2013.

- On 4 February 2013, the shareholders' extraordinary meeting of Super Dream Power Co., Ltd. No. 2/2013, passed the resolution to increase share capital for another amount of Baht 99 million from Baht 1 million to Baht 100 million divided into 1 million ordinary shares of Baht 100 each. The registration is made intervals based on the number of share issued in each time in compliance with the resolution of the Board of director.

39 Reclassification of accounts

The Group/Company have reclassified the certain accounts on the previously financial statements to be conformed with the currently reclassification. Therefore, the Group/Company had presented the consolidated and separate statements of financial position as at 31 December 2011 and 1 January 2011 for comparison purposes. This reclassification has the impact on the consolidated and separate statements of financial position as at 31 December 2011 and 1 January 2011 as detailed below:

	31 December 2011		1 January 2011	
	As reclassified	As previously reported	As reclassified	Brought forward
<i>(Unit: Thousand Baht)</i>				
Consolidated financial statements				
<i>Assets</i>				
Other receivables	109,887	82,349	356,005	340,874
Withholding income tax	-	26,906	-	14,841
Other current assets	-	632	-	290
Goodwill	-	136,734	-	-
Intangible assets	182,368	45,634	-	-
<i>Liabilities</i>				
Trade and other payables	269,777	264,874	271,865	270,372
Current portion of long-term loans with demand at call	544,097	339,735	499,935	339,735
Accrued interest expenses	-	206,714	-	160,847
Other current liabilities	-	2,551	-	846
Total	1,106,129	1,106,129	1,127,805	1,127,805
Separate financial statements				
<i>Assets</i>				
Other receivables	52,843	25,314	331,797	316,666
Withholding income tax	-	26,897	-	14,841
Other current assets	-	632	-	290
<i>Liabilities</i>				
Trade and other payables	113,406	110,531	144,487	143,529
Accrued interest expenses	-	1,171	-	651
Other current liabilities	-	1,704	-	307
Total	166,249	166,249	476,284	476,284

40 Approval of financial statements

These financial statements were approved and authorized for issue by the Company's Board of directors on 22 February 2013.

Shareholding Structure and Management

Shareholders

Top ten major shareholders as of December 30, 2012 are as follow:

Shareholder	Number of Shares	% Holding
1. Mrs. Manothip Chakkrawaldham	7,744,476,100	11.55
2. Mr. Anuwat Kosol	3,000,000,000	4.48
3. Thai NVDR Co., Ltd.	2,161,859,780	3.23
4. Mr. Martin Simon Charles Heckford	2,000,000,000	2.98
5. Mr. Tidchuan Nanawarathorn	1,257,284,300	1.88
6. Mrs. Orasa Theerakul	1,205,000,000	1.80
7. Mrs. Usanee Kamolsantisuk	1,200,000,000	1.79
8. Mr. Yiem Chandraprasit	1,139,000,000	1.70
9. Mr. Thanom Thanombooncharoen	1,090,000,000	1.63
10. Mr. Chaweng U-wimonchai	786,500,000	1.17

The Management

Management Structure and Nomination

The company's management constituted the eight following boards:

1. Board of Directors
2. Executive Board
3. Audit Committee
4. Nomination Committee
5. Remuneration Committee
6. Risk Management Committee
7. Corporate Governance Committee
8. Technical Audit Committee

The sub-committees including Nomination Committee, Remuneration Committee, Risk Management Committee, Corporate Governance Committee and Technical Audit Committee are established to carry out missions according to their authorized objectives and scope of power and duties without receiving any kinds of benefit or remuneration.

Board Composition and Nomination

Board members and management of the company are qualified according to Clause 68 under Public Company Act, 2535 B.E. (1992) and the Notification of the Capital Market Supervisory Board Tor Jor 24/2552 Re: Requirements for Directors and Executives of Securities-Issuing Companies dated July 20, 2009.

Board of Directors

Powers and Duties of the Board of Directors

The Board of Directors is authorized to manage the company according to the company's objectives and Articles of Association as follows:

1. The Board of Directors is to convene meetings at least once every quarter.
2. The Board of Directors is authorized to issue rules and regulations pursuant to the company's objectives.
3. The Board of Directors is required to call a shareholder meeting, recognized as the annual general meeting.
4. The Board of Directors ensures the balance sheet and the profit and loss statements, as at the ending date of the accounting year, presented for shareholder's approval in the annual general meeting.
5. The Board of Directors may appoint any person(s) to conduct the company's business under supervision of the Board.
6. The Board of Directors is entitled to receive remuneration in performance of its duties.
7. Director is not allowed to conduct, become partner or shareholder to any juristic person of similar nature or in competitive manner against the company, unless he or she has given notice to the shareholder meeting prior to the resolution regarding his or her appointment.

List of the Board of Directors as of January 1, 2013 is as follows:

	Name	Title
1.	Lt. Somsak Yamasmit	Chairman
2.	Mrs. Sunjutha Witchawut	Director / Vice Chairman / Executive Chairman
3.	Dr. Jitkasame Ngarmnil	Director / Chief Executive Officer
4.	Mr. Sutee Phongpaiboon	Director (Independent Director) / Chairman of the Audit Committee
5.	Lt. Dr. Supornchai Siriwoharn	Director (Independent Director) / Member of the Audit Committee
6.	Mr. Pracherd Sook-kaew	Director (Independent Director) / Member of the Audit Committee
7.	Lt. JG. Yuthana Sivaraks	Director (Independent Director)
8.	Dr. Tawatchai Suwannakum	Director

To bind the company, two directors sign and affixing company seal,
Ms. Ammaraporn Dechakaisaya serves as the corporate secretary in accordance with Clause 89/15 under Securities and Exchange Act B.E. 2535.

Criteria in Selection of Independent Directors

Qualifications of an independent director are as follows:

1. Not an employee, a staff member or a consultant receiving regular salary or any other benefits from the company, the parent company, subsidiaries, and associated or related companies;

2. Neither by blood relationship nor by legal registration, being father, mother, spouse, brother, sister, son, daughter or spouse of son or daughter to the executive, major shareholder, controlling person;
3. Holding not exceeding 1 percent of the paid-up share capital of the company, the parent company, subsidiaries, associated or related companies, the percentage limit includes the shares held by director's related persons;
4. Observing equitable benefits of all shareholders;
5. Observing non-existence of conflict of interest between the company and its executives, major shareholders or other companies having the same group of executives or major shareholders;
6. Attending meetings with the Board of Directors, to make decisions on important activities of the company.

The above qualifications are minimum conditions as prescribed by the Board of the Securities Exchange Commission and the Stock Exchange of Thailand.

Balance of Power for Non-Executive Directors

As of January 1, 2013, the Board of Directors consists of 8 members as follows:

- 4 Executive Directors
- 0 Non-Executive Directors
- 4 Independent Directors (Equivalent to 50% of the total Board members)

Board of Directors' Meetings

The Board of Directors schedules meetings at least once every quarter, and extra meetings may be convened as deemed necessary. The agenda is set out clearly in advance to the meeting, including continued agenda to follow up operating results. The secretary's office sends a notice of invitation enclosing order of agenda and meeting archives in advance to ensure the directors sufficient time to review the archives prior to meeting. The minutes of meetings is taken in writing, certified by the Chairman or Chairman-appointed director, and made promptly available for verification by the Board or related parties. In 2012, there was one director retired from their offices before term expiry, and one new entry. There were totally 14 meetings convened with the presence of directors as per following details:

Name List of Directors

Name	No. of Presences / No. of Meetings
Lt. Somsak Yamasmit	13/14
Mrs. Sunjutha Witchawut	10/14
Dr. Jitkasame Ngarmnil	14/14
Mr. Sutee Phongpaiboon	9/14
Lt. Dr. Suphornchai Siriwoharn	13/14
Dr. Somchai Wongrassamee	8/10
Lt. JG Yuthana Sivaraks	11/14
Dr. Tawatchai Suwannakum	14/14
Mr. Pracherd Sook-kaew	3/3

Executive Board

Powers and Duties of the Executive Board

The Executive Board is authorized to conduct activities as empowered by the Board of Directors according to the objectives and article of associations.

List of the Executive Board as of January 1, 2013 is as follows:

	Name	Title
1.	Mrs. Sunjutha Witchawut	Executive Chairman
2.	Dr. Jitkasame Ngarmnil	Chief Executive Officer
3.	Mr. Somchai Lertwisettheerakul	Executive Director

Audit Committee

Powers and Duties of the Audit Committee

The Audit Committee of the company is authorized the scope of duties and responsibilities, and required to report to the Board of Directors as follows:

- 1.To review and ensure the company contains accurate and adequate financial reporting;
- 2.To review and ensure the company contains suitable and efficient internal control and audit;
- 3.To review and ensure the practices performed by the Company are in compliance with the securities and exchange law, and the regulations of the Stock Exchange of Thailand or relevant laws relating to the company's business;
- 4.To consider, nominate and recommend remuneration scheme of the company's auditor;
- 5.To ensure accurate and complete disclosure of company's information relating to connected or conflict-of-interest transaction;
- 6.To produce an Audit Committee Report as part of the company's annual report;
- 7.To perform any other duties as may be assigned by the Board of Directors under the Audit Committee's prior consent

List of the Audit Committee as of January 1, 2013 is as follows:

	Name	Title
1.	Mr. Sutee Phongpaiboon	Chairman
2.	Lt. Dr. Suphornchai Siriwoharn	Member of the Audit Committee
3.	Mr. Pracherd Sook-kaew	Member of the Audit Committee

Mrs. Romanewan Janphen is the Secretary to the Audit Committee.

Nomination Committee

Power and Duties of the Nomination Committee:

The Nomination Committee is authorized the scope of duties and responsibilities, and required to report to the Board of Directors as follows:

1. To consider criteria and procedures in selection of person(s) qualified to assume the office of director
2. To determine qualifications of director(s) under selection in writing or set out nomination practices and guidelines
3. To consider the extent of correctness and completeness of qualifications of the candidate(s) nominated as director
4. To audit and filtrate the nominated candidate(s) to ensure their qualifications are compliant to legal and governmental requirements
5. To nominate person(s) in accordance with nomination procedures, and to submit opinions to the Board of Directors who shall further propose for appointment approval by the general meeting of shareholder.
6. By agreement of the Nomination Committee, to perform any other duties as may be assigned by the Board of Directors

List of the Nomination Committee as of January 1, 2013 is as follows:

	Name	Title
1.	Mr. Sutee Phongpaiboon	Chairman
2.	Lt. Dr. Suphornchai Siriwoharn	Member of the Nomination Committee
3.	Lt. JG. Yuthana Sivaraks	Member of the Nomination Committee

Remuneration Committee

Power and Duties of the Remuneration Committee:

The Remuneration Committee is authorized the scope of duties and responsibilities, and required to report to the Board of Directors as follows:

1. To consider and review remuneration scheme and criteria for directors and high-level executives. Those schemes will be submitted to the Board of Directors for approval in case of high-level executive; in case of directors, the Board of Directors will further submit for approval by the general meeting of shareholder.
2. To consider and review remuneration scheme of companies in peer group
3. To review and revise remuneration scheme as deem appropriate and conform to actual conditions
4. To consider evaluation criteria of director assuming office of high-level executive, and to propose to the Board of Director
5. To consider annual remuneration scheme

List of the Remuneration Committee as of January 1, 2013 is as follows:

	Name	Title
1.	Mr. Sutee Phongpaiboon	Chairman
2.	Lt. Dr. Suphornchai Siriwoharn	Member of the Remuneration Committee
3.	Lt. JG. Yuthana Sivaraks	Member of the Remuneration Committee

Risk Management Committee

Power and Duties of the Risk Management Committee

The Risk Management Committee is authorized the scope of duties and responsibilities, and required to report to the Board of Directors as follows:

1. To consider and ensure risk control over company investment and appropriate level of business operations.
2. As may be empowered by the Board of Directors, to consider other matters in relation with corporate risks

List of the Risk Management Committee as of January 1, 2013 is as follows:

	Name	Title
1.	Lt. Dr. Suphornchai Siriwoharn	Chairman
2.	Prof. Dr. Pairote Sattayatham	Member of the Committee
3.	Asst. Prof. Dr. Kasemson Pipatsirisak	Member of the Committee

Corporate Governance (CG) Committee

Power and Duties of the Corporate Governance Committee

The Corporate Governance Committee is authorized the scope of duties and responsibilities, and required to report to the Board of Directors as follows:

1. To give advices, suggestions on corporate good governance, business operational and governance practices
2. To review and ensure the company's international standard and appropriate code of corporate good governance
3. To follow up the company's operational performance and report to the Board of Directors

List of the Corporate Governance Committee as of January 1, 2013 as follows:

	Name	Title
1.	Prof. Dr. Pairote Sattayatham	Chairman
2.	Lt. Dr. Suphornchai Siriwoharn	Member of the CG Committee

Technical Audit Committee

Power and Duties of the Technical Audit Committee

The Technical Audit Committee is authorized the scope of duties and responsibilities, and required to report to the Board of Directors as follows:

1. To give academic and technical advices and suggestions to the management in evaluation and adoption of appropriate technologies
2. To audit and follow up technical operations to attain the targeted objectives

List of the Technical Audit Committee as of January 1, 2013 is as follows:

	Name	Title
1.	Prof. Dr. Christopher Toumazou	Chairman, Technical Audit Committee
2.	Dr. Ekarin Vasanasong	Member, Technical Audit Committee Solar Energy
3.	Dr. Yossapong Laonual	Member, Technical Audit Committee Mechanical Engineering
4.	Assoc. Prof. Dr. Peerapol Yuvapoositanon	Member, Technical Audit Committee Digital Signal Processing Engineering
5.	Assoc. Prof. Dr. Apinunt Thanachayanont	Member, Technical Audit Committee Microelectronics Engineering

List of Company's Executives
Company executives as of January 1, 2013 are as follows:

	Name	Title
1.	Dr. Jitkasame Ngarmnil	Chief Executive Officer & Acting Chief Financial Officer
2.	Mr. Somchai Lertwisettheerakul	Chief Operation Officer
3.	Mr. Suwit Witchawut	Chief Strategy Officer
4.	Mr. Ekkamol Emradee	Executive Vice President, Legal Division
5.	Mrs. Narumol Chattawan	Vice President Accounting & Budgeting Div.

Criminal Record

None of the members of the boards and executives of the company have been discharged, dismissed, terminated or have been prosecuted due to corrupted act or bankruptcy or have been sentenced for imprisonment, or have had any disputes or trials during the past ten years.

Nomination of Directors and Management

Nomination of directors is processed through the Nomination Committee, the Board of Directors, while adhering to the articles of association, which entitles minor investors to appoint director(s) by casting vote in the shareholder meeting. In electing a director, the shareholder holds one vote per one share. The shareholder may cast all available votes for one or more directors, but the votes are inseparable for the nominated persons, or non-cumulative voting system. Persons, in order of majority votes, are elected directors to the required number of directors. Situations where persons with parity of votes, exceeding the required number of director occur, chairman of the meeting will have the casting vote.

In the event of vacancy due to expired term of office, the Board of Directors may appoint a person lawfully qualified to substitute in the succeeding Board meeting. Except a director whose term is less than two months, the substituting director shall be entitled for directorship in the remaining duration.

High-level officers not assuming the office of directors shall be nominated by the Board of Directors.

During 2012, there was one director retire before their term would expire, and one substitution was made.

Remuneration for Directors and Management

(1) Pecuniary Remuneration

Pecuniary remuneration for Board of Directors, Executive Board and Management in 2012 consisted of THB 17.35 million in salaries and meeting allowances, classified as follow:

1. In 2012, entries and exits of directors took place variably. Total number of directors in 2012 was recorded at 9 persons. Meeting allowances of the nine directors which include members of the Audit Committee were accounted for THB 2.24 million as per following details:

Meeting Allowances Accounted under Board of Directors and Audit Committee in 2012

No	Name-Surname	Title	As Member of Board of Directors	As Member of Audit Committee
1	Lt. Somsak Yamasmit	Chairman	420,000	-
2	Mrs. Sunjutha Witchawut	Director / Vice Chairman / Executive Chairman / Former Chief Executive Officer	300,000	-
3	Dr. Jitkasame Ngarmnil	Director / Chief Executive Officer	40,000	-
4	Mr. Sutee Phongpaiboon	Director / (Independent Director) / Chairman of Audit Committee	240,000	120,000
5	Lt. Dr. Suphornchai Siriwoharn	Director / (Independent Director) / Member of Audit Committee	240,000	100,000
6	Mr. Pracherd Sook-kaew	Director / (Independent Director) / Member of Audit Committee	40,000	10,000
7	Lt. JG. Yuthana Sivaraks	Director / (Independent Director)	240,000	-
8	Dr. Tawatchai Suwannakum	Director	240,000	-
9	Dr. Somchai Wongrassamee	Director / (Independent Director) / Member of Audit Committee (former)	200,000	50,000

Since March 2009, the Company cut off 50% meeting allowances on each Board, as a result, the meeting allowances is detailed as follow:

Meeting allowances of Board of Directors

- Chairman THB 35,000 per month
- Vice Chairman THB 25,000 per month
- Director THB 20,000 per month

Meeting allowances of Executive Board		
• Executive Chairman	THB 15,000	per month
• Executive Director	THB 10,000	per month
Meeting allowances of Audit Committee		
• Chairman of Audit Committee	THB 10,000	per month
• Member of Audit Committee	THB 5,000	per month

2. Executive Directors and the management were remunerated THB 15.11 million.

Note: In 2011, meeting allowances of directors were THB 2.94 million, and remunerations for the Executive Board and the management were THB 22.98 million, totally amounting THB 25.92 million.

(2) Other Remunerations

-None-

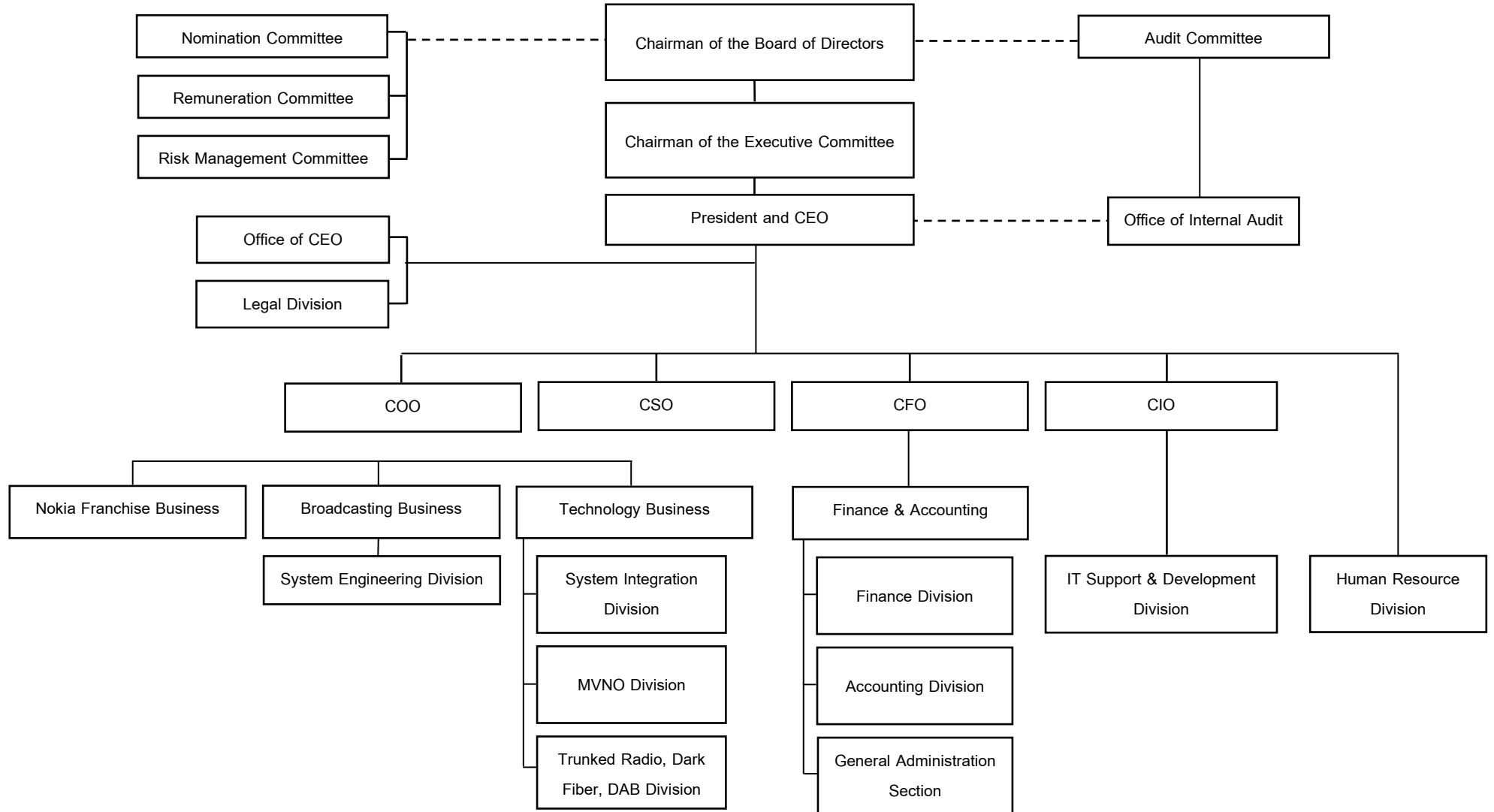
Corporate Governance (CG)

The company prioritizes good corporate governance, the essence of raising management efficiency. For years, the Board of Directors has been compliant with the Guidelines of the Stock Exchange of Thailand for Good Corporate Governance. In 2008, the company maintained CG best practices pursuant to the resolution of the Board of Directors No. 8/2008 dated July 23, 2008 resolving the company to set up a Corporate Governance Sub-Committee. The established entity is an exposure of efficiency, transparency and accountability, beneficial to build up confidence among shareholder, investor, stakeholder and related parties. Good corporate governance is meanwhile a decent approach towards fostering a value-added and sustainable organization.

Evaluation of Internal Control System

In the Board of Directors Meeting No.2/2013 dated February 22, 2013 with the participation of audit committee members, the Board reviewed and evaluated company's internal control system by dividing into five sections: Organization and Environment, Risk Management, Management Operation Supervision, Information & Data Communication System and Tracking System. Upon discussion with the management, the Board deemed the company contained adequate internal control system.

The International Engineering Public Co., Ltd.
Organization Structure



Directors of Company's Subsidiaries

Name	Company IEC	Subsidiary								
		1	2	3	4	5	6	7	8	9
1. Lt. Somsak Yamasmit	X			C						
2. Mrs. Sunjutha Witchawut	D , E	C		C						
3. Dr. Jitkasame Ngarmnil	V		C			C	C			
4. Mr. Sutee Phongpaiboon	C									
5. Lt. Dr. Supornchai Siriwoharn	C									
6. Mr. Pracherd Sook-kaew	C									
7. Lt. JG Yuthana Sivaraks	C									
8. Dr. Tawatchai Suwannakum	C	C						C	C	

Note: (Data as of January 1, 2013)

X = Chairman, D = Vice Chairman, E = Executive Chairman,

V = Chief Executive Officer, C = Director

Subsidiaries:

1. IEC Green Energy Co., Ltd.
2. IEC Technology Co., Ltd.
3. IEC Business Partners Co., Ltd.
4. IEC Distribution System Co., Ltd.
5. ISD (2012) Co., Ltd.
6. NFS (2010) Co., Ltd.
7. Team Solar Co., Ltd.
8. Mae Taeng Solar Co., Ltd.
9. Gidec Co., Ltd.

Note:

- Subsidiary No. 7 is held by IEC Green Energy Co., Ltd.
- Subsidiary No. 8 is held by Team Solar Co., Ltd. and IEC Green Energy Co., Ltd.
- Subsidiary No. 9 is co-invested by IEC Green Energy Co., Ltd. and Electricity Generating PCL

Name	Subsidiary								
	1	2	3	4	5	6	7	8	9
1. Lt. Somsak Yamasmit			C						
2. Mrs. Sunjutha Witchawut	C		C						
3. Dr. Jitkasame Ngarmnil		C			C	C			
4. Dr. Tawatchai Suwannakum	C						C	C	
5. Mr. Somchai Lertwisettheerakul	C								
6. Mr. Ekkamol Emradee		C			C	C			
7. Mr. Apichat Tantivejakul		C		C	C		C	C	
8. Mr. Decha Sujitham			C						
9. Mr. Surapoom Somwangthanaroj							C	C	C
10. Mr. Sudhiporn Patumtaewapibal									C
11. Mrs. Kannika Visutthipan						C			
12. Mr. Panya Watcharaboon									C
13. Mr. Parnuwat Kururat									C
14. Mr. Saksit Suntareganon									C

Note: (Data as of January 1, 2013)

X = Chairman, C = Director

Subsidiaries:

1. IEC Green Energy Co., Ltd.
2. IEC Technology Co., Ltd.
3. IEC Business Partners Co., Ltd.
4. IEC Distribution System Co., Ltd.
5. ISD (2012) Co., Ltd.
6. NFS (2010) Co., Ltd.
7. Team Solar Co., Ltd.
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Note:

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- Subsidiary No. 8 is held by Team Solar Co., Ltd. and IEC Green Energy Co., Ltd.
- Subsidiary No. 9 is co-invested by IEC Green Energy Co., Ltd. and Electricity Generating PCL

General Information of Other References

Securities Registrar

Company Name : Thailand Securities Depository Company Limited
Address : 62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Bangkok
Telephone : 0-2229-2800, 0-2654-5599
Facsimile : 0-2359-1259

Auditor

Auditor Name: Mrs. Suvimol Krittayakiern
CPA Registration No. 2982
Company Name: D I A International Auditing
Address: 316/32 Sukhumvit 22 Road Klongtoey Bangkok 10110
Telephone: 0-2332-5126-9
Facsimile: 0-2311-5567

Remuneration for Auditor

1. Audit Fee
The company and subsidiaries remunerate audit fees to D I A International Auditing for the year 2012, amounting THB 4,054,000.
2. Non-Audit Fee
-None-

บริษัท อินเทอร์เน็ตประเทศไทย จำกัด (มหาชน)
The International Engineering Public Company Limited

