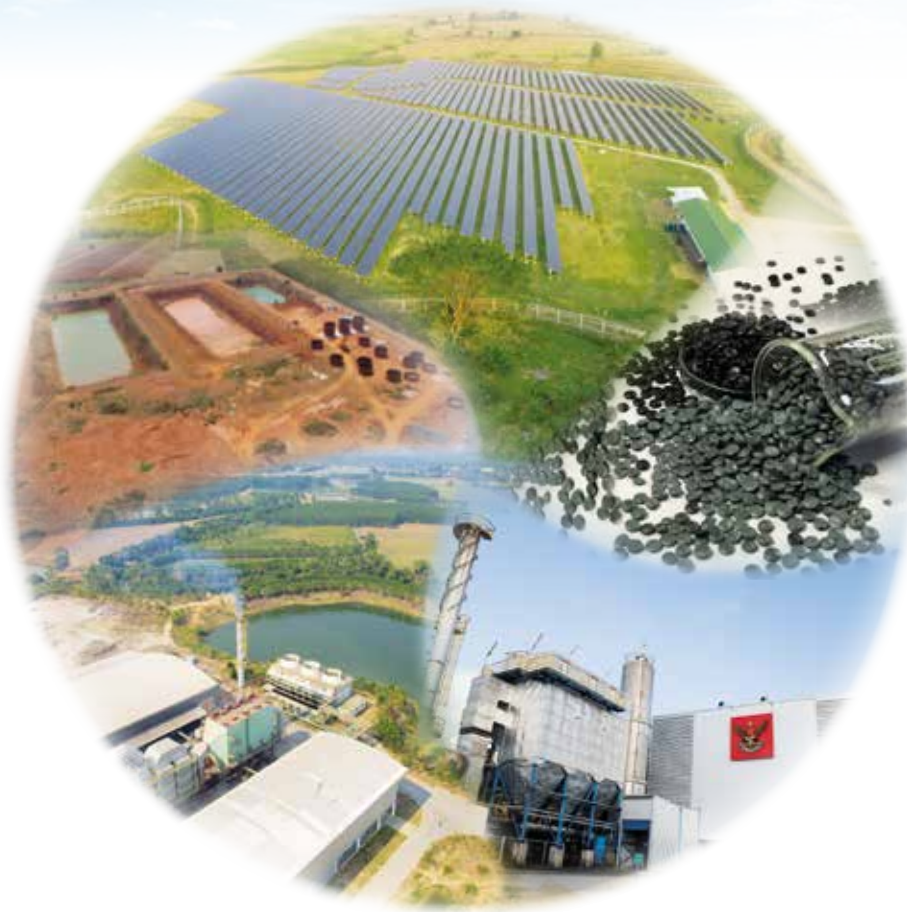




IEC
since 1922

The International Engineering Public Company Limited



Annual Report **2016**





ขอน้อมเกล้าน้อมกระหม่อม
รำลึกในพระมหากรุณาธิคุณหาที่สุดมิได้



ข้าพระพุทธเจ้า คณะผู้บริหารและพนักงาน
บริษัท อินเตอร์เนชั่นแนลเอนจิเนียริง จำกัด (มหาชน)







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

Vision and Mission

Our vision over the next five years, commencing from 2016-2021, is a passion for new innovations of good technologies with a view to spurring high productivity of renewable energy and other related businesses with high return on investment and sustainability.

The mission we set forth is focusing on enhancing the energy technologies for MSW power plants, renewable energy from economic crops to produce biogas, recycled plastic pellets and health business.

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Since 2016, IEC has experienced many problems with one of the most important being the lack of Certified Public Accountant registered by the office of SEC to be the auditor of The International Engineering Public Company Limited and its subsidiaries. This is because during the 2nd quarter of 2016, the Company has considered changing its auditor to support the re-categories from Information & Communication Technology Sector to Energy & Utilities Sector since 4th July 2016 because the latter sector is highly valued by domestic and foreign investors alike. Later on the Company received an undated confidential memorandum for special audit from the auditor of NPS Siam Audit Company Limited. This halted the process of changing Company's auditor since August 2016. The Company thereby was unable to appoint an auditor to audit the Company and its subsidiaries' Financial Statements, and therefore, could not submit 2nd and 3rd quarter Financial Statement and 2016 Financial Statement in time to the office of SEC and the SET within designated time. This resulted in the Company being marked SP and NC signs respectively until now, which has severely impacted the Company's operation.

The Board of Directors has appointed me as the Chief Executive Officer since 23rd January 2017 and with that, I have designated 2017 Company Management Policy with approval from the Board of Directors and have informed every employee since 23rd January 2017 with significant points as follow:

1. Driving IEC forward through the crisis
 - 1.1 Remove SP sign as soon as possible
 - 1.2 Immediately stop damages to the Company
 - 1.3 Conduct business with utmost scrutiny
2. Build up new businesses for IEC to be sustainable and secure



I have also set up new management scheme based on the principle of “Put the Right Man on the Right Jobs at the Right Times with Merit System” as well as working teamwork with 3 important keywords, 1) Must do 2) Must not do and 3) Should do with emphasis on the most important policy that every employee in the Company must perform their duties with responsibility, transparency and must ensure that there is absolutely no corruption.



Right now, all employees are working as a team to address the Company’s problems such as IEC Sakaeo 1 Co., Ltd. and Gidec Co., Ltd’s energy production are unable to meet the target and Waste Plastic Recycling Plant in Rayong is unable to meet the target. The aforementioned problems are now mostly addressed. The Biomass Power Plant of IEC Sakaeo 1 has increased its production capacity for selling to the Provincial Electricity Authority upto 7.1 - 7.2 MW with the target of increasing the production capacity to 7.5 MW in accordance to the Power Purchase Agreement. Gidec Co. Ltd’s waste-to-energy power plant has also improved its production capacity to 5.3 - 5.5 MW. Currently, the PEA is purchasing energy at 5.4 MW and therefore the Company plan to further increase production capacity to 5.5 - 6.0 MW and negotiate with the PEA to increase purchase amount from 5.4 MW to 6.0 MW. The Plastic Pallet Production Plant at Rayong province also change the raw material from waste plastic to the other types that can produce the plastic pellet with higher returns.

As for Solar Power Plant operation at Mae Tha, Lamphun province and Mae Taeng, Chiang Mai province by IEC Mae Tha Mae Taeng Co., Ltd, the production has performed well in accordance to the 1.92 MW Power Purchase Agreement with the Provincial Electricity Authority.

As for new business in 2017, the Company has proceeded with the operation of Nongree Power Plant at Kanchanaburi province with 3-MW production capacity. The plant is scheduled for commercial operation date in June 2017. The Company is also considering co-investing in biomass power plant, biogas power plant and health-related business.

In conclusion, the Company’s operation in 2017 will focus on removing NC sign as soon as possible while addressing problems sorting and developing existing businesses to effectively and efficiently meet the set goals. Finally, the Company plans to establish new businesses to ensure sustainability and security by applying knowledge base and technology together while working with moral and ethics under good governance in order to move the Company forward through this crisis while taking into consideration the maximum benefits of the shareholders.

With my Personal Wishes,

Lt.

(Dr. Suphornchai Siriwoharn)
Chief Executive Officer

The International Engineering Public Company Limited (“the company” or “IEC”) was established in 1922 with the objective to construct the Bangkok-Aranyaprathet Railway. IEC registered as a Thai national company in 1953 with a registered capital of 10 million baht. In 1965, IEC was appointed as a “Royal Appointment” company and conferred a “garuda charter” under the royal permission. In 1983, Siam Cement PCL (SCG) invested and took full control of IEC operations; IEC accordingly became an affiliate of the Siam Cement Group. In 1990, Siam Cement PCL changed its investment policy prompting IEC’s management to invest in itself, and acquired new investors. Joined by a group of additional investors, IEC management increased the registered capital to 120 million baht. In 1992, the company was listed in the Communication Sector of the Stock Exchange of Thailand (SET). In 1993, IEC became a “Public Limited Company” and the registered capital has been raised continually.

With the community growth, huge increase in demand for electricity and waste management was foreseen. In order to respond to these needs, energy business and other relevant business had been initiated. By 2016, the company’s operations consist of four business groups including (1) Energy Business: Solar Power Plant, Waste-to-Energy Power Plant, Biomass Power Plant, and Biogas Power Plant (2) Recycled Plastic Pellets from Waste Plastic (3) Information and Communication Technology and (4) Engineering Consulting.

On July 4, 2016, IEC was re-categorized by SET from “Information & Communication Technology” to “Resources- Energy & Utilities”.



∞ Financial Highlights

(Unit : Thousand Baht)

	Q1/2016	2015	2014	2013
Total Asset	4,948.48	4,498.06	3,891.17	2,597.82
Account Receivables (Net)	42.46	35.53	47.85	10.26
Total Liabilities	1,102.55	1,118.06	1,031.47	930.34
Total Equity	3,800.26	3,380.00	2,859.70	1,667.48
Total Revenue	131.89	607.79	512.48	774.35
Total Expenses	151.61	615.93	512.63	670.26
Net Profit (Loss) After Tax (Consolidated)	-22.98	0.14	13.41	88.31
Net Profit (Loss) After Tax (The compay)	-16.73	25.91	22.33	100.85
Earning Per Share	0.00	0.00	0.00	0.00
Net Profit Margin (%)	-17.42%	0.02%	2.62%	11.40%
ROE (%)	-0.67%	0.005%	0.65%	11.45%
ROA (%)	-0.47%	0.003%	0.41%	4.32%
Debt to Equity (time)	0.30	0.35	0.39	0.62
Interest Coverage Ratio (time)	-2.12	-0.05	-6.81	-0.26
Total Asset Turnover (time)	0.03	0.14	0.15	0.38

Significant Changes and Development

Significant Changes and Development related to business operation and management during 2014 - 2016

January 15, 2014 :

The company invested in purchasing 107,000 ordinary shares of E-Contech Management Pte. Ltd., a listed company established in Singapore, that was equivalent to 100 percent of the paid-up capital of the aforementioned company.

June 30, 2014 :

Team Solar Company Limited, the subsidiary company of IEC operating Mae Malai solar power plant projects 1 and 2 with a production capacity of 1.92 megawatts according to the power purchase agreement, has been able to produce and distribute electrical currents to the electricity distribution system of the Provincial Electricity Authority since June 30, 2014.

September 30, 2014 :

The company invested in purchasing 3,000,000 ordinary shares of Kaeo Lum Duan Power Supply Co., Ltd. in the total price of 345,000,000 baht, which was equivalent to 75 percent of the paid-in capital of the aforementioned company.

February 3, 2015 :

One subsidiary registered the name change at the Bangkok Office of the Company Limited and Partnership Registration, Department of Business Development, Ministry of Commerce, from “Kaeo Lum Duan Power Supply Co., Ltd.” to “IEC Sakaeo 1 Co., Ltd.”

March 23, 2015 :

The company invested in purchasing 1,250,000 ordinary shares of Thaworn Energy 2013 Co., Ltd., in the total price of 125,000,000 baht, which was equivalent to 100 percent of the paid-up capital of the aforementioned company. The terms of payment include the following: the 1st payment of 40 million baht within 7 days after the contract was signed and the 2nd payment of 85 million baht once the aforementioned company has signed the Power Purchase Agreement with PEA, acquired the Permit for Factory Operation (Ror Ngor. 4), and transferred all the shares to IEC

May 25, 2015 :

The company invested in Waste Plastic Recycling project, which involves producing plastic pellets with the usage of contaminated plastics that were selected from various landfills as the raw material. The aforementioned project is located in Nikhom Phatthana district, Rayong province.

July 8, 2015 :

The company invested in Waste Plastic Recycling project, which involves producing plastic pellets with the usage of contaminated plastics that were selected from various landfills as the raw material. The aforementioned project is located in the Southern Region Industrial Estate in Hat Yai district, Songkhla province.

September 30, 2015 :

IEC Green Energy Company Limited, which is a subsidiary company of IEC, has conducted a pilot project of creating a prototype of very small power plant for MSW using applied technology with the investment capital of 125 million baht.

April 27, 2016 :

The company invested in purchasing 500,000 ordinary shares of Nongree Power Plants Co., Ltd., the operator of a biogas power plant project located in Nongree sub-district, Bo Ploy district, Kanchanaburi province, which was equivalent to 100 percent of the paid-in capital of the aforementioned company.

May 11, 2016 :

IEC Sakaeo 1 Co., Ltd. ("SK1"), which is currently 100% subsidiary of the company became bankrupted by the receiving order of Central Bankruptcy Court: Undecided Case No. Lor. 3152/2557 and Decided Case No. Lor. 1245/2559. In the case between KS Distribution (Thailand) Ltd. ("KS"), the plaintiff creditor and IEC Sakaeo 1 Co., Ltd., the debtor, the court made a receiving order against the debtor on May 11, 2016. However, the fact that Kaeo Lum Duan Power Supply Co., Ltd. (former name of SK1) under the management of previous shareholder group was sued by KS in a bankruptcy case of Central Bankruptcy Court on October 31, 2014 was never revealed to IEC. On July 1, 2016, SK1 under the management of IEC requested the Central Bankruptcy Court to revoke the trial process and receiving order. On September 15, 2016, the Central Bankruptcy Court revoked the trial process in the aforementioned bankruptcy case, revoked the receiving order, and struck the case out of the case-list. Therefore, SK1 is not under a receiving order by any means.

IEC and SK1 sued the previous shareholders including Mr. Sutin, Ms. Jaruwan and associates in civil and criminal cases, and for liability under The Securities and Exchange Act B.E. 2535 to the last of the prosecution process. On September 22, 2016, the company filed a suit against Mr. Sutin and Ms. Jaruwan for fraudulent in a criminal case of Dusit Sub-district Court: Undecided Case No. 2568/2559.

May 30, 2016 :

The company invested in purchasing all the rest of the ordinary shares of IEC Sakaeo 1 Co., Ltd. (formerly Kaeo Lum Duan Power Supply Co., Ltd.), totally 1,000,000 shares, which is equivalent to 25% of the paid-in capital of the aforementioned company. Consequently, the aforementioned company became 100% subsidiary of the company.

July 4, 2016 :

The company's business has been re-categorized by the Stock Exchange of Thailand from "Information & Communication Technology" to "Resources - Energy & Utilities" since July 4, 2016

August 15, 2016 :

The Stock Exchange of Thailand marked the company as SP as it was unable to timely submit the financial statement of Quarter 2 Year 2016.

December 19, 2016 :

The company sold all the shares in IEC Mae Ramat Co., Ltd. (formerly Superdream Power Ltd.), totally 1,049,898 shares, which is equivalent to 99.99 of the paid-in capital of the aforementioned company.

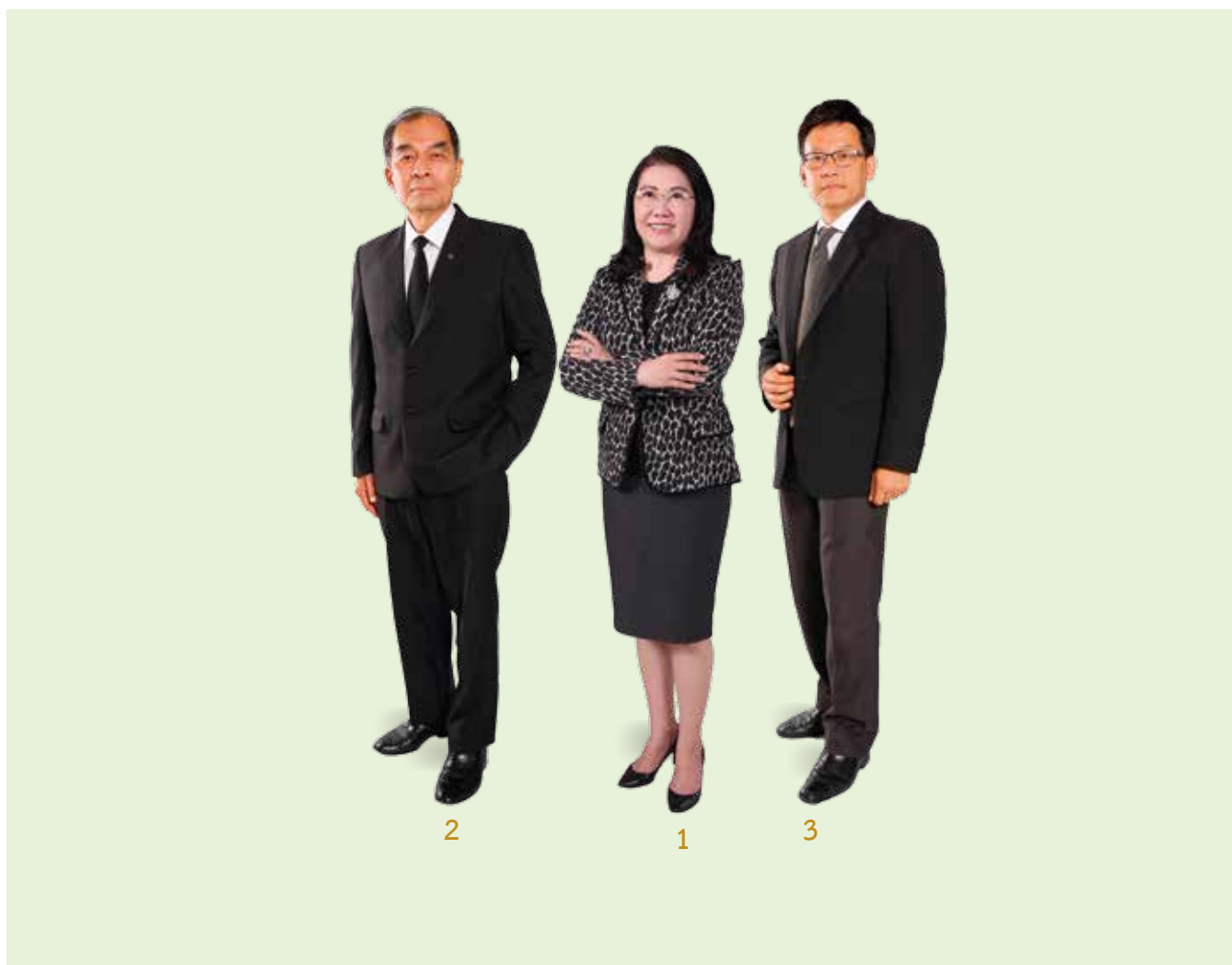


- | | | |
|--|--|---|
| 1. Lt. Somsak Yamasmit
Honorary Chairman | 2. Mrs. Sunjutha Witchawut
Vice Chairman/
Executive Chairman/
Acting Chairman | 3. Lt. Dr. Suphornchai Siriwoharn*
Chief Executive Officer |
| 4. Asst. Prof. Dr. Kasemson Pipatsirisak**
Audit Committee Chairman | 5. Mr. Metha Thamviharn
Audit Committee | 6. Dr. Morakot Siriwattanoj***
Audit Committee |
| 7. Prof. Dr. Pairote Sattayatham
Independent Director | 8. Dr. Attawooth Laohapakdee
Director | 9. Mr. Narong Ongartmaneerut
Director |

* Effective Date : 23 January 2017

** Effective Date : 5 January 2017

*** Effective Date : 5 January 2017



- | | |
|-----------------------------------|--------------------|
| 1. Mrs. Sunjutha Witchawut | Executive Chairman |
| 2. Lt. Dr. Suphornchai Siriwoharn | Executive Director |
| 3. Mr. Ekkamol Emradee | Executive Director |

∞ Shareholding Structure and Investment in Subsidiaries

The company's and its subsidiaries' policy and operational sectors: The International Engineering Public Company Limited (IEC) has categorized its business, in 2016, into 4 groups as follows.

(1) Energy Business

- 1.1 Solar Power Plant under the management of IEC Mae Tha Mae Taeng Co., Ltd., an indirect subsidiary, and IEC Mae Ramat Co., Ltd., a subsidiary of the company, which was divested by IEC in December 2016.
- 1.2 Waste-to-Energy Power Plant under the management of GIDEC Co., Ltd., a subsidiary of IEC Green Energy Co., Ltd.
- 1.3 Biomas Power Plant under the management of IEC Sakaeo 1 Co., Ltd., a subsidiary of the company.
- 1.4 Biogas Power Plant under the management of Nongree Power Plant Co., Ltd., a subsidiary of the company, in which the company invested in April 2016.

(2) Recyled Plastic Pellet from Waste Plastic

Recyled Plastic Pellet from Waste Plastic under the management of IEC.

(3) Information and Communication Technology (ICT)

ICT: Provision of services related to information technology under the role of System Integrator in collaboration with alliances in bidding for government projects.

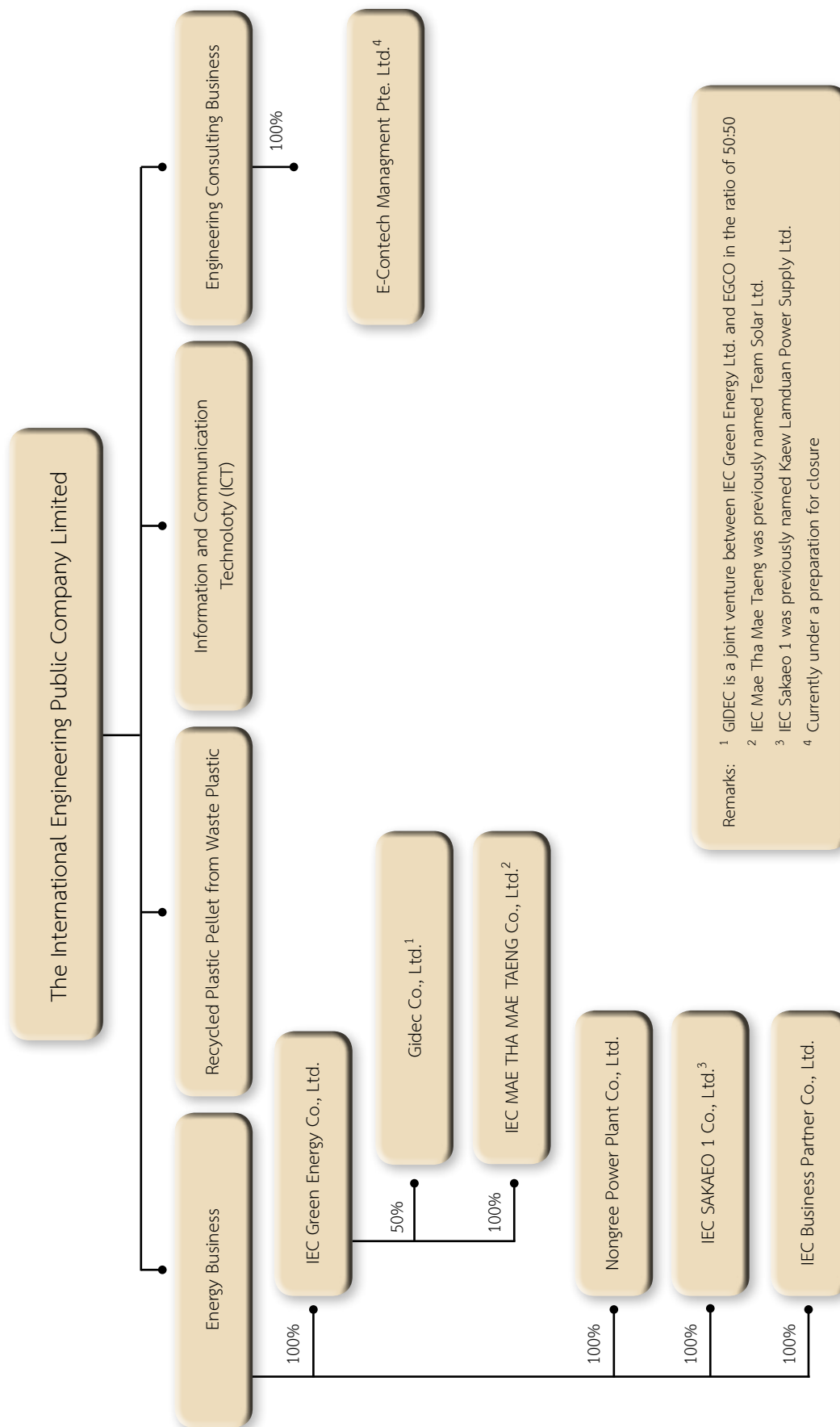
(4) Engineering Consulting

As of now all the projects in this business group have been completed. The company is considering cancellation of this business group.



As of March 10, 2017

IEC's Business Structure



∞ Other Subsidiaries

Subsidiary	Type of Business	Registered Capital (million baht)	Remark
1. Officially Dissolved Company - Mae Taeng Solar Co., Ltd.	Generating solar Energy	15	On January 6, 2014, the company officially dissolved the operation and reported to the registrar of Department of Business Development, Ministry of Commerce, and registered for completeness of liquidation on April 21, 2015.
2. Disposal of subsidiaries - IEC Mae Ramat Co., Ltd.	Generating solar Energy	105	The Board of Directors Meeting No. 17/2559 approved to divest IEC Mae Ramat Co., Ltd. on December 19, 2016.
- IEC Technology Co., Ltd.	Providing Information Technology and Communication Service, "IEC 3G"	248	The Board of Directors Meeting No. 3/2557 approved to divest IEC Technology Co., Ltd. on March 24, 2014.
- ISD (2012) Co., Ltd.	SIM card distribution (DTAC Distribution)	5	The Board of Directors Meeting No. 17/2556 approved to divest ISD (2012) Co., Ltd. on December 2, 2013.
- IEC Distribution System Co., Ltd.	Providing repairing services for mobile phones and accessories to company and distributors' customers by offering services through company's service centers and representatives.	112	On December 2, 2013, the Board of Directors Meeting no. 17/2013 approved the company to divest registered capital of IEC Distribution System Co., Ltd. (formerly IEC Easy Fix Co., Ltd.), which has ceased its operations temporarily since December 2010.
3. Operations Temporarily Ceased - NFS (2010) Co., Ltd.	Mobile phone and accessories wholesale/retail (Nokia Shop)	16	On December 21, 2012, the Board of Directors Meeting No. 13/2012 approved the company to cease its operations of a retail representative "Nokia Shop".

Relationship with major shareholders' business groups

- None -

Each business group's revenue proportion and subsidiaries' revenue structure

	% Share	Quarter 1/2016		Year 2015		Year 2014		Year 2013	
		Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
The Company's Products and Services									
Information Technology		0.67	0.51	42.56	7.00	239.12	46.66	52.21	6.74
Mobile Phones		-	-	-	-	-	-	1.19	0.15
Engineering Products		-	-	-	-	-	-	0.12	0.02
Other Revenue		2.39	1.81	106.55	17.53	46.76	9.12	11.57	1.49
Total Distribution Value		3.06	2.32	149.11	24.53	285.88	55.78	65.09	8.40
Energy Business Group									
IEC Green Energy Co., Ltd.	100	2.36	1.79	44.11	7.26	0.15	0.02	0.07	0.01
GIDEC Co., Ltd.	50	41.95	31.81	130.37	21.45	1.06	0.21	0.26	0.03
IEC Mae Tha Mae Taeng Co., Ltd.	100	19.99	15.16	77.42	12.74	59.90	11.69	10.10	1.31
IEC Mae Ramat Co., Ltd.	100	22.57	17.11	85.99	14.15	86.65	16.91	1.27	0.16
IEC Sakaeo 1 Co., Ltd.	100	41.74	31.65	116.63	19.19	35.14	6.86	-	-
IEC Business Partners Co., Ltd.	100	-	-	0.07	0.01	0.65	0.13	316.37	40.86
Total Revenue of Energy Business Group		128.61	97.52	454.58	74.80	183.55	35.82	328.07	42.37
Information Technology Business Group									
IEC Technology Co., Ltd.	100	-	-	-	-	5.91	1.15	5.87	0.76
IEC Distribution System Co., Ltd.	100	-	-	-	-	-	-	1.87	0.24
NFS (2010) Co., Ltd.	100	-	-	0.01	-	-	-	16.72	2.16
ISD (2012) Co., Ltd.	100	-	-	-	-	-	-	356.73	46.07
Total Revenue of Information Technology Business Group		-	-	0.01	-	5.91	1.15	381.19	49.23
Engineering Consulting Business Group									
E-Contech Management Pte.Ltd	100	0.21	0.16	4.08	0.67	37.14	7.25	-	-
Total Distribution Value of The Company and Its Subsidiaries		131.89	100	607.79	100.00	512.48	100.00	774.35	100.00

The company's operations consist of four business groups including (1) Energy Business: Solar Power Plant, Waste-to-Energy Power Plant, Biomass Power Plant, and Biogas Power Plant (2) Recycled Plastic Pellets from Waste Plastic (3) Information and Communication Technology and (4) Engineering Consulting.

1. Energy Business

Power production from renewable energy such as solar, waste, biomass, biogas, etc. Renewable energy is used in the power production where the feedstock can be locally sourced. The company foresaw such significance and began operating renewable energy business, including conducted researches in order to enhance the efficiency of renewable energy usage for an increase of economic benefits. At present the company operates power plants using renewable energy in many forms such as solar power plant, waste-to-energy power plant, biomass power plant, and biogas power plant (Under construction).

1.1 Solar power plant business

Characteristics of products and services

The solar power plant is a type of business with no complexity in operations. It also has strengths regarding raw materials for production. Since solar energy is unlimited and there is no combustion in the production process, it does not impact the environment. Besides, the public sector's policy supports the buying price of electricity. This leads to a high stability of business.



All 3 solar power plants of the company¹ are of Grid Tie type which are able to convert direct current (DC) into alternating current (AC) that can be connected to the generating system of Provincial Electricity Authority.

The solar power plants of the company have 5 power purchase agreements (PPA) with Provincial Electricity Authority. The total power report capacity is 9.09 MW. The plants are operated by its following subsidiaries.

Operating Subsidiary	Location	COD ²	Duration of Acquisition of Adder		Installed capacity (Total) MW	Power Report capacity (Total) MW
			Duration	Remaining time (From Dec 2016)		
IEC Mae Tha Mae Taeng Co., Ltd. - Solar Power Plant Lampoon 1,2 - Solar Power Plant Mae Malai 1,2	Takat sub-district, Maeta district, Lampoon province	Sep 23, 2013	10 years	6 years 9 months	2.638	1.92
	Keelek sub-district, Mae Taeng district, Chiang Mai province	Jun 30, 2014	10 years	7 years 6 months	2.379	1.92
IEC Mae Ramat Co., Ltd. - Solar Power Plant Mae Ramat (Diverted in December 2016)	Kanejue sub-district, Mae Ramat district, Tak province	Dec 26, 2013	10 years	7 years	6.30	5.25
Total produced power					11.317	9.09

¹ The company divested IEC Mae Ramat Co., Ltd. in December 2016. Only 2 solar power plants remain.

² COD : Commercial Operation Date

- Solar power plant, Maeta district, Lampoon province

The installed capacity of power production is 2.638 MW in total with the use of thin-film solar cell panel from Solar Frontier (Model SF 140S) made in Japan, power inverter (DC/AC) from SMA (Model STP 17000 TL-EE-10), string inverter type made in Germany. Voltage is converted by transformer and generated to 22 kV cables with quality approved after the test made by Provincial Electricity Authority.

-
- Solar power plant, Maemalai district, Chiang Mai province

The installed capacity of power production is 2.379 MW in total with the use of crystalline silicon solar panels from JA Solar (Model JAP6 60 250) made in China, power inverter (DC/AC) from SMA (Model STP 20000 TL-EE-10), string inverter type made in Germany. Voltage is converted by transformer and generated to 22 kV cables with quality approved after the test made by Provincial Electricity Authority.

- Solar power plant, Mae Ramad district, Tak province (divested in December 2016)

The installed capacity of power production is 6.30 MW in total with the use of crystalline silicon solar panels from JA Solar (Model JAP6 60 250) made in China, power inverter (DC/AC) from SMA (Model STP 20000 TL-EE-10), string inverter type made in Germany. Voltage is converted by transformer and generated to 22 kV cables with quality approved after the test made by Provincial Electricity Authority.

Marketing and Competition

The distribution of electricity operated under Power Purchasing Agreement – PPA with the Provincial Electricity Authority, which will be effective for 5 years and will be automatically renewed every 5 years. The agreement shall be effective until the electricity producer submits a notification to the Provincial Electricity Authority, indicating their intention to terminate the trade of electricity.

Therefore, it ensures the stable revenue from electricity sales with no marketing competition.

Product Supply and Service

Solar cell or Photovoltaic system consists of 5 important parts.

(1) PV module that converts solar energy to electrical energy in the form of direct current (DC) by using several PV Module connected to other ones to obtain the electrical power as required.





(2) Invertor that converts the produced direct current (DC) to alternative current (AC).

(3) Main Distribution Board that controls the electricity generation and cut low-voltage three-phase system.

(4) 22kV Step up Transformer that shifts the three-phase voltage to be equal to the transmission system of the Provincial Electricity Authority.

(5) 22kV Switch Gear that connects/cuts the electricity system of power plant and transmission system of Provincial Electricity Authority.

The company's solar power plants were installed with the main electrical equipment that meets quality standards and is warranted by the manufacturer. All equipment, both domestically produced and imported, has passed the test in accordance with the Provincial Electricity Authority requirements. The equipment includes PV Module imported from Japan and China, inverters imported from Germany, transformers manufactured in Thailand. We believe that all of the company's solar power plants are capable of producing good quality of electricity as required by the customers.

1.2 Waste to Energy Power Plant

Characteristics of products and services

The increase of waste volume causes problems in waste management. Although the landfill method which is currently used needs the lowest investment, it impacts the community in pollution and scenery aspects. At present, building a new landfill site is difficult because of the opposition from community locals. The local public sectors are unavoidably facing problems in planning waste management.

The company recognizes the problems and business opportunities. Therefore, the company has studied the technologies related to waste disposal and waste-to-energy, which can become the company's major business in the future, from which the company can gain stable and sustainable returns, despite the recent technical and pollution issues.

The company has formed a joint venture with Electricity Generating Public Company Limited or EGCO to run projects related to electricity generation from waste energy under a company named Gidec Co., Ltd. We constructed a waste disposal plant to transform waste to energy with the maximum installed capacity of 7.0 MW and the maximum capacity to produce electricity to Provincial Electricity Authority of 6.5 MW (Adder price is fixed at 3.50 baht/unit for a period of 8 years) according to electricity sales agreement with Provincial Electricity Authority. The agreement became effective upon the day that both parties mutually signed the contract. The effective duration of the contract is 5 years and shall be automatically renewed every 5 years from the commercial operation date December 11, 2014.

The waste-to-energy plant of the company is located at Hat Yai district, Songkla province. It is the first waste-to-energy plant with ash-melting gasification in Thailand, operating with high technologies developed and generally accepted in Europe. The plant use the construction technology from Finland. The company signed a waste management agreement with Hat Yai Municipality for the duration of 25 years and 12 local administration offices in Songkhla. Over 250 tons of waste are transferred to the company every day to produce energy. Such quantity of waste is enough to be used as the burning materials to produce electricity with full potential.

Marketing and Competition

The implementation of renewable energy project is different from the implementation of other businesses as it is a project that has an impact on the community and society as a whole. The company's partner of contract is local administration offices that are responsible for the maintenance of the environment and their community. The implementation needs to start from bidding the project in accordance with the government's regulations. Once we have been selected, we can proceed this project as agreed with the local administration offices according to the terms and conditions throughout the contractual effective period.

However, the company is also committed to have a smooth operation. The company also have prepared the budget for Corporate Social Responsibilities (CSR) and build a good relationship with the local community. In addition, The company has been creating jobs and income for local people and aimed at creating a better communication between the company and community for Industrial Peace.

Product Supply and Service

The waste management begins from receiving daily waste from the community, bringing waste to sorting system, then grinding them to form the required size and at the same time reduce/control the humidity. Then, the grinded waste will be put in a Gasifier to dispose the waste and transform it to be heat energy for the steam generator system (Boiler) as an energy source of Turbine Generators to produce electricity.

The project was designed as we are aware of the importance of environment preservation. There is control and treatment system for air, water pollutions and waste. For air pollution treatment, the system is equivalent to European standard (EU Standard). The wastewater treatment system consists of wastewater treatment pond that meets the standard of the Department of Industrial Works, where treated water is used in the process.

The goal is to make this project a model with the use of modern technology and appropriate management, which are environmentally friendly. We also promote the waste management in the community that is consistent with hygienic principles. The project is well supported by both the contract partner which is Hat Yai municipality, Songkla province, and the locals in the community who welcomed and helped us to sustainably solve the problems of waste. This project has many supporting factors such as the location which is in the same area as the landfill of the contract partner. It means that the supply of resource will be stable in a long run, and it ensures the stability of operation as well.

However, despite the company's effort in planing and operation of environmental related works through the years, there are still some issues regarding air pollution and smell. The company has taken the responsibility to deal with these issues. We have proposed our plan to relevant authorities and now it is awaiting approval.

1.3 Biomass Plant Business

Characteristics of products and services

The electricity production with biomass technology is the production with direct-fired system. The system uses the biological resource such as wood barks wood chips to burn and transfer the heat to the steam boiler. As a result, we get very high temperature and high pressure. It will drive the steam engine that is connected to the electricity generator, which will produce the electricity.

For biomass power plant which is operated by its subsidiary named IEC Sakaew 1 Co., Ltd.: SK 1 (formerly Kaeow Lumduan Power Supply Co., Ltd.: KPS is a power plant with a total capacity of 9.9 MW with the use of wood chips, wood barks, palm bunches, and bagasse as the feedstock in the production, which can sufficiently be acquired within the province.



SK 1 entered into a Power Purchase Agreement (PPA) with the Provincial Electricity Authority for 8 MW (non-firm type). For this PPA, SK 1 shall be entitled to Adder for small power producers at 0.30 baht per kW-hour for 7 years. SK 1 commenced its commercial activities on the April 10, 2013. Therefore, the income of SK 1 shall be in accordance with a standard PPA. It will be calculated as per the electricity units sold under this PPA.

SK 1 has been entitled to change the electricity selling price system from Adder to FIT (Feed-In-Tariff) since March 2016 for the duration of 17 years.

Marketing and Competition

Implementation of such power plant is different from other type of business as the business has only one customer i.e. Provincial Electricity Authority, a trustworthy public agent. When the project starts operating for commercial purpose, the produced power can be sold to PEA as per the PPA.

Product Supply and Service

The main raw material for SK 1's production of electricity includes agricultural waste such as palm bunches, wood chips, wood barks, and bagasse which can be found throughout the year within Sakaew province. Many wood companies can send the raw materials to SK 1. Palm bunches can be found throughout the year but the price depends on the market and season, whilst palm production depends on the reaping season. The feedstock vendors shall be responsible to supply feedstock as previously agreed to SK 1.

Daily feedstock demand

The daily feedstock demand depends on the mode of machine operation in order to achieve the required volume of electricity (8 MW per day). The heating value can be fixed to allow usage of low-cost material such as wood barks, palm bunches, and wood chips. The required amount of feedstock is around 300-350 tons per day, depending on the feedstock moisture content.

1.4 Biogas Power Plant

Characteristics of products and services

This involves power production with the use of vinasse, a waste from ethanol production process, which will be used in power production via gas fermentation process. The gas portion that impacts the generator and the environment will be extracted. The obtained methane gas will be used to drive the power generator, which produces power for selling to PEA. The fermentation of vinasse in fermentation to produce gas for power generator is done as follows: The vinasse is fermented to gas in a lagoon by exchanging of food between bacteria and wastewater in the ratio of 3:1 (or as required by COD). The gas will be transferred to fermentation process to produce methane with the percentage of approximately 45-55%. The obtained gas will be extracted to remove H₂S or hydrogen sulfide by Bio-scrubber process, where media and bacteria are used in a reaction to remove hydrogen sulfide, with water as a carrier.

Once the gas is free from hydrogen sulfide, it will be extracted to remove moisture before entering the gas generator to ignite and drive the power generator, which produces electrical current. The electrical current will be transferred to a transformer and passed on to PEA's distribution system.

Biomass power plant under the management of Nongree Power Plant Co., Ltd.: A power plant with the power production capacity of 3 MW with the use of wastewater, molasses, chicken dung, pig dung, cow dung, etc as the feedstock which can sufficiently be acquired within Karnchanaburi province.

Nongree Power Plant Co., Ltd. entered into a Power Purchase Agreement (PPA) with the Provincial Electricity Authority for 3 MW (non-firm type). For this PPA, Nongree Power Plant Co., Ltd. shall be entitled to adder for small power producers at 0.30 baht per kW-hour for 7 years. Nongree Power Plant Co., Ltd. is planning to commence its commercial operation date in June, 2017. Therefore, the income of Nongree Power Plant Co., Ltd. shall be in accordance with a standard PPA. It will be calculated as per the electricity units sold under this PPA.

Marketing and Competition

Implementation of such power plant is different from other type of business as the business has only one customer i.e. Provincial Electricity Authority, a trustworthy public agent. When the project starts operating for commercial purpose, the produced power can be sold to PEA as per the PPA.

Product Supply and Service

The main raw material in power production of Nongree Power Plant Co., Ltd. includes vinasse, which has been sourced under a long-term contract with Khonkaen Alcohol Co., Ltd. (Nongree Branch) and from other sources throughout the year in Karnchanaburi province. There are ethanol and sugar refineries that provide raw material to Nongree Power Plant. Chicken dung, pig dung and molasses can also be used as substitutes for vinasse during the shortage of feedstock in accordance with the purchase agreement-long-term supply, 5 year (Tor Sor. 009/2559) between Khonkaen Alcohol Co., Ltd. and Nongree Power Plant Co., Ltd. The supplier is responsible to supply and deliver the feedstock to Nongree Power Plant Co., Ltd. as required

Daily feedstock demand

The daily feedstock demand depends on the mode of machine operation in order to achieve the required volume of electricity (3 MW per day). The fermentation value of vinasse, COD shall be over 150,000 ml/L. Gas production capacity: 1 cubic meter of vinasse is used to produce approximately 65 cubic meter of gas. Power production rate: 1 MW per hour. Gas utilization rate: 500 cubic meter per hour. Once Nongree Power Plant is running to its full capacity (3 MW), utilization of gas is 1500 cubic meter per hour and distillery slop approximately 23 cubic meter per hour.

2. Recycled Plastic Pellet from Waste Plastic

From our experience in operating community waste power plant of Gidec Co., Ltd., we found plastic components in the community waste that can be used to produce recycle plastic pellets and reused in the industry. Therefore, the company has developed the business of Recycled Plastic Pellet from Waste Plastic both domestically and internationally. The main goal is to export plastic pellet to countries with high demand such as China, Japan, USA, etc.

Characteristics of product and service

Currently there are various types of plastic pellet in the market. They can be categorized by the source of raw materials such as new pellets or recycled ones from the industrial plants or community waste, etc. They are categorized by plastic characteristics into 7 groups as follows:

Plastic Type	Example of Use	Characteristics
PETE (Polyethylene Terephthalate ethylene)	Container of drinking water, sparkling water, liquid detergent	Light weight, not broken when being pressed
HDPE (High Density Polyethylene)	Container of milk, drinking water, liquid detergent, plastic bag, electrical equipment part, automotive parts	Strong, resistant to chemical substance and many types of solvents
PVC (Polyvinyl Chloride)	Container coverage, container that needs to be pressed when use, plastic bag	Highly flexible, hard but brittle, easily crumble when heated
LDPE (Low Density Polyethylene)	Plastic bag, some types of plastic bottle, bags for food, tea, coffee	Ductile and flexible, resistant to breakage, but weaker and less resistant to heat than HDPE
PP (Polypropylene)	Eraser, straw, milk bottle, non-reusable plastic bag for hot food	Lightest weight plastic, less brittle and more resistant to breakage than HDPE, low permeability for water and oxygen
Polystyrene	Plastic foam	Light weight, stable form but brittle, used for non-reusable foam glass

The company is producing recycled plastic pellets from community waste. According to the test, it was found that plastic in the waste, after separation of contaminants, most of them is LDPE. Therefore, in the beginning, we will focus on the production of recycled LDPE plastic.

Market, Distribution and Distribution Channels

The targeted customers are in plastic industry, using plastic pellets as the component of production. The company aims at selling plastic pellets in both domestically and internationally such as China, Japan, USA, etc. The company focuses on the distribution channels of plastic pellets to gain stable business income. The major customer group is black garbage bag processing plants. This is the product in consistent demand throughout the year. The entrepreneurs are seeking for the approaches to reduce raw material cost. One of these is to use recycled plastic pellets in the mix. To increase profit, the company has operated processing plants for other types of recycled plastic. The targeted customers are soil covering plastic, agricultural pipe, and pallet plastic production plants, etc.

Competition Strategies

The company aims to reduce the raw material cost by screening contaminated plastic from the landfill by ourselves. This has helped reduce the cost to lower than market price. Furthermore, for the sorting of plastic waste, the company has entered into contracts with private landfill companies to manage the operation to ensure consistent supply. The selling price is also fixed to be competitive in recycled plastic pellet market. The target customers are those who need recycled plastic pellet for mixing with A-grade plastic to reduce the production cost and export to overseas market.

Competition status

In 2014-2015, the overall status of exporting plastic pellets of Thailand shows a positive growth trend in important markets like China. This is because the 12th economic development plan of China focuses on development of various industrial sections including domestic plastic industry. The manufactures have been supported by means of tax reduction, financial support, etc. It leads to a better quality and quantity of plastic products. Consequently the demand of ethylene plastic pellets increased.

In Japan, the second largest market, ethylene plastic pellets were imported in 2014. This is because 3 naphtha crackers in Japan that manufacture 1.3 million tons of ethylene are going to close for at least 2 years due to the loss. Therefore, the plastic pellets were imported from other countries to substitute the production supply.

Product Supply or Service

The operation begins with receiving of the sorted contaminated plastic from Banbueng landfill. Once the contaminated plastic arrives the plant, it will be extracted to remove the contamination and passed on to the melting process to make plastic pellets for distribution.

The Work Completed in 2016

In 2016, plastic pellet production machines have been installed for 6 production lines. The machines are under the process of testing and adjustments to ensure operational efficiency.

By the 1st quarter of 2017, the production and commercial distribution shall begin. In March 2017, the production capacity shall be 500 tons, and increased to 1200 tons from April 2017.

3. Information and Communication Technology (ICT)

The company has established and developed Information and Communication Technology (ICT) business as we found that the information technology takes an importance role in promoting the operation of both public and private sectors, and it is also important to the management and development of organization. The purpose of creating this business is to respond to the demand which gradually increases in both public and private sectors every year.

The company has gained the experience in management of important IT projects for over 10 years, with our business alliances who are internationally accepted. We provide excellent service, which is our strength in ICT business operation. In each project implemented by the company, we have selected equipment and solution system that meet high standards. We establish the requirement for equipment and software system to be suitable for use in each organization. This helps the company's customers to maximize the profit from their investment.

Characteristics of product and service

The company's ICT line of work includes installation service for comprehensive information technology and communication systems; design and application of hardware, software, network system; repair and maintenance services to meet the customer's needs. Our team is composed of system developers and engineers that can support the design and development works, including the training for the customers.

From the successful implementation of the project "Integrated Billing & Customer Services System and Billing Mediation" or (IBACSS) with the project value of 953 million baht of CAT telecom PCL in 2008 – 2012), in 2013, the company was entrusted by CAT Telecom PCL to operate the customer information management system project (Unified Database). The project value was 211.48 million baht. Another project was the establishment of Enterprise Payment Integration System (1 system) in 2015. The project value was 20.7 million baht. Since 2016, the company has been continually entrusted by CAT Telecom PCL to maintain and repair the IT devices, IBACSS, and Unified Database. The project value is higher than 196 million baht.



Market, Distribution and Distribution Channels

The main customer group consists of public sector, state enterprises, and private companies. The company focus on working in various projects by submitting bids. As our product and service is of high technology, during the offer or presentation there must be specialists in various field of knowledge and cooperation with domestic and international section to build customers' confidence in quality of products and service of the company.

Currenty our major customer is CAT Telecom PCL. This is a very important customer of the company. In the recent year, the company has an opportunity to present our product and solutions to continuously respond to CAT's business plan. However, in 2016, there is pending in budget allocations for many projects of CAT. This has direct impact on the planning of existing projects in connection with the budget plans.

Competition Strategies

The important strategy is that we have a team of people specializing in IT project management and business alliances in various fields of products such as hardware and software. We focus on alliances with modern techonology products who are internationally accepted, offering reasonable price, having skilled and knowledgeable personnel, readiness to perform aftersales service such as service centers that cover the usage area, fast manufacturing and selling process, readiness to provide the products to support large projects in public or private sectors, and ability to deliver product and service for the project on time. Apart from good product and service, the essential factor of competitiveness is being a good business partner with customers i.e. the company should be a good business consultant offering advice, supporting the customers and ensuring the customers the best products or services within their appropriate budget.

Competition status

In 2015, International Telecommunication Union or ITU prepared MIS Report 2015 presenting ICT Development Index or IDI of 167 countries around the world based on the data collected at the end of 2014, which was compared again the data of 2010 (IDI 2010). The result showed that in 2015, Thailand's IDI ranking was the 10th of Asia and the Pacific and 74th of the world (18 steps up from the 92nd in 2010)

The overview from ITU's analysis indicated that Mobile Broadband Penetration Index has rapidly increased from 2010 to 2015 in many countries, which significantly influenced the increase of IDI. According to MIS Report 2015, Thailand is one of dynamic countries with very high mobile broadband penetration. This directly impacts the IDI.

It can see been from the table "Most dynamic countries – use sub – index, 2010 – 2015" that Thailand's use sub – index has changed most dramatically compared to other countries in the world during 2010 - 2015. The rank has dramatically increased as much as 39.

The region of Asia and the Pacific consists of 32 countries. Thailand is in the 10th rank for IDI, with the IDI of 5.36 from the IDI values graph, Asia and the Pacific, 2015. Apparently,

Thailand is still far from developed countries (IDI = 7.41), but Thailand's IDI is higher than the average value of the world, the region Asia and the Pacific, and other developing countries.

In this ITU's MIS Report 2015, Thailand was used as a case study for Asia and the Pacific. It was described in Box 3.8 Page 88 that Thailand's IDI Ranking had increased for 18 ranks during 2010 - 2015 from 3.62 to 5.36. Thailand's use sub-index and access sub-index has increased, which means exceptional success in terms of mobile broadband. Even if the allocation of the license for 3G 2100MHz to the 3 selected bidder had been delayed for many years. Due to the users' high demand, the service provider has been pressured to offer competitive price, especially after NBTC issued a new regulation to allow people to change their service provider freely with Mobile - Number Portability system in 2011. This resulted in the most intense competition ever in Thailand's telecommunication industry.

With the intense competition, the service providers are pressured to expand their network coverage to ensure accessibility for people all around the country. NBTC has reported that they have rolled out 3G 2100, which has been able to cover 80% of people since the end of 2013.

Thailand's mobile broadband market has confronted with very high demand of 3G, and 4G from data users. Thailand's service providers have responded to the users' needs by providing LTE technology in less populated area. Even if the license has not been issued to the service providers of LTE frequency, but they have tried to provide LTE service on 3G frequency with limitations. The license issuance for frequency ranges of 900 MHz and 1800 MHz, which are appropriate for LTE technology, will allow the wireless broadband market to be driven continuously. After the recent tender for frequency ranges of 900MHz and 1800 MHz, Thailand's economy and society have been fully driven by Mobile Broadband technology. NBTC has aim for Thailand to be on the 2nd rank of ASEAN in terms of ICT development by 2017, and the 1st rank of ASEAN by 2020.

Therefore, the first wave of momentum for Thailand to be on the 2nd rank of ASEAN was the recent allocation of 4G 1800 and 900 frequencies. The second wave would be the tender for 1800 frequency after the contracted concession period ends at the end of 2018. By this Thailand can eventually be the 1st in terms of ICT of ASEAN by 2020.

It is expected that from MIS Report 2016 the ICT capacity index of Thailand will certainly increase due to the tender of 4G in the frequency ranges of 900MHz and 1800 MHz. During the last 3-4 years after the tender of 3G in Thailand, the investment in ICT has added value to Thai economic system in higher proportion than other sectors. Besides direct benefits for Thai people and Thai national companies, ICT also gives indirect benefits for the country's economic prosperity and overall employment rate.

Therefore, it can be clearly seen that Thailand can take benefits from ICT infrastructure and take a big leap. Firstly, new domestic markets of digital service and start up business will be initiated. As a result, local providers will produce software to support the tremendously increased demand for digital products. Furthermore, ICT technology will enhance Thailand's strength in terms of the strategy to become a hub (data center) and internet gateway of ASEAN.

Currently the telecommunication commission of NBTC is carrying forward the issuance of license for operation of data center and international internet gateway to companies in private sectors that has invested in this sector. This is considered a mega project with the value of 10,000 million baht or higher. As of now, the aforementioned telecommunication operators have proceeded with the investment.

NBTC's effort at this time is to promote and support building of important infrastructure according to the government's policies for Thailand 4.0, push Thailand forward to substantially be ASEAN ICT Hub.

(Source: Article "Thailand can easily be ASEAN's ICT leader if we understand digital strategy" by Col. Dr. Settapong Malisuwan, the President of National Telecommunications Commission and Vice President of NBTC)

Product Supply or Service

The company, in collaboration with alliances specializing in technologies both domestically and internationally, offer information technology system service that meets the needs of each project of customer. Our importance alliances include IBM Thailand Co., Ltd., Subex (Asia Pacific) Pte Ltd., Computer Union Co.,Ltd., etc.

Important Projects

In addition to establishment of Enterprise Payment Integration System, repair and maintenance of IBACSS and Unified Database, which has been ongoing works since 2016, in 2017 the company is preparing to bid for important projects of CAT including International Interconnection Charge and Wholesale System in the 1st quarter and Enhancement of CRM System Efficiency in the 2nd quarter respectively.

4. Engineering Consulting

As of now all the projects in this business group have been completed since the end of 2015 and we have had no new projects in 2016. The company is considering cancellation of this business group.



Power Development Plan of Thailand 2015 - 2036 (PDP 2015)

1. Current Status

In the end of December 2015, total power supply in Thailand was 37,612 Megawatts. It is composed of firmed power plant (Electricity Generating Authority of Thailand) 34,668 Megawatts, purchased power from SPP (Non-firmed type) 915 Megawatts and from VSPP 2,029 Megawatts. The details are as follows:

Electricity power categorized by power plant type

- Combined cycle power plant: 21,145 Megawatts (56.2%)
- Thermal energy power plant: 7,538 Megawatts (20.0%)
- Renewable energy: 8,476 Megawatts (22.5%)
- Gas turbine power plant with diesel engine: 153 Megawatts (0.5%)
- Thailand-Malaysia generating cable: 300 Megawatts (0.8%) or 37,612 Megawatts in total.

The power generation capacity by power producers: EGAT: 15,482 Megawatts (41.2%), IPP: 13,167 Megawatts (35.0%); SPP: 4,530 Megawatts (12.0%); VSPP: 2,029 Megawatts (5.4%); power purchased from foreign countries: 2,404 Megawatts (6.4%) – 37,612 Megawatts in total.

The Power Development Plan framework 2015 – 2036 (PDP 2015) according to the resolution from the National Energy Policy Committee (NEPC) meeting session 1/2557 held on August 15, 2014 indicated the same direction as Power Development Plan Policy 2015 – 2036 (PDP2015). The effective period corresponds with the National Economic and Social Development Plan of the National Economic and Social Development Bureau (NESDB), including Energy Efficiency Development Plan (EEDP) and Alternative Energy Development Plan (AEDP). The timeframe of the plan above (2015 – 2036) corresponds with PDP 2015. The National Energy Policy Committee (NEPC) has approved the Power Development Plan 2015 - 2036. The aforementioned plan (PDP 2015) focuses on 3 following issues:

1. Security: Energy security which meets the power demand and sufficiently supports the situation forecasted by National Economic and Social Development Plan, including appropriate fuel diversifications which are used to produce power in order to reduce the risk of relying on one single type of power source.

2. Economy: the cost of power production should be appropriate and not an obstacle for the country's long-term economy and society development. Furthermore, the plan is intended for efficiency, which shall be considered in the power production development planning in every economic section to delay the expected time to construct power plants and reduce importing of power from foreign countries.

3. Ecology: the objective of the plan is to reduce the environmental impact by decreasing carbon dioxide release per unit of power produced by the power plant at the end of the plan timeframe.

PDP 2015 Preparation Direction

According to NEPC's resolution on August 15, 2014, the approach for implementation of the Power Development Plan (PDP2015) can be described as follows:

1. The plan focuses on stability of country's electricity system to ensure the stable power production, generation and distribution in each local area.

2. The policy of fuel distribution is made to reduce the risk of relying on only one single source of fuel.

- The plan aims to reduce of reliance on natural resource.
- Increase power production from coal power plant with a clean technology.
- The additional resources of power is from several neighboring countries but it is limited at 20% of overall electricity production capacity.
- Promote usage of renewable energy for power production.
- The nuclear energy plant is programmed at the end of the plan.



3. Reserve margin of power production shall be 15% (or higher) of electrical power maximum demand.

4. According to the policy, Independent Power Producer (IPP) and Small Power Producer (SPP) will proceed in accordance with the contract, committed with private power plants.

Alternative Energy Development Plan AEDP

Unavoidably, the terms “Alternative Energy” or “Renewable Energy” have played their roles in Thailand’s electrical system. Even though the production cost for some types of alternative energy is higher than that for power production of other major power plants such as clean coal, natural gas, and hydro power plants, etc. One of the factors that result in Thailand’s adoption of alternative energy is the current increase of Greenhouse Gas (GHG), mainly Carbon dioxide (CO₂) released from fossil fuel combustion in all industries including power production that relies on fossil fuel as the major fuel. Therefore, each government has put an effort to carry forward AEDP to make it more concrete, in order to become Low Carbon Society and to be a good example recognized by the world.

As a country that is committed to using alternative energy. This can be done by increasing the use of alternative energy in power production. An incentive plan measure is to buy electricity from private sectors. Initially, the price was increased for electricity produced using alternative energy. A lot of investors have been interested and participated in this power production project. They have submitted proposals to supply electricity to the authorities. The incentive plan has been adapted for private sectors’ investment to be more suitable for current situation. Feed-in Tariff (FiT) is now used for the purchase price to reflect the power production of each alternative energy better. Furthermore, the timeframe of electricity purchasing has been clearly specified.

In the past, the Power Development Plan 2012 - 2030 (PDP2010 Revision 3) involved considerations according to the policy that promotes the public sectors’ power production from renewable energy. This follows AEDP within the timeframe of years 2012 - 2021, in order to substitute the energy obtained from fossil fuel by 25% within the next 10 years. Additionally, the effects of electricity price on the users under AEDP have been analyzed under the criteria approved by the National Energy Policy Committee (NEPC). However, so far there has been a large number of investors, which results in increase of alternative energy for some areas and consequently oversupply in some periods. This is an operational issue that has impacts on the process of approval to purchase electricity and the system readiness.

At present, the public sectors’ policy to promote usage of renewable energy for power production (2015) focuses on solving the community problems including community waste and agricultural waste. Therefore, community waste, biomass and biogas has been promoted to be used as the main resource for power production. The strategy is to promote bio energy including waste, biomass and biogas as the first energy resource. The remaining power production capacity is approximately 500 MW from waste, and 2500 MW from biomass. There has also been a coordination with the Zoning Policy of Ministry of Agriculture and Cooperatives to expand the plantation

of sugar cane and palm. Production of tapioca shall be increased from 3.5 to 7 ton per rai per year, which will results in increase the potential of feedstock to produce 1500 MW of power additionally. It's important to maintain good productivity, otherwise the burden will be on the users. The concept of allocating the power production for different types of alternative energy is rezoning the areas into regions and provinces. This includes adaptation of alternataive energy technology to compete with LNG for use in the future. Also included is the promotion of power production that strengthen the community and reduce import of fossil fuels. The proportion of power produced from alternative energy shall be increased from 8% to 20% of the country's total electricity demand in 2036.

According to AEDP, the installed capacity has been estimated for renewable energy power plants in the whole country, which include renewable energy power producers who sell electricity to the generating authorities directly. This estimate will be used to forecast the electricity demand in EGAT's system and in the whole country. According to AEDP, the power production capacity of Very Small Power Plant (VSPP) is estimated as follows:

The type of renewable energy is specified in the table.

Unit : MW

Year	Solar	Wind	Hydro	Waste	Biomass	Biogas	Energy Plant	Total
2559	3,390	66	70	100	337	1,842	-	5,805
2564	3,816	118	80	141	411	2,956	24	7,547
2569	4,237	224	115	264	491	3,687	259	9,279
2574	4,741	401	137	311	552	4,347	363	10,852
2579	5,262	1,069	168	321	600	5,050	630	13,100

Source: Power Development Plan of Thailand 2015 – 2036 (PDP 2015) approved by the National Energy Policy Committee (NEPC) on May 14 2015, acknowledged by the cabinet on June 30, 2015.





1) Business operational risk

1.1 Market demand risk

The main businesses of the company consist of 4 important activities which are energy, plastic pellets from recycled plastic waste, ICT and engineering consulting.

Energy business is considered to have low risk regarding the market demand. As the company is a contract partner of PEA, which purchases all electricity produced by the company's group according to PPA. As to plastic pellet business group, there is a risk of low demand due to variation of oil price in the world market. If the oil prices is reduced, so the price of A-graded plastic pellet will be reduced. However, we foresee the demand for plastic pellet in domestic and international market to be high. As long as we can produce enough recycled plastic pellet to meet the market's need, it would be an opportunity for us gain stabilized income in the future. Currently the company is improving the waste sorting procedure to prepare raw material for production process, in order to produce plastic pellets that meet the needs of the market.

ICT business is in a highly competitive market, especially when bidding for government's large projects. Currently the number of System Integrators, existing and new, is increasing continually in the market, while the number of government's projects does not increase as much. The company needs to focus on the quality of our products and services; the relationship with customers, partners and alliances. These are the key to success in this highly competitive market. The economic recession and political issues during the last many years, and the reorganizing of high management structure in government sectors directly impacts ICT operation. These lead to inconsistent operation and delay of employment in various projects. If vacuum situation of employment goes on for too long, it will impact on the company's salary payment, which is fixed. Therefore, we have applied outsourcing policy for ongoing projects and minimize the number of full-time employees.

1.2 Potential Risk from the changes of regulations on business operation

The changes of regulations on business operation may affect the business operation of the company either in the positive or negative ways. Such changes are considered uncontrollable factors. However, the company follows up continuously the changes of policy and regulations of the government, and analyzes the company's investments. We pay attention to such changes in order to adapt the company's operational method to be in compliance with government regulations.

1.3 Legal Dispute Risk

1.3.1 The cases that Customs Department was the plaintiff claiming for payment of the taxes according to tax coupon value that the company received the ownership right from exporters from 1995; 30 cases in total, were judged by the Supreme Court. The company is ordered to make payment to Customs Department for 28 cases. The company has made the payment for all 28 cases according to the Supreme Court's order as follows: 1 case on September 4, 2014; 2 cases on September 18, 2014; 7 cases on July 29, 2015; and 18 cases on May 31, 2016. As of now the company has made all the payment and there is no longer outstanding payment.

1.3.2 On February 26, 2007, IEC Business Partner Co., Ltd. (the 5th defendant), a subsidiary of the company was sued under Civil Court regarding the asset purchase transaction with International Gasohol Corporation Co., Ltd. (1st Defendant): Undecided Case No. 842/2550 with the amount of 181.52 million baht in dispute. The plaintiff has requested for a verdict to nullify the juristic act of the aforementioned asset purchase, and register the ownership of assets that were transferred back to the seller. If not, the subsidiary and pertinent defendants shall pay the disputed amount along with interest at the rate of 7.5% per year from the prosecution date onwards until the full amount is paid to the plaintiff. On October 26, 2010, the Civil Court rejected the case. The plaintiff appealed the judgement. The defendant submitted a plea for the appeal. The case is now under the trial of Appeal Court. The court appointed the judgement date as February 2, 2015. The Appeal Court decided to revise the previous judgement to revoke the juristic act of asset purchase between the 1st defendant and the 5th defendant, and register the transfer of disputed assets to the 1st defendant on May 28, 2015. IEC Business Partner Co., Ltd., the 5th defendant submitted a petition to the Supreme Court. As of now the case is under the trial of Supreme Court and has not been dissolved.

1.3.3 On January 22, 2009, the subsidiary IEC Business Partner Co., Ltd. was sued by International Gasohol Corporation Co., Ltd. for default of the asset purchase contract: Undecided Case No 219/2552 with the disputed amount of 82.54 million baht and interest rate of 7.5% per year. The plaintiff of this case was sentenced to absolute receiving order by the Central Bankruptcy Court. The court summoned the official receiver to be the legal plaintiff of this case. The court sees that the trial must be based on the facts from the relevant primary case. Therefore, the court temporarily struck the case from the case list, awaiting the judgement from other relevant cases.

1.3.4 Regarding ICT business, the projects under operation needs different software applications to install and develop the customer's system. The risk of legal dispute may arise from copyright issues in software applications such as the indetermination of the number of entitled users according to the right, which can be exceeded unintentionally. To solve such problem, a warning system shall be installed to notify the users when the number of entitled users is about to be exceeded. By this, the possible violation of copyright can be prevented.

1.4 Risk of reliance on major customers for energy business

The group of companies operating power plants in every project has only one customer, which is Provincial Electricity Authority (PEA), and has power purchase agreements entered with PEA. This customer is reliable and stable. Therefore, the risk of reliance on major customers for energy business is low.

1.5 Risk of materials necessary for production

Our subsidiary IEC Sakeaw 1 Co., Ltd. operating biomass power plant, of which the important materials to produce the power are wood chips, wood barks, palm bunches, and bagasse. These are important raw materials for power production. The price and productivity of these natural resources are not certain. Therefore, there is a risk of material shortage in some seasons when the price tends to be higher.

For vinasse, the raw material for Nongree Biogas Power Plant, the company has entered into a contract to buy vinasse from nearby alcohol producers for the duration of 5 years. According to the contract, sufficient supply of vinasse to Nongree Biogas Power Plant has been provided.

Future Risk

The future risks include feed stock issues such as cease of production or downtime for maintenance at the ethanol plants. Nongree Power Plant has a backup plan. Vinasse tanks have been prepared for the supply of 15 days or 8200 cubic meter per production cycle. By this, the problems can be handled in case the ethanol production is ceased under unexpected circumstances.



Nongree Power Plant get into a long-term trade contract for the duration of 5 years (Tor Sor.009/2559) with Khonkaen Alcohol Co., Ltd. The supplier is responsible for delivering the fuel as required to Nongree Power Plants Co., Ltd. This will help prevent the shortage of distillery slop on some level. In case the ethanol plants close their business, Nongree Power Plant may have no vinasse for power production. However, the company has been prepared for such incident by seeking other backup sources nearby to get ready for the problems that may arise in the future.

1.6 Risk Factors in Recycled Plastic Pellets Business

1.6.1 Raw Material Quality

To ensure the productivity of 1,200 ton per month, the demand of raw material from plastic waste and agricultural waste is 2000 ton per month or higher. The material needs to be collected from various sources to be sufficient for the required volume. This may lead to the difficulty in quality and quantity control of the contaminated plastic. The material quality may not be consistent, which impacts on the plastic pellet quality.

1.6.2 Raw Material Consistency

The raw material used in the project is mainly sorting from community waste. The volume of plastic obtained from community waste sorting process each day may not be consistent. This may lead to inconsistency of raw material supply to the project.

1.6.3 Selling Price

At present, plastic pellet price is in direct proportion with oil price. Therefore, the profit gained from plastic selling of the project may change in the future.

1.7 Risk of Interest Rate

The risk of interest rate refers to the risk of interest rate change in the future which impacts the business operation and cash flow.

The company has interest risk with financial institutes for savings, loans, OD, short-term and long-term loans. However, for most assets and debts, floating interest rates have been applied. The rates are adjusted according to the market's interest rate. Additionally, the company's debt-to-equity ratio is as low as 0.30, which has been reduced from 0.35 in 2015. Therefore, the fluctuation of interest rate, which impacts on the company's capability to pay the debt, is still acceptable.

2) Risk of investment of shareholders

2.1 Risk affecting the right or investment of shareholders

The company's shareholder structure is scattered. On December 30, 2016, there were 25,731 shareholders. Due to such number, we need at least 1 out of 3 (33.33%) of shareholders to have a constituted quorum of shareholder meeting. Therefore, there is a risk in case the company is not able to have a general meeting with constituted quorum at first. However, the company has been entrusted by the shareholders and we were able to have a constituted quorum in a general meeting on April 25, 2016.



Board of Directors

Authority and Duties of the Board of Directors

The Board of Directors has the authority to manage the Company in accordance with the objectives and articles of association as follows.

1. The Board of Directors must organize a meeting at least once in every 3 months.
2. The Board of Directors has the authority to issue regulations in order to carry out the objectives of the Company.
3. The Board of Directors shall provide the shareholders' annual general meeting.
4. The Board of Directors must provide a balance sheet and income statement as at the end of the financial year of the Company and propose to the shareholders in the annual general meeting.
5. The Board of Directors may appoint any other person to carry out the business of the Company under the control of the board.
6. The Board of Directors of the Company is entitled to compensation for their duties.
7. The Board of Directors shall not be allowed to be a partnership or be a shareholder in any juristic company of the same nature and likely to be Company's competitor, unless otherwise informed in the shareholder meeting of such act prior to the appointment resolution.

Composition and Appointment of Board of Directors

Any member in the Board of Directors must be qualified according to article 68 of Public Limited Company Act B.E. 2535 and on the subject of requirement of Capital Market Supervisory Board determined regarding Securities and Exchange Act B.E. 2535

Structure and Qualification of Board of Directors

1. The Board of Directors shall be composed of directors having different expertise and experience, including specific skills that lead to Company's benefit. At least one person who is non-executive committee in business or major industry that the company is operating must be appointed. The Company shall declare the policy regarding composition of the Board of Directors, including term of each directors in the annual report and on the Company website. The announcement shall not be against the Public Limited Company Act.

2. The Board of Directors must be composed of at least 5 and more than half of them must reside in the Kingdom.

3. It must be composed of independent directors as determined by SEC regulation. For the non-independent directors should be fairly appointed as per the proportion of amount invested of each shareholder group.

4. Directors must have a variety of skills; industry, accounting, finance, business, management, strategic risk analysis, law, corporate governance. At least 3 of all directors must have a knowledge directly related to business management of the Company and at least 1 director must have expertise in knowledge of laws, and at least 1 director for accounting and finance.

5. Appointment of Directors is subject to the terms precisely determined. It must be transparent. The profile of directors with sufficient details shall be disclosed in annual report for a decision making in shareholder's general meeting.

6. They must appoint a company secretary to be responsible for providing advice on laws and regulations that the Board need to know, and operating their activities, including cooperation to respond the resolution of the Board of Directors, and other duties according to the laws of Securities and Stock Exchange of Thailand. The Company provides trainings to develop the knowledge of laws, accounting or secretarial duties to company secretary from time to time.

Board of Directors as in 2016 are composed of following members.

Name	Position	Term of service
1. Lt. Somsak Yamasamit	Director/Honorary Chairman	
2. Mrs. Sunjutha Witchawut	- Director/Vice Chairman/Executive Chairman - Acting Chairman	- Since 5 January 2017
3. Dr. Bhusana Premanode	- Chairman - Director/Executive Director/Chief Executive Officer	- Ended on 20 July 2016 - Ended on 22 January 2017
4. Mr. Pracherd Sookkaew	- Audit Committee - Director/Chairman	- Ended on 16 May 2016 - Ended on 30 December 2016

Name	Position	Term of service
5. Lt. Dr. Suphornchai Siriwoharn	- Director - Independent Director - Chairman of Audit Committee - Executive Director/Chief Executive Officer	- Ended on 4 January 2017 - Ended on 4 January 2017 - Since 23 January 2017
6. Asst. Prof. Dr. Kasemson Pipatsirisak	- Director/(Independent Director) - Chairman of Audit Committee	- Since 5 January 2017
7. Mr. Sutee Phongpaiboon	- Chairman of Audit Committee - Director/(Independent Director)	- Ended on 20 July 2016 - Ended on 11 August 2016
8. Mr. Somchai Kuvijitsuwan	Director/Independent Director/ Chairman of Audit Committee	- 20 July 2016 - 4 August 2016
9. Mr. Metha Thamviharn	Director/Independent Director/Audit Committee	
10. Prof. Dr. Narumon Saardchom	Director/(Independent Director)/Audit Committee	- 16 May 2016 - 20 July 2016
11. Dr. Busakorn Jaruwachirathanakul	Director/(Independent Director)/Audit Committee	- 16 May 2016 - 28 December 2016
12. Prof. Dr. Pairote Sattayatham	Director/(Independent Director)	
13. Dr. Attawooth Laohapakdee	Director/Senior Executive Vice President, Operation 2	
14. Mr. Narong Ongartmaneerut	Director/Senior Executive Vice President, Operation 1	

Note: Directors as of 10 March 2017 are composed of 9 following members:

- | | |
|--|--|
| 1. Lt. Somsak Yamasamit | Honorary Chairman |
| 2. Mrs. Sunjutha Witchawut | Vice Director/Executive Chairman/Acting Chairman |
| 3. Lt. Dr. Suphornchai Siriwoharn | Chief Executive Officer |
| 4. Asst. Prof. Dr. Kasemson Pipatsirisak | Chairman of Audit Committee |
| 5. Mr. Metha Thamviharn | Audit Committee |
| 6. Dr. Morakot Siriwattanaroj | Audit Committee |
| 7. Prof. Dr. Pairote Sattayatham | Director |
| 8. Dr. Attawooth Laohapakdee | Director |
| 9. Mr. Narong Ongartmaneerut | Director |

To act on behalf of the Company, two directors jointly sign their names and affix the Company's seal with the Company Secretary of 2016 as per the article 89/15 of Securities and Exchange Act B.E. 2535 as follows:

1. Ms. Amaraporn Dechakaisaya (25 June 2012 – 22 July 2016)
2. Mr. Narong Ongartmaneerut (22 July 2016 – 27 October 2016)
3. Ms. Kobskaow Uemsuree (27 October 2016 – 21 February 2017)
4. Ms. Ammaraporn Dechakaisaya (21 February 2017 – present)

Meetings of the Board of Directors

Meeting of the Board of Directors is scheduled at least once in every three months or called when it's necessary. The Meeting agenda must be set in advance and consider to follow up the operation result regularly. Prior to the meeting date, the Company Secretary will send the notice of meeting invitation, including agenda and documents so that the Board of Directors have enough time to study the issues before the meeting. The Company Secretary takes the minutes of meeting, store the minutes that have been approved by Chairman of the Board or an appointed director as well as to have it ready for inspection from directors or relevant persons. In 2016, there were 17 meetings organized. The summary of attendance of each director is as follows:

Name of Attendance	Attendance/Total Meeting sessions during their duty (Times)
Lt. Somsak Yamasamit	16/17
Mrs. Sunjutha Witchawut	14/17
Dr. Bhusana Premanode	16/17
Mr. Pracherd Sookkaew	15/17
Lt. Dr. Suphornchai Siriwoharn	13/17
Asst. Prof. Dr. Kasemson Pipatsirisak	4/6
Mr. Sutee Phongpaiboon	9/10
Mr. Somchai Kuvijitsuwan	0/1
Mr. Metha Thamviharn	16/17
Prof. Dr. Narumon Saardchom	3/3
Dr. Busakorn Jaruwachirathanakul	11/13
Prof. Dr. Pairote Sattayatham	17/17
Dr. Attawooth Laohapakdee	15/17
Mr. Narong Ongartmaneerut	6/6

Performance Evaluation of the Board of Directors

According to the principles of good corporate governance of the Company, it is determined that the Board of Directors or Sub-Committees must proceed a performance evaluation at least once a year. The evaluation is composed of overall performance and performance of each director. The purpose is to improve the working process for more efficient performance. The Company gives the importance to self-evaluation of Board of Directors, orientation of new directors and encourages the directors to attend the training provided by Thai Institute of Directors Association (IOD) and related authorities from time to time.

The purpose of evaluation of the Board of Directors and Sub-Committees of the Company is to have a transparent and fair performance for a good corporate governance to promote the Company sustainable growth and progress.

The Process of Evaluation of the Board of Directors

In evaluation process, the Company uses a self-evaluation form for Board of Directors and Sub-Committees of the year 2016 according to the guidelines of Stock Exchange of Thailand. In each topic, there was sub-topics for directors and sub-committees to rate. The scores obtained was calculated for an average score of Board of Directors, Sub-Committees, and each director. The scores range from 0 (Strongly disagree) to 4 (Strongly agree). The 2016 evaluation result was as follows.

- Result of self-evaluation of in overall performance of the Board of Directors, average score: 3.02
- Result of self-evaluation in performance of individual director, average score: 3.16
- Result of self-evaluation of the Audit Committee, average score: 3.53
- Result of self-evaluation of individual audit committee member, average score: 3.59
- Result of self-evaluation of the Risk Management Committee, average score: 3.34
- Result of self-evaluation of individual risk management committee member, average score: 3.39
- Result of self-evaluation of the Corporate Governance Committee, average score: 3.08
- Result of self-evaluation of individual Corporate Governance Committee member, average score: 3.14
- Result of self-evaluation of Nomination and Remuneration Committee, average score: 3.11
- Result of self-evaluation of individual nomination and remuneration committee member, average score: 3.21

Executive Officers

The Executives as of 2016 are:

Name	Position	Term of Service
1. Mrs. Sunjutha Witchawut	Executive Chairman	
2. Dr. Bhusana Premanode	Chief Executive Officer	Ended on 22 January 2017
3. Mr. Ekkamol Emradee	Senior Executive Vice President	
4. Dr. Attawooth Laohapakdee	Senior Executive Vice President	
5. Mr. Somchai Lertwisettheerakul	Senior Executive Vice President	
6. Mr. Narong Ongartmaneerut	Senior Executive Vice President	
7. Mr. Satitpong Thongtom	Senior Executive Vice President	
8. Mrs. Narumol Chattawan	Executive Vice President	
9. Mr. Surapoom Somwangthanaroj	Executive Vice President	
10. Mr. Chanchai Khemwichien	Executive Vice President	

Note: 10 executive officers as of 10 March 2017 are composed of following members:

Name	Position
1. Mrs. Sunjutha Witchawut	Executive Chairman
2. Lt. Dr. Suphornchai Siriwoharn	Chief Executive Officer (since 23 January 2017)
3. Mr. Ekkamol Emradee	Senior Executive Vice President
4. Dr. Attawooth Laohapakdee	Senior Executive Vice President
5. Mr. Somchai Lertwisettheerakul	Senior Executive Vice President
6. Mr. Narong Ongartmaneerut	Senior Executive Vice President
7. Mr. Satitpong Thongtom	Senior Executive Vice President
8. Mrs. Narumol Chattawan	Executive Vice President
9. Mr. Surapoom Somwangthanaroj	Executive Vice President
10. Mr. Chanchai Khemwichien	Executive Vice President

Record of Illegal History

None of directors and executives have records of discharge, decommission, or being sentenced for corruption acts, or bankrupted, imprisoned, disputed or complained against within 10 recent years.

Company Secretary

Company Secretaries as of 2016 are composed of following members:

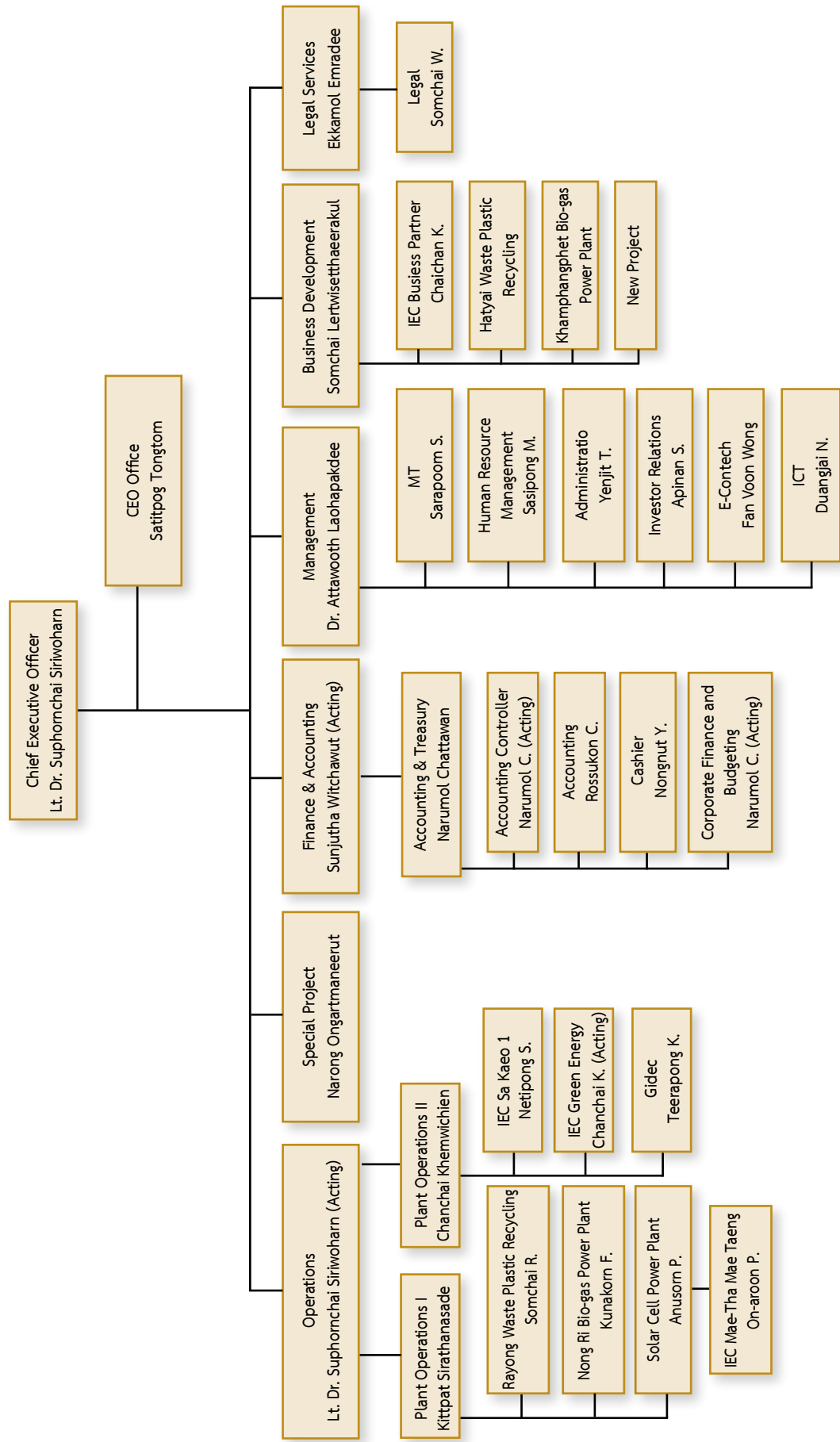
Name	Position	Term of Service
1. Ms. Ammaraporn Dechakaisaya	Company Secretary	1 July 2012 – 22 July 2016
2. Mr. Narong Ongartmaneerut	Company Secretary	22 July 2012 – 27 October 2016
3. Ms. Kobskaow Uemsuree	Company Secretary	27 October 2016 – 21 February 2017

Note: Information as of 10 March 2017

Ms. Ammaraporn Dechakaisaya is the Company Secretary as the article 89/15 of Securities and Exchange Act B.E. 2535 from 21 February 2017.

The International Engineering Public Company Limited

Human Resources Management Structure: Administrative Part



1.4 Remuneration for Board of Directors and Executives Directors

(1) Financial Remuneration

(1.1) Remuneration for Board of Directors and Executives Directors in the year 2016 are composed of following meeting allowances:

No.	Name	Board of Directors	Audit Committee	Executive Board	Risk Management Committee	Corporate Governance Committee	Nomination Committee	Total
1	Lt. Somsak Yamasamit	450,000.00						450,000.00
2	Dr. Bhusana Premanode	450,000.00		180,000.00				630,000.00
3	Mrs. Sunjutha Witchawut	450,000.00		180,000.00				630,000.00
4	Mr. Sutee Phongpaiboon	300,000.00	120,000.00				15,000.00	435,000.00
5	Lt. Dr. Suphornchai Siriwoharn	450,000.00	180,000.00		120,000.00	15,000.00	15,000.00	780,000.00
6	Mr. Pracherd Sookkaew	450,000.00	120,000.00		105,000.00			675,000.00
7	Mr. Metha Thamviharn	450,000.00	75,000.00				15,000.00	540,000.00
8	Dr. Busakorn Jaruwachirathanakul	300,000.00	120,000.00					420,000.00
9	Prof. Dr. Narumon Saardchom	75,000.00	30,000.00					105,000.00
10	Mr. Somchai Kuvijitsuwan	75,000.00	30,000.00					105,000.00
11	Prof. Dr. Pairote Sattayatham	450,000.00			180,000.00	15,000.00		645,000.00
12	Dr. Attawooth Laohapakdee	450,000.00		180,000.00				630,000.00
13	Mr. Narong Ongartmaneerut	187,500.00		180,000.00	30,000.00			397,500.00
14	Asst. Prof. Dr. Kasemson Pipatsirisak	187,500.00			180,000.00			367,500.00
15	Assoc. Prof. Dr. Suthinun Promsuwan					15,000.00		15,000.00
16	Mr. Somchai Lertwisettheerakul			180,000.00				180,000.00
17	Mr. Ekkamol Emradee			120,000.00				120,000.00
18	Mrs. Narumol Chattawan			120,000.00				120,000.00
19	Mr. Surapoom Somwangthanaroj			120,000.00				120,000.00
20	Mr. Chanchai Khemwichien			120,000.00				120,000.00
	Total	4,725,000.00	675,000.00	1,380,000.00	615,000.00	45,000.00	45,000.00	7,485,000.00

From March 2009, the Company decreased the meeting allowances of each group of directors by 50% of previous allowance. The Shareholders' Annual General Meeting of 2016 has determined the meeting allowance for each group of directors as follows:

Meeting allowance for Board of Directors

- Chairman 37,500 Baht per month
- Vice Chairman 37,500 Baht per month
- Director 37,500 Baht per month

Meeting allowance for Executive Board

- Executive Chairman 15,000 Baht per month
- Executive Directors 15,000 Baht per month

Meeting allowance for Audit Committee

- Chairman of Audit Committee 15,000 Baht per month
- Member of Audit Committee 15,000 Baht per month

Meeting allowance for Risk Management Committee

- Chairman of Risk Management Committee 15,000 Baht per month
- Member of Risk Management Committee 15,000 Baht per month

Meeting allowance for Management and Corporate Governance Committee

- Chairman of Management and Corporate Governance Committee 15,000 Baht per meeting
- Member of Management and Corporate Governance Committee 15,000 Baht per meeting

Meeting allowance for Nomination and Remuneration Committee Members

- Chairman of Nomination and Remuneration Committee 15,000 Baht per meeting
- Member of Nomination and Remuneration Committee 15,000 Baht per meeting

(1.2) Compensation for Executive Officers

In 2016, the company made the compensation of 39.13 million Baht to 8 executive officers.

(2) Other compensation

The company has provided a provident fund to executives being 3% of monthly compensation. In 2016, the company has given to 8 executives a provident fund of 829,072.80 Baht in total.

Employees

- As of 1 January 2017, IEC has the total of 153 employees.
- The company formulated the policy of remuneration and employee benefits in accordance with employees' responsibilities and performance, including economic condition and company's performance. The remuneration is divided into three following categories:

1. Salary: IEC defines the suitable rate based on duties and responsibilities in its salary structure.
2. Welfare: IEC provides the following welfare for the employees:

2.1 Social security Fund

IEC provides social security fund as indicated by law. It offers the protection under seven circumstances, namely sickness, labor and delivery, disability, death, child support, retirement and unemployment. The company also offers Workmen Compensation Fund (WCF) to employees who are injured on duty.

2.2 Provident Fund

This welfare promotes the employees' savings. IEC deducts 3% of their salary as a contribution to provident fund and the company will contribute an equal amount to the fund as well.

2.3 Medical Welfare

IEC applies for health insurance to support the medical expense in time of employees' sickness and the rate varies according to the employee's position.

2.4 Group Accident Insurance

IEC provides the employees with group accident insurance, whose coverage varies according to the employee's position.

2.5 Compassionate Allowances

IEC offers compassionate allowances in case that the employees or their family members pass away.

3. Bonus

IEC offers bonus based on the employees' and company's annual performance.

Deeming the employees as the organization's most valuable asset, IEC always recognizes the significance of human resource development. It therefore provides them with several activities from the first day the employees join the company such as employee orientation, training, field visit, job rotation and promotion.

In 2016, IEC hosted the following training sessions:

- CAC (Code of Conduct)
- Microsoft office (Word , Excel, Power Point)
- Report writing and choice of words
- Work safety
- Development of professional skills such as finance, accounting, law, human resource management, IT and engineering.

The employees of the Group spent about 21.23 hours/person/year on training and IEC employees spent 11.65 hours/person/year on average.

Corporate Governance

Corporate Governance Policies

IEC and subsidiaries formulate the corporate governance policies based on the authorities and responsibilities of each sub-committee.

The Sub-Committees

The company constitutes six following sub-committees:

1. Executive Committee
2. Audit Committee
3. Nomination and Remuneration Committee
4. Risk Management Committee

5. Corporate Governance Committee

6. Technical Audit Committee

Technical Audit Committee is one of the company's sub-committees established to carry out missions according to the objectives and scope of authorities and duties without receiving any compensation.

1. Executive Committee

Authorities and Responsibilities of the Executive Committee

The Executive Committee is authorized to conduct activities as assigned by the Board of Directors according to the company's objectives and article of association.

In 2016, Executive Committee consists of:

Name	Position	Term of service
1. Mrs. Sunjutha Witchawut	Executive Chairman	
2. Mr. Ekkamol Emradee	Executive Director	
3. Dr. Bhusana Premanode	Executive Director	Ended on 22 January 2017
4. Dr. Attawooth Laohapakdee	Executive Director	Ended on 21 February 2017
5. Mr. Somchai Lertwisettheerakul	Executive Director	Ended on 21 February 2017
6. Mr. Narong Ongartmaneerut	Executive Director	Ended on 21 February 2017
7. Mrs. Narumol Chattawan	Executive Director	Ended on 21 February 2017
8. Mr. Surapoom Somwangthanaroj	Executive Director	Ended on 21 February 2017
9. Mr. Chanchai Khemwichien	Executive Director	Ended on 21 February 2017

Remark: As of 10 March 2017, three Executive Directors consist of:

- | | |
|-----------------------------------|--|
| 1. Mrs. Sunjutha Witchawut | Executive Chairman |
| 2. Lt. Dr. Suphornchai Siriwoharn | Executive Director since (23 January 2017) |
| 3. Mr. Ekkamol Emradee | Executive Director |

1.1 Operation authority, approved by the Board Meeting no. 13/2558 on 14 August 2015, was summarized as below:

- Emergency investment in the business operated by IEC
Executive Committee: Not greater than 50,000,000 baht
GP: Not greater than 20,000,000 baht
- Money deposit with financial institutes
GP: Over 5,000,000 baht

- Loan limit for subsidiaries
Executive Committee: “Not greater than 50,000,000 baht
GP: Not greater than 20,000,000 baht
- Approval for opening overdraft and loan limits
Executive Committee: Not greater than 100,000,000 baht
- Approval for procuring fixed assets, other items, supplies, raw materials for production process, and supplies in production process (extra items from annual business plan)
Executive Committee: Not greater than 50,000,000 baht (per approval)
GP: Not greater than 20,000,000 baht (per approval)
- Approval for procuring fixed assets, other items, supplies, raw materials for production process, supplies in production process (Items extra from but aligned with annual business plan)
Executive Committee: Not greater than 50,000,000 baht (per approval)
GP: Not greater than 20,000,000 baht (per approval)
- Filing/not filing a lawsuit, or appealing/not appealing, or not petitioning to the supreme court, or withdrawing the case/appeal/petition to supreme court on tax, compromising, or giving consent to pay tax
Executive Committee: Not greater than 5,000,000 baht /case
- Expense without receipt
GP: Not greater than 10,000 baht
- Approval for investment and expense of IEC business in addition to the indicated amount or the company’s budget for general transactions
Executive Committee and “GP”: Over 5,000,000 baht
GP: Not greater than 5,000,000 baht

Currently, the Operation authorities are revised and approved by IEC’s Board of Directors in the meeting no. 2/2560 on 21 February 2017, with key contents as below:

- Emergency investment in the business operated by IEC
- Cancelled
- Money deposit with financial institutes
CEO: Over 5,000,000 baht
- Loan limit for subsidiaries
CEO and Executive Chairman: Not greater than 20,000,000 baht
Executive Committee: Not greater than 50,000,000 baht
- Approval for opening overdraft and loan limits
Executive Committee and inform the Board of Directors for acknowledgement: Not greater than 100,000,000 baht

- Approval for procuring fixed assets, other items, supplies, raw materials for production process, and supplies in production process (over from annual business plan)
CEO and Executive Chairman: Not greater than 20,000,000 baht (per approval)
Executive Committee: Not greater than 50,000,000 baht (per approval)
Board of Directors: Over 50,000,000 baht
- Approval for procuring fixed assets, other items, supplies, raw materials for production process, supplies in production process (Items extra from but aligned with annual business plan)
Executive Committee: Not greater than 50,000,000 baht (per approval)
Board of Directors: Over 50,000,000 baht
- Filing/not filing a lawsuit, or appealing/not appealing, or not petitioning to the supreme court, or withdrawing the case/appeal/petition to supreme court on tax, compromising, or giving consent to pay tax
Executive Vice President Accounting: Below 2,000,000 baht/case
Executive Committee: Not greater than 5,000,000 baht/case
Board of Directors: Over 5,000,000 baht/case
- Expense without receipt
Vice President (in specific departments) or General Manager of subsidiaries: Not greater than 1,000 baht
Senior Executive Vice President (in specific business): Below 5,000 baht
CEO: Not greater than 10,000 baht
- Approval for investment and expense of IEC business in addition to the indicated transactions or for general transactions
Within-Budget

- Not greater than 5,000 baht	Division Manager
- Not greater than 10,000 baht	Senior Division Manager or Assistant Vice President (in specific departments)
- Not greater than 50,000 baht	Vice President (in specific departments) or General Manager of subsidiaries
- Not greater than 300,000 baht	Executive Vice President /Senior Vice President (in specific departments)
- Not greater than 3,000,000 baht	Managing Director of subsidiaries
- Not greater than 10,000,000 baht	Senior Executive Vice President (in specific Department)
- Not greater than 50,000,000 baht	CEO and inform Executive Committee
- Not greater than 50,000,000 baht	CEO and Executive Chairman

Over-budget or Off-budget

- Not greater than 50,000 baht
- Not greater than 500,000 baht
- Not greater than 5,000,000 baht
- Budget over 5,000,000 baht

Managing Director of subsidiaries

Senior Executive Vice President (in specific business)

CEO and Senior Executive Vice President (in specific department) and inform Executive Committee

CEO and Executive Chairman

2. Audit Committee

Authorities and Responsibilities of the Audit Committee

Audit Committee has the following scope of duties and responsibilities and is required to report to the Board of Directors:

1. To review and ensure accuracy and adequacy of the financial report
2. To review and ensure the appropriateness and efficiency of internal control and internal audit
3. To regularly review the company's compliance with securities and exchange laws, SET regulations, and relevant laws
4. To consider, nominate, dismiss, and recommend remuneration scheme of External Auditor
5. To consider, nominate, dismiss, and recommend remuneration scheme of Internal Auditor
6. To ensure accurate and complete disclosure of the company's information related to connected transactions or conflict of interest
7. To produce an Audit Committee Report as a part of the company's annual report
8. To perform any other duties as assigned by the Board of Directors under the Audit Committee's prior consent.

In 2016, the Audit Committee consists of:

Name	Position	Term of service
1. Mr. Sutee Phongpaiboon	Chairman of Audit Committee	Ended on 20 July 2016
2. Mr. Somchai Kuvijitsuwan	Chairman of Audit Committee	- 20 July 2016 - 4 August 2016
3. Lt. Dr. Suphornchai Siriwoharn	Chairman of Audit Committee	- 8 August 2016 - 4 January 2017
4. Mr. Metha Thamviharn	Member of Audit Committee	- 8 August 2016 - Present
5. Mr. Pracherd Sookkaew	Member of Audit Committee	Ended on 16 May 2016
6. Dr. Busakorn Jaruwachirathanakul	Member of Audit Committee	- 16 May 2016 - 28 December 2016

Remark: As of 10 March 2017, Audit Committee consists of three following members:

- | | |
|---|--|
| 1. Asst. Prof.Dr. Kasemson Pipatsirisak | Chairman (since 5 January 2017) |
| 2. Mr. Metha Thamviharn | Member of Audit Committee |
| 3. Dr. Morakot Siri Wattanaraj | Member of Audit Committee (since 5 January 2017) |

- Asst. Prof. Kasemson Pipatsirisak is the chairman knowledgeable and experienced in auditing financial statement.

3. Nomination and Remuneration Committee

Authorities and Responsibilities of Nomination and Remuneration Committee

Nomination and Remuneration Committee has the following scope of duties and responsibilities and is required to report to the Board of Directors:

1. To consider the criteria and procedure in selecting qualified person (s) to assume the office of directors
2. To determine qualifications of nominated director (s) in writing or set out nomination practices and guidelines
3. To consider the shareholder (s) if that person (those persons) has all of the right qualifications to be nominated as director (s)
4. To review and screen the nominated candidate (s) to ensure that person's qualifications meets legal and governmental requirements
5. To select person (s) based on nomination procedure and to propose opinions to the Board of Directors, who shall further propose the name in general meeting of shareholders for appointment.
6. With approval of the Nomination Committee, to perform any other duties as assigned by the Board of Directors
7. To consider and review remuneration scheme and criteria for directors and executives. The scheme will be submitted to the Board of Directors, who approves the remuneration of executive. For the directors' remuneration, Board of Directors will propose it in the general meeting of shareholders for approval.
8. To consider and review the peers' remuneration scheme
9. To review and revise remuneration scheme to be appropriate and realistic
10. To consider evaluation criteria of director(s) assuming office of executives and propose to the Board of Directors
11. To consider annual remuneration scheme

Nomination and Remuneration committee members in 2016 are:

Name	Position	Term of service
1. Mr.Sutee Phongpaiboon	Chairman of Nomination and Remuneration Committee	Ended on 16 May 2016
2. Mr. Pracherd Sookkaew	Chairman of Nomination and Remuneration Committee	16 May 2016 - 22 July 2016
3. Mr. Metha Thamvihar	Chairman of Nomination and Remuneration Committee	Since 22 July 2016
4. Lt. Dr. Suphornchai Siriwoharn	Member of the Remuneration Committee	Ended on 5 January 2017
5. Prof. Dr. Pairote Sattayatham	Member of the Remuneration Committee	Since 22 July 2016

Remark: As of 10 March 2017, there are 3 Nomination and Remuneration Committee Members.

1. Mr. Metha Thamvihar Chairman of Nomination and Remuneration Committee
2. Prof. Dr. Pairote Sattayatham Member of the Remuneration Committee
3. Dr. Morakot Siriwattanaoj Member of the Remuneration Committee
(Since 5 January 2017)

4. Risk Management Committee

Authority of Risk Management Committee

The Risk Management Committee has duties and responsibilities and reports to the Board of Directors as follows.

1. Consider the risk management and control the business risk for an appropriate investment and operation.
2. Report the result of risk management to the Board of Directors, and, in case of important factors and events which may significantly impact to the company, immediately report to the Board of Directors for a quick response.
3. Consider other matters related to the risk of the company as assigned by the Board of Directors.

Risk Management Committee Members in 2016 are:

Name	Position	Term of service
1. Lt. Dr. Suphornchai Siriwoharn	Chairman of Risk Management Committee	Ended on 22 July 2016
2. Asst. Prof. Kasemson Pipatsirisak	Chairman of Risk Management Committee	8 August 2016 - 4 January 2017
3. Prof. Dr. Pairote Sattayatham	Member of Risk Management Committee	
4. Mr. Pracherd Sookkaew	Member of Risk Management Committee	Ended on 20 July 2016
5. Mr. Narong Ongartmaneerut	Member of Risk Management Committee	8 August 2016 - 4 September

Remark: As of 10 March 2017, there are 3 Risk Management Committee Members.

1. Prof. Dr. Pairote Sattayatham Chairman of Risk Management Committee (since 5 January 2017)
2. Asst. Prof. Dr. Yossapong Laoonual Member of Risk Management Committee (since 5 January 2017)
3. Mr. Pornthep Tippayatat Member of Risk Management Committee (since 26 January 2017)

5. Corporate Governance Committee

Authority of Corporate Governance Committee

Corporate Governance Committee has duties and responsibilities and reports to the Board of Directors as follows.

1. Suggest policy of good corporate governance and establish guidance for a good operation and corporate governance.
2. Review good corporate governance principles to be in accordance with international standards, adjust the principles as appropriate.
3. Follow up the operation performance and report to the Board of Directors.

Corporate Governance Committee Members in 2016 are:

Name	Position	Term of service
1. Prof. Dr. Pairote Sattayatham	Chairman of Corporate Governance Committee	Ended on 5 January 2017
2. Lt. Dr. Suphornchai Siriwoharn	Member of Corporate Governance Committee	Ended on 5 January 2017
3. Assoc. Prof. Dr. Sutthinan Promsuwan	Member of Corporate Governance Committee	

Remark: As of 10 March 2017, there are 3 Good Corporate Governance Committee Members as follows:

- | | |
|---|--|
| 1. Prof. Dr. Suthep Suantai | Chairman of Corporate Governance Committee
(Since 5 January 2017) |
| 2. Prof. Dr. Pairote Sattayatham | Member of Corporate Governance Committee |
| 3. Assoc. Prof. Dr. Sutthinan Promsuwan | Member of Corporate Governance Committee |

6. Technical Audit Committee

Authority of Technical Audit Committee

The Technical Audit Committee has duties and responsibilities and reports to the Board of Directors as follows:

1. Recommend technical and academic information to the Management team to evaluate and select technologies appropriately.
2. Monitor and follow up the technical performance result of techniques to meet the goal.

Name List of Technical Audit Committee Members in 2016

Name	Position	Term of service
1. Professor Dr. Christofer Toumazou	Chairman of Technical Audit Committee	
2. Dr. Ekkarin Vasanasong	Technical Audit Committee member (Solar Energy Section)	
3. Asst. Prof. Dr. Yossapong Laoonual	Technical Audit Committee member (Mechanical Engineering Section)	
4. Asst. Prof. Dr. Peerapon Yuwapoositanon	Technical Audit Committee member (Signal Processing Engineering Section)	
5. Assoc. Prof. Dr. Apinunt Thanachayanont	Technical Audit Committee member (Micro Electronic Engineering Section)	

Nomination and Appointment of Directors and Management

(1) Independent Directors

Criteria of Selection of Independent Directors

The qualification of independent directors is as follows.

- (1) Being not an employee nor consultant who receives regular salary or other benefits from the company; either its headquarter or subsidiaries, affiliates or related companies.
- (2) Being not related by blood or legal registration as father, mother, spouse, siblings, children, including spouses of siblings of children, the children of executives, major shareholders or powerful shareholders.

-
- (3) Hold less than 1% of paid-up shares of the company; either its headquarter or subsidiaries, affiliates or related companies, including shares held by related persons.
 - (4) Being able to take care of the interests of every shareholder equally.
 - (5) Being able to prevent conflicts of interest between the company and directors, major shareholders or other companies whose executives or major shareholders are of the same group.
 - (6) Being able to attend the meeting of Board of Directors of the company to decide the important activity of the company. The previous qualifications is the same as the minimum requirements of SEC and The Stock Exchange of Thailand.

Balance of power between Independent Directors

The Board of Directors of the Company as of 10th March 2017 consists of 9 members as follows:

Executive Directors	4 persons
Non-Executive Directors	1 person
Independent Directors	4 persons

The number of Independent Directors is equivalent to 44% of all directors.

(2) Nomination of Directors and Management

The selection of individuals to be appointed as directors depends on discretion of Nomination committee, the Board of Directors and in accordance with the company regulations. The retail investors shall have the right to nominate the directors through the vote in the shareholders' meeting. Each shareholder shall have one vote per one share and may use all the right to vote for one or several individuals to be company director (s). However, the voters cannot split their right to several candidates, i.e. cumulative voting is not used in the vote. The candidate receiving the most vote and ones in following ranks shall be nominated as per the number of directors required in that vote. In the case where the candidates have equal votes and the equal ranks exceed the number of directors required, the president of the meeting shall cast a final vote.

If the position of director becomes vacant due to the reason other than the termination of regular terms, the Board of Directors shall nominate an individual whose qualification is in accordance to the law to be as a director in the next meeting. If the remaining term is less than two months, the director who takes the vacant position shall be in the position only within the remaining term.

The selection of executive officers who are not directors shall be at sole discretion of the Board of Directors.

Operation control of its subsidiaries

(1) Mechanism for the operation control of subsidiaries.

The meeting of Board of Directors no. 13/2558 deliberates the resolution to modify the operation authorities which are regulations on approval system of company and subsidiaries, effective on 14th August 2015. The authority to act on behalf of the company is of The Board of Directors, unless otherwise consented by the Board of Directors to other individuals. The authority of general administration is given by managing director. The authority of approval in the work process can be classified in 8 categories; finance, administration, purchasing, human resources, general affairs. The meeting of Board of Directors no. 3/2560 deliberates the resolution to modify the operation authorities since 21 February 2017.

Furthermore, individuals elected to be as members in Board of Directors of affiliate Company shall ensure that the affiliate company has complete and correct regulations on the acquirement, the discharge of assets or other important matters of such company, including the information disclose as same as the headquarter company, information storage, accounting reports ready to be inspected and can be gathered to make a financial statement on time.

(2) Information and agreement between companies and other shareholders regarding administration in subsidiaries

-None-

Control of internal information use

IEC is the company registered in stock exchange market in Thailand. The company shall operate the business with fairness and equality for all shareholders. In order to prevent from any illegal acts from employees at any level in the company and their family who may acknowledge or receive the internal information which is at that moment still not disclosed to public, they are forbidden to purchase the stock or persuade a third party to purchase stock, or sell, or propose to sell either by themselves or their agent during the time that such internal information is not disclosed to the public. This act, by the stock exchange market, is considered as the purchase and sale of the stock to illegally gain the profit or to cause advantage to a group of people unfairly. In addition to obligation regarding control of internal information use, the company also has another measure which is the suspension of stock purchase and sale at certain time such as when the company is preparing an important announcement. Directors and executives of departments and employees involved with information preparation must strictly refrain from purchasing or selling company's stock.

In order to ensure the compliance with the policy, the company has the following measures;

1. Restrict access to non-public information to only relevant persons and as necessary.
2. Set up workplace security system to safeguard confidential document and files.
3. It is a duty for the holder of non-public information to ensure that relevant persons strictly comply with the security procedures. Violations will be met with disciplinary and/or legal actions proportional to their offenses.

Remuneration for Auditor (Only for Quarter 1/2016)

The company and subsidiaries remunerated audit fees to NPS Siam Audit Limited in 2016, amounting THB 974,370 and ACEVISION & ASSOCIATES PAC (Auditor for a subsidiary company in Singapore) amounting THB 45,625.

However, because the auditor for 2016 financial statements is not yet appointed, the total remuneration for auditor in 2016 therefore could not yet be fixed.

The Compliance with Good Corporate Governance Principles related to other matter

Rights of shareholders and Equal treatment of shareholders

Principle

- The shareholders have the ownership right and control the company through the nomination of the Board of Directors to perform the business on their behalf.
- The shareholders shall have right to make a decision on an important change in the company.

As the company is aware of and give the importance to the right of shareholders, we have established the guidance to protect the shareholders' right as follows.

1. Shareholders' meeting

1.1 The company has a policy to support or promote every shareholder group, especially institutional shareholders to attend the shareholders' meeting. The company shall send the meeting invitation which indicates time and venue of meeting, including the agenda to shareholders. The detailed explanations and reasons for a consideration of the agenda shall be stated in Notice of Annual General Meeting and Extraordinary General Meeting of Shareholders.

1.2 For shareholders' meeting, the company shall organize a suitable venue that all shareholders can attend. The meeting program and duration shall be appropriate to the agenda. We encourage the shareholders to submit their question related to the company before the meeting as we have clearly set the instruction of question submitting. The company will inform of the question acceptance at the same time that the shareholders' meeting invitation is sent. Furthermore, the company has announced the criteria of the question to be submitted as an agenda of the meeting on company website.

1.3 The retail shareholders shall propose the candidates' name for a selection of directors before the Annual General Meeting of shareholders as per the nomination regulation of the company.

1.4 The company facilitates the shareholders to exercise their right of meeting attendance and vote, and avoid any matter that may obstruct them to attend the meeting. For example, the venue of the meeting must be convenient for them to attend the meeting, etc.

2. The operation on the day of shareholders' meeting

2.1 The company encourage the meeting organizers to bring technology for more convenience in shareholders' meeting; shareholder registration, vote counting, scoring result so as to have correct and accurate information and fast meeting.

2.2 All company directors including sub-committee and company secretary should attend the meeting every time if they don't have important duty on such days in order to answer the questions and listen to the shareholders' opinion. The Executive officers should attend the shareholders' meeting to answer the questions as well.

2.3 All shareholders are entitled to attend the shareholders' meeting. During the meeting sessions, the shareholders shall have the right to question or propose an idea to the meeting according to the agenda. The president shall allocate the time properly to cover all issues, including encourage the attendees to propose an idea and question in the meeting.

3. Prepare the meeting minutes and announce the resolution of shareholders' meeting

3.1 In the minutes of shareholders' meeting, it is determined that the details, the process of voting, the announcement of voting scores before the meeting session, including the question time for the shareholders shall be processed. The meeting shall have a record of questions and answers and the result of voting of each issue which is composed of number of votes that agree or disagrees with the issue, including the number of no-votes. The name of present attendees including the name of absent directors in each meeting shall be recorded.

3.2 The company shall disclose the vote results in each general or extraordinary shareholders' meeting to the public.

4. The equal treatment of all shareholders

All shareholders; whether they are executive officer or not, including foreign shareholders shall be equally and fairly treated, the company shall control the equal treatment and reserve the fundamental rights to all shareholders. The company shall protect the minority shareholders whose right is invaded to have an appropriate compensation. The company has a measure to protect the fundamental rights to all shareholders and build their confidence in investing in our company as follow:

4.1 Information provided to shareholders prior to the meeting

4.1.1 The company shall protect the right of each shareholder and treat them equally. The shareholders shall be entitled to company information in Thai or English.

4.1.2 The company has delivered the notice of annual general meeting of shareholders which contains the agenda of the meeting with a detailed explanation and reasons for consideration of the agenda for the shareholders prior to the meeting of shareholders at least 14 days, the company has prepared the Invitation to shareholders' meeting in English and published on the website of the Company, along with invitation notice in Thai.

4.2 Protection of the rights of minority shareholders

The company encourages minority shareholders to propose the agenda prior to the meeting of shareholders or nominees at least 45 days prior to the meeting date. The addition of meeting agenda or proposal of nominees to be a director shall be in accordance with the law and regulations of the company.

4.3 Stakeholder directors

The company has a policy that the directors who are stakeholders on the subject of any agenda shall not participate in consideration of such meeting agenda.

Stakeholders

Principles

- All stakeholders shall be protected by the company according to related laws.
- The Company has established a process to promote cooperation between the company and stakeholders in order to create wealth, financial stability and sustainability of the business.
- The company has measures to receive complaints, comments and suggestions, including information on violations of the laws or offenses and any action that may indicate a fraud or misconduct of employees and other stakeholders of the company. The company pays attention to every group of stakeholders with reference to the rights of stakeholders by law or agreement with the company and has established a guideline for protect the interests of each stakeholder group clearly. The employees at all levels are aware of this measure and it is considered as an important duty. The details of the measure are as follows.

1. The determination of policy regarding the treatment of all stakeholders

1.1 The company divided the stakeholders into different groups; shareholders, business partners, customer, employees, cooperators, debtors, creditors, community and related governmental or private authorities. The company created communication channels to response the request of such groups sufficiently.

1.2 The company has the commitment to take care of our customer systematically in terms of health, safety and remuneration that may be requested during the use of products or service.

1.3 The company established the corporate social responsibility to build a positive relationship with the community where the company is located. We have plans of environmental preservation and safety and avoid making the impact to the environment which is caused by the operation. The company has the remuneration plan in case of accident and has plans to solve the problem sustainably. Besides, we use European standard in the construction of the plant to ensure that the supply chains of the company is environmentally friendly and the materials are used efficiently.

1.4 The company has a measure of the fair treatment and responsibility to the creditors by an appropriate guarantee to the creditors according to business agreements and a good business practice.

1.5 The company has signed a partnership against corruption and encourage our employees to be aware of the importance of this. Besides, we have organized and promoted activities to cultivate our employees to work in compliance with the laws and related regulations.

1.6 The company gives the importance to fringe benefit of our employees. The employment contract is based on fairness. They will be given remuneration appropriate to their ability. This is to motivate them to dedicate themselves for work. The company has established a safety measure to

ensure a good working environment and organized activities to make our employees respect the working disciplines. All employees shall be taken care equally. Furthermore, the company has created a plan to solve the problems that leads to the termination of employment by any reason.

1.7 In order to have an equal treatment of all stakeholders and ensure that the operation is in accordance with a good governance principle, we have created a communication channel to receive complaints or requests, including opinions and suggestion that the stakeholders think it may lead to a negative impact to themselves or other stakeholders due to the business operation, misconduct of employees, or any action that is likely to be a corruption or unequal treatment of stakeholders, including negligence or lack of prudence. The stakeholders may inform of any action that may be a corruption on our website or through an e-mail to CG_Committee.iec@gmail.com. The company will inspect the case as per our measure and record all progress in writing. The name of informer shall not be disclosed and the complaint shall be kept confidential to prevent the impact that may occur to the informers.

2. The selection of business partners

2.1 The duration that the company receives the products for a test must be limited and shall return the material for testing to the business partner/ seller immediately when the test period is terminated. The test must be carefully made so as to efficiently prove its quality and competency. All test process shall be recorded in writing to be as the reference for consideration when necessary.

2.2 The company shall not invite business partners/ sellers to bid when such product or service is not necessarily required. The qualification, dedication and ability of sellers shall be considered and the company shall invite only selected sellers for a bid with the expectation to use the product or service of the seller who wins the competition.

2.3 All bidders shall be treated equally by the company.

2.4 All information on price quotes or bidders shall be kept confidential.

2.5 The company shall perform a bid with transparency, fairness and honesty. There shall not be any unfair influence interfering with our consideration.

Anti-Corruption

The company is committed to operate the business with morality and responsibility to society and every group of stakeholders and good corporate governance and a good practice of IEC. With our intention and dedication to prevent corruptions, IEC signed a Collective Action Coalition of private section in Thailand. To ensure that IEC established the guidelines and responsibility for the person involving in anti-corruption activities in the business of IEC, we have set the anti-corruption measures as follows.

Definition of “Corruption”

Corruption is the acquirement of authority or advantage with immoral intention by whatsoever act, including illegal act for their own benefit by using authority and influence that they hold, as well as the offer, the promise to offer or the provision of asset or advantage which is inappropriate to governmental or private authorities or officers or persons in charge either directly or indirectly with the aim to gain advantage from such intended negligence. It excludes the acts allowed by the laws or in accordance with a good business and trade practice which is generally accepted.

Business Operation in accordance with environment standards

The company is preparing to apply for a certification of ISO 9001/ISO 14000 for every plant of the company subsidiary to demonstrate the responsibility to the society and environment. In 2015, solar energy plant in Maetha district Lampoon province was already certified ISO 9001:2008.

Information Disclosure

The Board of Directors shall be responsible for a complete, correct and on-time disclosure of information on finance and other matters through communication channels of stock market according to the annual report form (form 56-1) and other channels such as company website. The information is presented in English and Thai and shall be always updated.

In 2016, the company disclosed the information and organized a meeting with external authorities and shareholders by attending the Event Opportunity Day at Stock Exchange of Thailand, providing site visit for shareholders and information service on the phone.

Compliance Unit

The Company established a Compliance Unit to ensure that the company and its affiliates operation in compliance with the regulations. This unit is now operating under Internal Audit Office since August 2016. Currently Mrs. Auamporn Kraiawad is the head of Internal Audit Office.

Information about the Directors, Executives, Auditors and Company Secretary

The International Engineering Public Company Limited

Name - Surname	Title/Date Appointed	Age (Year)	Educational Background	Shareholding (%)	Past 5 Years Work Experience		
					Period	Title	Company/Business
Lt. Somsak Yamasmit	Honorary Chairman Appointed as Honorary Chairman by the resolution of 2011 Annual General Meeting on 20 May 2011	80	National Defense College of Thailand Utah State University, USA Thai Institute of Directors - DAP in 2005 IOD's Role of Chairman Program (RCP) Class 18 In 2008	-	2005-Present 2005-2011	Chairman of the Board Chairman of the Board	Multi Risk Consultants (Thailand) Ltd. Sino-Thai Resources Development Plc.
Dr. Bhusana Premanode	Chairman and Group President Appointed as Chairman and Group President by the Board of Director Meeting No. 11/2016 on 26 August 2016. Retired 22 January 2017	63	Ph.D in Financial Engineering, Imperial College London, UK Ph.D in Biomedical Engineering, Imperial College London, UK DBA in Finance Management, Somerset University, UK	1.81	Present	Chairman Chairman Advisory Board Visiting Professor	Institute of Social and Economic Policy (ISEP), Thailand Hand in Hand Foundation PTTEP Plc. Imperial College London, UK
Mrs. Sunjutha Witchawut	Acting Chairman/Vice Chairman and Executive Chairman Appointed as Director by the resolution of 2013 Annual General Meeting on 13 May 2013.	57	Master's Degree in Economics, University of Thai Chamber of Commerce Bachelor's degree in Science, Prince Songkla University Thai Institute of Directors- DAP in 2006	-	Present Present 2006-2008	Executive Director Vice President Executive Chairman	Chateau De Kao Yai Residential Co., Ltd. Chinese Culture and Economy Association Bliss-Tel Plc.

Name - Surname	Title/Date Appointed	Age (Year)	Educational Background	Shareholding (%)	Past 5 Years Work Experience		
					Period	Title	Company/Business
Dr. Attawooth Laohapakdee	Director and Chief Management Officer Appointed as Director by the Board of Director Meeting No. 7/2013 on 26 June 2013.	52	Doctor of Public Administration, NIDA MBA Finance, NIDA Bachelor of Engineering King Mongkut's Institute of Technology Thai Institute of Directors- DAP in 2011	-	Present	Chief Management Officer	The International Engineering Plc.
					2013-Present 2011-2013	Director Director	The International Engineering Plc. Bliss-Tel Plc.
Mr. Sutee Phongpaiboon	Chairman of Audit Committee/ Independent Director Appointed as Director by the resolution of 2013 Annual General Meeting on 13 th May 2013. Retired 11 August 2016	53	Bachelor of Law, Ramkhamhaeng University Thai Institute of Directors- DAP in 2007	-	1999-Present	Chief of Lawyer	Sutee Phongpaiboon Law Office
Lt. Dr. Suphornchai Siriworham	Chief Executive Officer/ Managing Director Appointed as Director by the Board of Director Meeting No. 8/2011 on 20 October 2011.	68	Ph.D in Philosophy (Outstanding in Leadership and Human Behavior) United States International University, San Diego, California, USA Master's Degree in Public Administration, NIDA Thai Institute of Director-Risk Management Committee Program	-	2004-Present	Vice Chairman	Institute of Social and Economic Policy
					2006-Present	Visiting Professor	Ph.D Program in Public Administration, Western University
					2008-Present	Visiting Professor	Ph.D Program in Public Administration, Chiangmai Rajabhat University
Mr. Metha Thamviham	Member of Audit Committee/ Independent Director Appointed as Director by the Board of Director Meeting No. 16/2015 on 14 May 2015.	60	Bachelor of Laws, Ramkhamhaeng University	-	1984-Present	Chief of Lawyer	Artit Law Office
Mr. Pracherd Sookkaew	Chairman/Member of Audit Committee/Independent Director Appointed as Director by the Board of Director Meeting No. 11/2012 on 7 November 2012. Retired 30 December 2016	70	National Defense College of Thailand, Class 42 Ph.D (Honorary) in Agricultural Engineering, Maejo University Master's Degree in Public administration, NIDA Bachelor of Electrical Engineering, Chulalongkorn University Thai Institute of Directors - DAP in 2010	-	Present	Chairman	Tusco Trafo Co., Ltd.
					Present Aug-Oct 2012 2006-2008 2005-2007	Chairman Chairman Director Member of Legislative Council Director	S.K. Home Co., Ltd. Bliss-Tel Plc. Thal Parliament Provincial Electricity Authority

Name - Surname	Title/Date Appointed	Age (Year)	Educational Background	Shareholding (%)	Past 5 Years Work Experience		
					Period	Title	Company/Business
Prof. Dr. Pairote Sattayatham	Director/Independent Director Appointed as Director by the resolution of 2013 Annual General Meeting on 13 May 2013.	66	Ph.D Mathematic, Chulalongkorn University MSc. Mathematic, Chulalongkorn University Thai Institute of Director - Risk Management Committee Program	-	Present	Professor, Institute of Science Vice Rector	Suranaree University of Technology
					2008-2010		Suranaree University of Technology
Prof. Dr. Narumon Saardchom	Member of Audit Committee/Independent Director Appointed as Director by the resolution of General Meeting on 27 April 2016. Retired 20 July 2016	44	PhD in Risk Management and Finance and Master of Applied Economics, The Wharton School, University of Pennsylvania, Philadelphia, PA, USA Master of Actuarial Science, J.Mack Robinson College of Business, Georgia State University, Atlanta, GA, USA	-	2015-Present	Chairwoman, Risk Management Subcommittee	Social Security Office
					2014-Present	Director	KPN Green Energy Solution Co., Ltd.
					2013-Present	Risk Management Consultant	Precise Corporation Co., Ltd. Government Housing Bank
					2012-Present	Director, Risk Management	SSJ International Enterprise Plc.
Dr. Bussakorn Jaruwachirathanakul	Member of Audit Committee/Independent Director Appointed as Director by the resolution of General Meeting on 27 April 2016. Retired 28 December 2016	50	Doctoral of Business Administration and Information Systems, Edith Cowan University, Perth, Australia Bachelor of Business Administration in Accounting, Chulalongkorn University	-	2004-Present	Director	Global Crossing Service Co., Ltd.
					2004-Present	Director	Synergy Holding Co., Ltd.
					2004 -Present	Director/Executive Vice President, Finance and Accounting	Symphony Communication Plc.
Mr. Somchai Kuvijitsuan	Chairman of Audit Committee/Independent Director Appointed as Director by the Board of Director Meeting No. 8/2016 on 20 July 2016. Retired 4 August 2016.	66	Master's Degree in Public Administration, NIDA Provincial Public Prosecutor Program, Class 9/1987 Barrister at Law, Class 27, Institute of Thai Bar Association LL.B., Ramkhamhaeng University Class 1	-	2016-Present	Chairman of Audit Committee	AQ Estate Plc. Prima Marine Co., Ltd.
					2015-Present	Chairman of Audit Committee	Thonburi Health Care Hospital Plc.
					2011-Present	Chairman of Audit Committee	PTT Global Chemical Plc.
Asst. Prof. Dr. Kasemson Pipatsirisak	Chairman of Audit Committee/Independent Director Appointed as Director by the Board of Director Meeting No. 11/2016 on 11 August 2016.	58	Doctor of Business Administration (D.B.A. in International Business) Honorary Recognition Award United States International University, San Diego, U.S.A M.A. in Marketing, M.A. in Management, MBA in Finance, Webster University, Missouri, U.S.A	-	1988-Present	Dean, Faculty of B.A. Dean, Graduate School Executive Chairman MBA Course Director	Bangkok University Bangkok University New Entrepreneurs Creation Project and Entrepreneur Consulting Center, Bangkok University Bangkok University

Name - Surname	Title/Date Appointed	Age (Year)	Educational Background	Shareholding (%)	Past 5 Years Work Experience		
					Period	Title	Company/Business
Dr. Morakot Siriwattanaoj	Member of Audit Committee/ Independent Director Appointed as Director by the Board of Director Meeting No. 1/2017 on 5 January 2017.	60	Doctor of Philosophy, Public Administration and Master of Public Administration, Niwattana University	-	Present 2000-2012	Director of Internal Audit Division Head of Internal Audit	Department of Mineral Resources Office of the Permanent Secretary, Ministry of Public Health
Mr. Narong Ongartmaneerut	Director/Senior Executive Vice President, Special Projects	56	MBA, Chulalongkorn University Bachelor's Degree in Accounting and Commerce, Thammasat University	-	Present 2016 - Present 2010 - 2014	Senior Executive Vice President, Special Projects Member of Risk Management Committee Executive Vice President	The International Engineering Plc. ALT Telecom Co.,Ltd. CIMB Thai Plc.
Mr. Somchai Lertwisetteerakul	Senior Executive Vice President, Business Development	52	Management Excellence Skill Certificate, Alexander Hamilton Institute, NJ. Master's Degree Executive MBA, Kasetsart University Bachelor's Degree Political Science, Chulalongkorn University	-	2015 - Present 2009 - 2013	Senior Executive Vice President, Business Development Senior Executive Vice President, Operation	The International Engineering Plc. The International Engineering Plc.
Mr. Ekkamol Enradee	Senior Executive Vice President, Legal Department	52	Bachelor of Laws, Chulalongkorn University Thai Institute of Directors-DAP in 2006	-	2014 - Present 2012 - 2013 2008 - 2012	Senior Executive Vice President, Legal Department Executive Vice President, Legal Department Vice President, Legal Department	The International Engineering Plc. The International Engineering Plc. The International Engineering Plc.
Mrs. Narumol Chattawan	Executive Vice President, Account and Finance	50	Bachelor's Degree Accounting and Commerce, Thammasat University	-	2015-Present 2014-2015 2012-2013 2011-2012 2007 - 2011	Executive Vice President, Account and Finance Senior Vice President, Account and Finance Vice President, Account Senior Account Manager Vice President, Account and Finance	The International Engineering Plc. The International Engineering Plc. The International Engineering Plc. Thonburi Commerce Ltd. The International Engineering Plc.

Name - Surname	Title/Date Appointed	Age (Year)	Educational Background	Shareholding (%)	Past 5 Years Work Experience		
					Period	Title	Company/Business
Ms. Ammaraporn Dechakaisaya	Company Secretary Appointed as Company Secretary by the resolution of 3/2017 Annual General Meeting on 21 February 2017	39	Master's Degree MBA, Saint John University Bachelor's Degree BBA, Saint John University	-	Feb 2017 – Present	Company Secretary	The International Engineering Plc.
					July 2012 – July 2016	Company Secretary	The International Engineering Plc.
					2006-2012	Secretary	IEC Business Partner Ltd.
Ms. Kobkaew Uemsuree	Company Secretary Appointed as Company Secretary by the resolution of 14/2016 Annual General Meeting on 27 October 2016	50	Master's Degree, University of Missouri Bachelor's Degree, Chulalongkorn University	-	Oct 2016– Feb 2017	Company Secretary	The International Engineering Plc.
					July–Aug 2016	Company Secretary Assistant	Internet Thailand Plc.
					Aug 2015– Aug 2016	Company Secretary	Bangkok Ranch Plc.
					Sep 2014– June 2015	Company Secretary	Electronics Plc.
					Jan 2009– May 2013	Manager, Investor Relation	Pruksa Real Estate Plc.
Mr. Narong Ongartmaneerut	Company Secretary Appointed as Company Secretary by the resolution of 9/2016 Annual General Meeting on 22 July 2016	56	MBA, Chulalongkorn University Bachelor's Degree Accounting and commerce, Thammasat University	-	Present	Senior Executive Vice President	The International Engineering Plc.
					2014-Present	Special Projects Member of Risk Management Committee	ALT Telecom Co., Ltd.
					2010-2014	Executive Vice President	CIMB Thai Plc.

Remarks: (1) Relationship related to Executive - None
(2) IOD stands for Thai Institute Of Directors
(3) DAP stands for Director Accreditation Program
(4) DCP stands for Director Certification Program

Responsibilities of Company Secretary

Secretary of the Company shall act in accordance with the Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) Act 2008 which came into force on 31 August 2008 with responsibility. With careful and honesty he/she must act according to the law, the Articles of Association of the Board of Directors as well as the resolution of the shareholders' statutory duties of the Corporate Secretary as follow;

1. Preparation and storing of the documents as below:
 - A. Registration Committee
 - B. Notice of the Meeting of the Board, Minute of Meeting of the Board and Annual Report
 - C. Notice of Meeting of Shareholders and Annual General Meeting
2. Keeping a report on interest filed by a director or executive and sends the report to stakeholders under section 89/14, the Chairman of the Board and Chairman of Audit committee within 7 days since then the company has been reported.
3. Perform other duties as prescribed by SEC and SET.
4. Perform other duties as assigned by the Company.

∞ Structure of Shareholders

The following table presents a list of major shareholders who own a minimum of 0.5% of total shares as of 30 December 2016.

Name		Surname	Number of Share	Proportion of Shareholding (%)
1	Miss Thatchanon	Nanawarathorn	5,500,000,000	2.70%
2	Mr. Kornchanan	Thananpong	3,928,875,562	1.93%
3	Mr. Bhusana	Premanode	3,748,657,028	1.84%
4	Mr. Komol	Chungrungreangkit	3,515,996,334	1.73%
5	Mr. Surat	Itsophonphan	3,402,480,904	1.67%
6	Thai NVDR Company Limited		2,520,842,787	1.24%
7	Mr. Vichit	Chinwongwarakul	2,269,800,000	1.12%
8	Mr. Thidchuan	Nanawarathorn	1,500,000,000	0.74%
9	Miss Sakuntala	Chokpingpitak	1,062,914,184	0.52%
10	Mr. Manop	Charukumnerdkanok	908,470,622	0.44%
	Total shares owned by above 10 major shareholders		28,358,037,421	13.93%
From the Total Number of Shares			203,446,598,767	

1) Business engagement by holding shares in other companies (Holding Company)

-None-

2) Agreement among major shareholders

-None-

Details of Shares

The Company's authorized share capital and paid-up share capital as of 31 December 2016

- Authorized Share Capital : THB 2,440,745,055.00
- Paid-up Share Capital : THB 2,034,465,987.67
- 1) All Sold Ordinary Shares : 203,446,598,767 units¹
- Number of Preferred Shares : -None-

1 Remarks: On 11 January 2017, the Company registered for additional paid-up share capital after the exercise of IEC-W2 Period 3 (December 2016), resulting in a total paid-up share capital of THB 2,034,512,396.51 and a total sold shares of 203,451,239,651 units.

2) Other types of shares

-None-

Other Capital Issuance

1. Warrant (IEC-W2)

- Type of Securities: Warrant to purchase ordinary shares of the International Engineering Public Company Limited #2 (IEC-W2) is valid for 3 years, commencing on 23 May 2016. The warrant can be exercised on the last business day of the end of each quarter (March, June, September, and December of each year). The exercise prices for the purchase of ordinary shares are as follows:

Year 1 (23 May 2016 to 22 May 2017)

The exercise price is THB 0.025 per share (two point five satang)

Year 2 (23 May 2017 to 22 May 2018)

The exercise price is THB 0.035 per share (three point five satang)

Year 3 (23 May 2018 to 22 May 2019)

The exercise price is THB 0.045 per share (four point five satang)

The warrant to purchase ordinary shares of the International Engineering Public Company Limited #2 has been registered as listed securities with a total number of share of 40,670,703,826 at the Stock Exchange of Thailand (SET). SET has accepted IEC-W2 as listed securities and has specified the trading date on the security trading system of SET, commencing on 14 June 2016 onwards. The details of the exercise of the warrants are shown in the table below.

Exercise of Warrant IEC - W2	Number of Warrants (Unit)	Exercise Ratio	Exercise Price (THB per share)	Exercise Date	Number of Shares Issues for Exercise of Warrants (shares)	Number of Shares Issued to Accommodate Exercise of Remaining Warrants (shares)
1. IEC -W2 Period 1	19,295,541	1.00:1.00	0.025	30 June 2016	19,295,541	40,651,408,285
2. IEC -W2 Period 2	31,881,976	1.00:1.00	0.025	30 Sep 2016	31,881,976	40,619,526,309
3. IEC -W2 Period 3	4,640,884	1.00:1.00	0.025	30 Dec 2016	4,640,884	40,614,885,425

2. Bonds

In 2016, the Company issued the bill of exchange (B/E) to raise fund for future investments and/or for working capital, depending on the needs at that particular period. Throughout the year, the total offering value was THB 185 million. The bill of exchange has a maturity period of not exceeding 270 days with a placement to investors up to 10 and not exceeding 10 B/E at any point in time (PP10).

Dividend Payment Policy

- Policy of the Company : Unless otherwise necessary and dividend payment has no significant effect on the Company's operation, the Company will pay dividend at the rate of not below 70% but not more than 90% of net profit after tax deduction
- Policy of the Subsidiaries - Not Specified -



Despite being affected in various areas of its business operations in 2016, the Company determines to build an integrated renewable energy business with a main business activity being electricity generation from various forms of renewable energy. It is also a Company's aim to continuously drive business improvements that are in line with the management principles of sustainable development, in order to strike a balance in the areas of economy, society, communities, and environment. Although some businesses are still facing issues with the nearby communities, the Company has invested great effort in resolving the problems, organizing community relation activities, and contributing to activities in the communities, with a desire to see the communities and the business exist and grow together in a sustainable manner.

Furthermore, the Company has been actively engaged in the environmental management by raising awareness within the organization and among the surrounding communities. The Company recognizes a green space development as an important contribution to the goal of restoring balance to the nature, and, therefore, has initiated projects to create green space within the plant area, improve the landscape and maintain the environment around the plant site, and plant trees together with the communities, etc. The corporate social responsibility actions the Company initiated in 2016 were as follows:

1. Environmental Impact Reduction

The waste-to-energy power plant at Hat Yai District, Songkhla Province places great importance on the environmental impact of society and, therefore, has taken initiatives to conduct an opinion survey, clarify problems, and implement measures to resolve environmental issues. With the recent problem regarding the foul odour of waste that has affected the surrounding communities, the Company has set out to resolve the issue by spraying enzymes and EM (Effective Microorganisms) to eliminate odour originating from solid waste collected from Hat Yai Municipality and from the waste unloading yard in the plant area. The frequency of spraying has been increased to 3 times/week for the solid waste and 4 times/week for the waste unloading area.

For a long-term solution, the Company is currently in the process of proposing a plan to related agencies. In 2016, the waste-to-energy power plant at Hat Yai District, Songkhla Province implemented several environmental management actions as follows:

- Installation of ID fan to reduce sound disturbance and to increase the airflow for a more complete combustion process
- Installation of Bag Filter to keep pollution level within the standard permissible limit. The system is capable of filtering dust particles of 0.1 micron in size.
- Installation of Heat Recovery System, which captures heat energy that is further used to reduce fuel moisture for a more complete combustion process
- Repair of Continuous Emission Monitoring Systems (CEMS)



- Improvement of the landscape and environment of the surrounding communities and the plant premises by planting Asoke trees inside and around the plant site as a natural fence to trap dust particles and odour; restoration of pavement around the plant area to obtain a better landscape of the premises.



The Waste Plastic-to-Recycled Plastic Pellets Production Plant is located at Nikom Pattana District, Rayong Province. The plant's construction began in the middle of 2015, and at present the plant produces B Grade plastic pellets from recycled waste plastics. After a test-run of the production machinery, the nearby communities have been affected by foul smell from wastes used in the production process. The Company has clarified the issue with the communities' residents and relevant government agencies, and has all along implemented actions to improve and remedy any problem-causing production process and the affected environment. The Company has moved the waste sorting process to the landfill area in Ban Baueng District, Chonburi Province. Only sorted plastics will be used as raw materials for the plastic pellet production. At present, the issue has been resolved. In addition to the relocation of the waste sorting process to deal with the odour problem, the plant has scheduled the spraying of EM 3 times/week around the plant area and has installed Deodour Air, which is a high-pressure air spraying system, to eliminate unwanted odour in the plant area and the surrounding communities.

- Resolution of complaints raised by the nearby residents, SAO (Sub-district Administrative Organization), and the Public Health Unit concerning noise disturbance from the plant. To resolve the issue, the Company has undertaken actions as follows:
 1. Placing metal sheets around the production building to keep noise arising from the production process within the building.
 2. Sharpening blades used in the shredder weekly for better performance, which in turn helps lowering noise level generated.
 3. The quality of raw materials used is one factor contributing to the noise level the shredder produces. Therefore, the plant will only use quality raw materials that are easily shredded to ensure low noise level.

The Sakaeo Biomass Power Plant is determined to operation under the environmental management system, as required by the Company's environmental policy, which focuses on pollution prevention and environmental law compliance. In 2016, the Company conducted an annual environmental risk assessment and decided on action plans to deal with and prevent pollution issues. The environmental investments the Company has entered into are as follows:

- Improvement of Electrostatic Precipitator (ESP) by changing the positive ion collecting plate and the negative ion discharge electrode to improve efficiency of the air pollution treatment system and to ensure that the quality of air emitted from the emission stacks meets the legal requirements.
- Production Process Wastewater Collection System – in the past, there were several point sources of wastewater discharge from the Boiler Zone in the production process. These are Blow down boiler, Sampling, Drain deaerator, and Coolant. Without proper wastewater collection system in place, wastewater ran to the storm water drainage system before being discharged outside the plant area. A wastewater collection system was, hence,

constructed to transport wastewater produced as part of the production process to the treatment pond. This approach also helps prevent wastewater from flowing into the storm water gutters.

- Neutralization Pond Actual 50% - the environmental assessment revealed that the production process wastewater had a pH value exceeding the wastewater quality standard. A neutralization pond was therefore set up with a chemical system capable of treating wastewater from the production process. The system incorporates 50% sulfuric acid (H_2SO_4) into wastewater to ensure acceptable wastewater quality.
- Introduction of Fly Ash Chain Technology for Ash Transportation – Waster Conveyor System was previously used for ash transportation, resulting in several environmental issues such as water resource waste, pollution distribution with a large quantity of effluent, and dust particle dispersion. Owing to this reason, the Fly Ash Chain Technology was introduced; the technology employs a chain conveyor system, helping to eliminate problems existing in the previous system by:
 1. Cutting down water usage in the ash transportation process by 100%
 2. Reducing wastewater generated from the production process and reducing pollution distribution
 3. Reducing dust dispersion in the production area as the new transportation method is a closed conveyor system
 4. Reducing erosion of the machinery used in the air pollution treatment system



2. Participation in Community Development

The Waste-to-Energy Power Plant, Hat Yai District, Songkhla Province

- Waste Bank Project – since its launch in August 2015, the Waste Bank Project has regularly bought wastes from 2 schools, Banbuegpichai School and Bangtungliap School. Wastes that are sold to the Company include plastic bottles, pieces of paper, and plastic bags. The project helps raise awareness among the students regarding the value of the environment through promoting waste sorting before disposal. The project contributes to lower waste quantity as some wastes are recycled. However, this year,

the amount of waste the school has supplied is decreased by 3%, primarily due to lower students' spending on snacks. In the future, the Company plans to extend the Waste Bank Project to the communities as a way to contribute to additional income of the people.



- Effective Microorganisms Project was initiated with an aim to repurpose and add value to organic wastes that can no longer be used as combustion fuel for electricity generation. These wastes, such as ripe fruits, food and vegetable scraps, will be used to make Effective Microorganisms or EM for spraying 3 times/week over the landfill area and around the plant site to reduce odour and insect problems. We received a good cooperation from Hat Yai Municipality for the spraying of EM. The project also serves as a learning center for the communities about the EM production from organic wastes for use in, or example, household, agriculture, animal husbandry, and environmental protection.



- Phru Chud Water Resource Rehabilitation Project has a mission to conserve water and natural resources around the power plant site. The bulrush reeds (or Kra Jood) are commonly found in Phru Chud water resource and can be used to make products such as mats and bags, contributing to additional earnings in the communities. However, the bulrush reeds are nearly extinct as a result of the degradation and negligence of the area. The Company recognized the crucial importance of the bulrush reeds towards the way of life of the communities, and hence has embarked on the rehabilitation project of Phru Chud

Water Resource. In addition, the project aims to raise awareness among the residents of the communities about the importance of natural water resources and environment and about the opportunities to generate extra income for their families, in turn contributing to a better quality of life and sustainable lifestyles for the people in the communities



- Freshwater Fish Release and Native Tree Planting Activities in Honour of Her Majesty Queen Sirikit's Birthday Anniversary – the Company, together with Khuan Lang Sub-District Municipal Office, held activities for trees planting, fish release, and plant propagation in celebration of Her Majesty Queen Sirikit's Birthday Anniversary at Phru Chud lagoon, Hat Yai District, Sonkhla Province. The activities also featured exhibition booths presenting information about the end-to-end journey of wastes. As part of the activities, the Company handed out samples of EM products, which are produced from organic wastes, and multi-purpose solution for the people to test in their own homes.



The Waste Plastic-to-Recycled Plastic Pellets Production Plant

- The Student Lunch Event – the management, together with the staff, organized this event in remembrance of and as a merit offering to His Majesty the late King Bhumibol Adulyadej at the pre-school children development center, Makham Khu Sub-district, Nikhom Phattana District, Rayong Province.



- Ruam Jai Phuk Green Space Conservation (Ruam Jai Phuk Ruk Pern Tee See Kaew) Project was held on 10 June 2016 at Rayong Province in commemoration for His Majesty King Bhumibol Adulyadej and Her Majesty Queen Sirikit. The activity aimed at conserving the forest areas, which serve as crucial natural resources that the source of water springs from and that preserves ecological balance. One important mission of this project is to construct a check dam and plant trees around Chom Hae Mountain, Makham Khu Sub-district, Nikhom Phattana District, Rayong Province.



The Biomass Power Plant, Sa Kaeo Province

- The Trilateral Project for Wastewater Management and Resolution of the environmental issues in the communities along the Phra Prong canal line. As par of the businesses operating in the area of Phra Sathueng River Basin, the Company embarked on this project in order to contribute to the protection of Phra Prong-Phra Sathueng River Basin of Sa Kaeo and Prachinburi provinces. The Company has been appointed as the working committee, as stated in the Order of the Department of Industrial Works No. 187/2016, titled “The Appointment of the Trilateral Working Committee for Wastewater Management and Environmental Issue Resoluion in the Communities along the Phra Prong Canal Line”



Mae Tha, Mae Taeng, and Mae Ramad Solar Power Plants

- Solar Power Plant Site Visit provides opportunities for students from various universities to visit the plant facilities. We have had visit from students studying in the Department of Electrical Power, both Vocational Certificate Level and High Vocational Certificate Level. Mr. Mongkol Nuntakad, our technical staff, serves as a speaker, sharing knowledge with students and answering any questions they may have. The experience provided useful insights that students could build upon after their graduation.



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- Promote the Local Worker Hire for Lawn Mowing and Solar Panel Cleaning Jobs – this is in line with the Company’s human rights policy, which stands against the discrimination in gender, age, and nationality. The Company has arranged all necessary equipment for the work according to the safety standard. Bearing in mind the importance of econological system protection, the Company plans to use only piped water for solar panel cleaning to avoid any negative impacts on the surrounding communities.
 - Community Forest Ta Kad Sub-District Ordination Ceremony in commemoration of His Majesty the King Bhumibol Adulyadej’s 70th anniversary accession to the throne - IEC Mae Tha Mae Taeng Company Limited participated in the Community Forest Tha Kat Sub-District Ordination Ceremony, held in celebration of the 70th anniversary of King Bhumibol Adulyadej’s accession to the throne and the 84th birthday anniversary of Her Majesty Queen Sirikit. The ceremony was organized by Ta Kad Nue Sub-District Municipality with attendance from monks; government officials from Mae Tha District; representatives from state enterprise, private sector, educational institutes; and local residents.

For further information on corporate social responsibility, please refer to Sustainability Development Report 2016.

1) Opinion of the Board of Directors

The Board of Directors Meeting No.4/2017 was held on 10 March 2017 with attendance from the Audit Committee/Independent Directors. The Board of Directors assessed the internal control system of the Company based on information given by the management, and concluded that from the assessment of the Company's internal control of various functions according to the guidelines set in the Internal Control Sufficiency Evaluation Form of the Securities and Exchange Commission, Thailand, covering 5 main sections and 17 sub-principles, the Board deemed the company internal control system can be used to control the operation in certain level and needs improvement in company internal control system to be more efficient.

2) Opinion of the Audit Committee in case of different from the Company's Board of Directors

- None -

Related Transactions

(1) Transactions with connected parties

- None -

The Company has a policy to conduct transactions related parties, both at present and in the future, according to regulations, principles, and requirements specified by law.

(2) Transactions with related parties or activities

Details as per notes to Financial Statement No. 1/2016

Dear Shareholders of The International Engineering Public Company Limited (IEC)

In 2016, there were 5 different Audit Committees consisting of 3 - 4 Independent Directors appointed by the Board of Directors to perform their duties in accordance to the scope, tasks, and responsibilities that are assigned by the Board of Directors. Each committee performed their duty in succession as follows:

1. Members of Audit Committee from 1st January – 15th May 2016 include:
 - 1) Mr. Sutee Phongpaiboon Chairman of the Audit Committee
 - 2) Lt. Dr. Suphornchai Siriwoharn Member of the Audit Committee
 - 3) Mr. Pracherd Sookkaew Member of the Audit Committee
2. Members of Audit Committee from 16th May – 19th July 2016 include:
 - 1) Mr. Sutee Phongpaiboon Chairman of the Audit Committee
 - 2) Dr. Bussakorn Jaruwachirathanakul Member of the Audit Committee
 - 3) Prof. Dr.Narumon Saardchom Member of the Audit Committee
3. Members of Audit Committee from 20th July – 7th August 2016 include:
 - 1) Mr. Somchai Kuvijitsuwan Chairman of the Audit Committee
 - 2) Mr. Sutee Phongpaiboon Member of the Audit Committee
 - 3) Dr. Busakorn Jaruwachirathanakul Member of the Audit Committee
4. Members of Audit Committee from 8th August 2016 – 10th August 2016 include:
 - 1) Lt. Dr. Suphornchai Siriwoharn Chairman of the Audit Committee
 - 2) Mr. Sutee Phongpaiboon Member of the Audit Committee
 - 3) Dr. Busakorn Jaruwachirathanakul Member of the Audit Committee
 - 4) Mr. Metha Thamviharn Member of the Audit Committee
5. Members of Audit Committee from 11th August 2016 – 4th January 2017 include:
 - 1) Lt. Dr. Suphornchai Siriwoharn Chairman of the Audit Committee
 - 2) Dr. Busakorn Jaruwachirathanakul Member of the Audit Committee
 - 3) Mr. Metha Thamviharn Member of the Audit Committee

The 5 Audit Committees hosted a total of 16 meetings, whereby every Audit Committee members have participated in all of the 13 meetings.

The Audit Committee has performed its duties in accordance to the scope, tasks, and responsibilities that are assigned by the Board of Directors to promote good corporate governance and conform to the Stock Exchange of Thailand's guidelines. The summary of its operations are as follows;

1. For the review of consolidated financial statements and separate financial statements of The International Engineering Public Company Limited and its subsidiaries of The International Engineering Public Company Limited, the Audit Committee has appointed NPS Siam Audit Company Limited, whereby Ms. Maliwan Pahuwattanakorn, Certified Public Accountant No. 4701, to be the auditor. Results from the auditor found that the consolidated financial statements and separate financial statements of The International Engineering Public Company Limited and its subsidiaries company of The International Engineering Public Company Limited show the consolidated financial positions and separate financial positions of The International Engineering Public Company Limited and its subsidiaries company of The International Engineering Public Company Limited, respectively, as of 31st March 2016. The auditor also gave a significant opinion on 16th May 2016 indicating that there was no reason to believe that the Interim Financial Reporting was not prepared in accordance with Thai Accounting Standard 34: Interim Financial Reporting.

2. For the review of the effectiveness of the internal control system and internal audit system of The International Engineering Public Company Limited and its subsidiaries company of The International Engineering Public Company Limited in 2016, the Audit Committee has continuously performed the audit, whereby a total of 4 projects were audited as follow:

- 2.1 Investment account in subsidiary (IEC SK1).
- 2.2 Account of advance payment for raw material and fuel.
- 2.3 Account of raw material and fuel.
- 2.4 Account of construction in progress, advance payment investment and real estate for investing.

The Audit Committee has provided recommendations in improving and present to the Board of Directors, to consider to inform the Company's related Management team to be acknowledged and further conduct the improvement.

In addition, the Company also appointed Pitisevi Co., Ltd to be Internal Auditor to evaluate the efficiency and sufficiency of overall internal control system and has made recommendations to improve the internal control to be more circumspect.

3. Evaluating the connected transactions or the transactions with conflict of interests so they comply with the law and regulations stipulated by Stock Exchange of Thailand, in order to ensure that the said transactions are reasonable and optimally benefit the Company. The audit conducted by the Audit Committee has found that there were no connected transactions in 2016.

The Audit Committee gave its opinions that the Company has prepared its financial reports in accordance with generally accepted accounting principles, shows adequate information, has sufficient internal control system that is appropriate with the current business operations, and is fully conformed to the Stock Exchange of Thailand's regulations.

Please be informed accordingly

Yours sincerely,



(Lt. Dr. Suphormchai Siriwoharn)
Chairman of the Audit Committee
4th January 2017

Since 5 January 2017 until now, the current Audit Committee appointed by the Board of Directors to perform its duties in accordance to the scope, tasks, and responsibilities that are assigned by the Board of Directors consists of the 3 following Independent Directors.

- | | |
|--------------------------------------|---------------------------------|
| 1) Asst. Prof. Kasemson Pipatsirisak | Chairman of the Audit Committee |
| 2) Dr. Morakot Siriwattanaoj | Member of the Audit Committee |
| 3) Mr. Metha Thamviharn | Member of the Audit Committee |

The current Audit Committee has been performing its duties in accordance to the scope, tasks, and responsibilities that are assigned by the Board of Directors since 5th January 2017 and will report the result to the shareholders of The International Engineering Public Company Limited in 2017 Annual Report.

Please be informed accordingly

Yours sincerely,



(Asst. Prof. Kasemson Pipatsirisak)
Chairman of the Audit Committee
10th March 2017

The International Engineering Public Company Limited and its Subsidiaries

Interim financial statements for the three-month period ended 31 March 2016
and Independent auditor's report on review of interim financial information



Independent Auditor's Report

on Review of Interim Financial Information

To the Board of Directors of The International Engineering Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of The International Engineering Public Company Limited and its subsidiaries, and of The International Engineering Public Company Limited, respectively, as at 31 March 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and condensed notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial informations consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

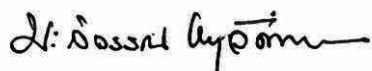
Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, Interim Financial Reporting.

Emphasis of Matters

Without qualifying my conclusion, I draw your attention to notes 2.5, 25 and 34 to the financial statements, as shown in the financial statements, the Group/Company had loss for the three-month period ended 31 March 2016 in the amount of Baht 30.81 million and Baht 16.73 million, respectively and had negative cash flows from operating activities in the amount of Baht 35.45 million and Baht 79.06 million, respectively in the consolidated and separate financial statements. A subsidiary has ever failed the payment under loan agreement in January and February 2016 in the amount

of Baht 14.59 million. Subsequently, on 29 March 2016, the subsidiary entered into a debt restructuring agreement with a commercial bank. In addition, there are some contention cases issues, which have been in the judicial process, including the completion of various projects be still in construction which rises to future economic benefits to the Group/Company. Based on the above circumstances indicate the existence of a material uncertainty which may cast significant doubt about the Group's/Company's ability to continue as a going concern. The Group/Company has implemented policies and procedures in an attempt to manage its liquidity risk, other circumstances which enables to the Group's/Company's management ensures that the Group/Company will unravel negative cash flows from operating activities when the investment projects be constructed can commercially operate according to the determined plan.



(Maliwan Phahuwattanakorn)

Certified Public Accountant

Registration Number 4701

NPS Siam Audit Limited

Bangkok

16 May 2016

The International Engineering Public Company Limited and its Subsidiaries

Statement of financial position

As at 31 March 2016

		Consolidated financial statements		Separate financial statements	
Assets	Note	31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
<i>Current assets</i>					
Cash and cash equivalents		278,846	80,914	207,897	57,658
Trade accounts receivable	6, 7	42,463	35,527	10,273	13,996
Other receivables	6, 8	318,421	322,318	237,381	197,491
Short-term loans	6	-	-	1,336,734	1,273,134
Inventories		30,518	33,586	23,477	21,110
Total current assets		670,248	472,345	1,815,762	1,563,389
<i>Non-current assets</i>					
Available-for-sale investments	9	971	833	971	833
Investments in subsidiaries	6, 10	40,000	40,000	1,127,882	1,128,052
Other long-term investments	11	400	400	400	400
Investment properties	12	207,123	207,615	143,692	143,702
Property, plant and equipment	13	3,411,900	3,158,918	869,893	646,102
Leasehold rights	14	13,613	13,927	13,613	13,927
Goodwill	15	348,353	348,353	-	-
Deferred rights to use transmission line	16	47,900	48,407	-	-
Other intangible assets	17	84,438	85,498	7,683	7,916
Pledged deposits at banks		76,479	75,246	58,257	58,046
Advance payment for assets	19	-	-	-	-
Deferred tax assets	18	1,250	855	-	-
Other non-current assets		45,801	45,663	8,695	8,623
Total non-current assets		4,278,228	4,025,715	2,231,086	2,007,601
Total assets		4,948,476	4,498,060	4,046,848	3,570,990

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statement of financial position

As at 31 March 2016

		Consolidated financial statements		Separate financial statements	
Liabilities and equity	Note	31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
<i>Current liabilities</i>					
Bank overdrafts and short-term loans					
from financial institutions	20	25,849	39,693	1,184	10,164
Trade account payables	6, 21	12,792	22,913	325	5,718
Other payables	6, 22	214,595	219,060	75,723	87,078
Current portion of long-term loans	25	112,991	98,400	-	-
Current portion of finance lease liabilities		888	869	888	869
Short-term loans	6, 23	21,013	2,000	19,513	-
Short-term provisions	27	32,190	32,190	-	-
Deposit	24	50,000	50,000	50,000	50,000
Total current liabilities		470,318	465,125	147,633	153,829
<i>Non-current liabilities</i>					
Long-term loans	25	593,064	616,064	-	-
Finance lease liabilities		2,763	2,992	2,763	2,992
Employee benefit obligations	26	17,138	15,954	14,644	13,663
Long-term provisions	27	8,326	8,326	77,941	77,941
Other non-current liabilities		10,939	10,187	3,604	2,898
Total non-current liabilities		632,230	653,523	98,952	97,494
Total liabilities		1,102,548	1,118,648	246,585	251,323

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statement of financial position

As at 31 March 2016

		Consolidated financial statements		Separate financial statements	
Liabilities and equity	Note	31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Equity					
Share capital	28				
Authorized share capital		2,048,246	2,048,246	2,048,246	2,048,246
Issued and paid-up share capital		2,033,954	1,807,959	2,033,954	1,807,959
Premium on ordinary shares	29	1,304,541	1,033,347	1,304,541	1,033,347
Additional paid-in capital from reduction in par value of ordinary shares		464,905	464,905	464,905	464,905
Retained earnings (deficit)					
Appropriated					
Legal reserve	30	2,096	2,096	2,096	2,096
Retained earnings (deficit)		(121,091)	(98,115)	(6,079)	10,652
Other components of equity		846	708	846	708
Equity attributable to owners of the Company		3,685,251	3,210,900	3,800,263	3,319,667
Non-controlling interests		160,677	168,512	-	-
Total equity		3,845,928	3,379,412	3,800,263	3,319,667
Total liabilities and equity		4,948,476	4,498,060	4,046,848	3,570,990

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Three-month period		Three-month period	
		ended 31 March		ended 31 March	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Revenues					
Revenues from sales of goods or rendering of services	6	71,816	60,297	672	11,400
Revenues from subsidy for adders		51,718	37,934	-	-
Deposit for shares subscription to be forfeited		-	43,252	-	43,252
Other income	6	8,354	6,286	34,971	31,797
Total revenues		131,888	147,769	35,643	86,449
Expenses					
Cost of sales of goods or rendering of services		64,106	59,971	286	7,110
Selling expenses	6	2,658	2,514	1,035	1,154
Administrative expenses		84,841	69,885	50,620	42,142
Other expenses		-	52	170	-
Finance costs		11,490	11,145	263	1
Total expenses		163,095	143,567	52,374	50,407
Profit (loss) before income tax expense		(31,207)	4,202	(16,731)	36,042
Income tax expense (income)		(396)	(236)	-	-
Profit (loss) for the period		(30,811)	4,438	(16,731)	36,042
Other comprehensive income					
Items that will never reclassified to profit or loss:					
Defined benefit plan actuarial losses		-	(3,087)	-	(3,569)
		-	(3,087)	-	(3,569)
Items that are or may be reclassified to profit or loss:					
Profit (loss) in value measurement of available -					
- for - sale investments		138	(82)	138	(82)
		138	(82)	138	(82)
Other comprehensive income (loss) for the period		138	(3,169)	138	(3,651)
Total comprehensive income (loss) for the period		(30,673)	1,269	(16,593)	32,391

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Three-month period		Three-month period	
		ended 31 March		ended 31 March	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Profit (loss) attributable to:-					
Owners of the Company		(22,976)	23,831	(16,731)	36,042
Non-controlling interests		<u>(7,835)</u>	<u>(19,393)</u>	<u>-</u>	<u>-</u>
Profit (loss) for the period		<u>(30,811)</u>	<u>4,438</u>	<u>(16,731)</u>	<u>36,042</u>
Total comprehensive income (loss) attributable to :-					
Owners of the Company		(22,838)	20,662	(16,593)	32,391
Non-controlling interests		<u>(7,835)</u>	<u>(19,393)</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period		<u>(30,673)</u>	<u>1,269</u>	<u>(16,593)</u>	<u>32,391</u>
Earnings (loss) per share (Baht)	32				
Basic		<u>(0.0001)</u>	<u>0.0001</u>	<u>(0.0001)</u>	<u>0.0002</u>

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity (Unaudited)

Consolidated financial statements												
	Note	Issued and paid-up share capital	Premium (discount) on ordinary shares	Additional paid-in capital from reduction in par value of ordinary shares	Other components of equity					Total equity		
					Retained earnings (Deficit)	Net change in fair value of available - for - sale investments	Actuarial losses	Total other components of equity	Equity attributable to owners of the Company		Non-controlling interests	
(in thousand Baht)												
For the three-month period ended 31 March 2015												
Balance as at 1 January 2015		1,648,246	618,092	464,905	800	(92,771)	782	-	782	2,640,054	219,639	2,859,693
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the Company												
Issue of ordinary shares	28	159,713	415,255	-	-	-	-	-	-	574,968	-	574,968
Total contributions by and distributions to owners of the Company												
Total transactions with owners, recorded directly in equity		159,713	415,255	-	-	-	-	-	-	574,968	-	574,968
Comprehensive income for the period												
Profit (loss)		-	-	-	23,831	-	-	-	-	23,831	(19,393)	4,438
Other comprehensive loss		-	-	-	-	(82)	(3,169)	(3,087)	(3,169)	(3,169)	-	(3,169)
Total comprehensive income (loss) for the period		-	-	-	23,831	(82)	(3,087)	(3,169)	(3,169)	20,662	(19,393)	1,269
Transfer to legal reserve		-	-	-	534	(534)	-	-	-	-	-	-
Transfer from actuarial losses		-	-	-	-	(3,087)	-	3,087	3,087	-	-	-
Balance as at 31 March 2015		1,807,959	1,033,347	464,905	1,334	(72,561)	700	-	700	3,235,684	200,246	3,435,930

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Consolidated financial statements											
Note	Issued and paid-up share capital	Premium (discount) on ordinary shares	Additional paid-in capital from reduction in par value of ordinary shares	Other components of equity							
				Retained earnings (Deficit)	Net change in fair value of available - for - sale investments	Actuarial losses	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests		
(in thousand Baht)											
	1,807,959	1,033,347	464,905	2,096	(98,115)	708	-	708	3,210,900	168,512	3,379,412
For the three-month period ended											
31 March 2016											
Balance as at 1 January 2016											
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the Company											
	225,995	271,194	-	-	-	-	-	-	497,189	-	497,189
28											
Total contributions by and distributions to owners of the Company											
	225,995	271,194	-	-	-	-	-	-	497,189	-	497,189
Total transactions with owners, recorded directly in equity											
	225,995	271,194	-	-	-	-	-	-	497,189	-	497,189
Comprehensive income for the period											
	-	-	-	-	(22,976)	-	-	-	(22,976)	(7,835)	(30,811)
Loss											
Other comprehensive income											
	-	-	-	-	-	138	-	138	138	-	138
Total comprehensive income (loss) for the period											
	-	-	-	-	(22,976)	138	-	138	(22,838)	(7,835)	(30,673)
Balance as at 31 March 2016											
	2,033,954	1,304,541	464,905	2,096	(121,091)	846	-	846	3,685,251	160,677	3,845,928

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity (Unaudited)

Separate financial statements									
Note	Issued and paid-up share capital	Premium (discount) on ordinary shares	Additional paid-in		Other components of equity			Total equity	
			capital from reduction in par value of ordinary shares	Retained earnings (Deficit)		Net change in fair value of available - for - sale investments	Actuarial losses		components of equity
				legal reserve	Deficit				
(in thousand Baht)									
For the three-month period ended									
31 March 2015									
	1,648,246	618,092	464,905	800	(9,366)	782	782	2,723,459	
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
28	159,713	415,255	-	-	-	-	-	574,968	
Total contributions by and distributions to owners of the Company									
	159,713	415,255	-	-	-	-	-	574,968	
Total transactions with owners, recorded directly in equity									
	159,713	415,255	-	-	-	-	-	574,968	
Comprehensive income for the period									
	-	-	-	-	36,042	-	-	36,042	
	-	-	-	-	-	(82)	(3,651)	(3,651)	
Total comprehensive income (loss) for the period									
	-	-	-	-	36,042	(82)	(3,651)	32,391	
Transfer to legal reserve									
	-	-	-	534	(534)	-	-	-	
Transfer from actuarial losses									
	-	-	-	-	(3,569)	-	3,569	-	
Balance as at 31 March 2015									
	1,807,959	1,033,347	464,905	1,334	22,573	700	700	3,330,818	

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Separate financial statements								
	Note	Issued and paid-up share capital	Premium (discount) on ordinary shares	Additional paid-in capital from reduction in par value of ordinary shares	Other components of equity			
					<u>Retained earnings (Deficit)</u>	Net change in fair value of available - for - sale investments	Actuarial losses	Total other components of equity
<i>(in thousand Baht)</i>								
<i>For the three-month period ended</i>								
<i>31 March 2016</i>								
Balance as at 1 January 2016		1,807,959	1,033,347	464,905	2,096	10,652	708	708
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Issue of ordinary shares	28	225,995	271,194	-	-	-	-	-
Total contributions by and distributions to owners of the Company		225,995	271,194	-	-	-	-	-
Total transactions with owners, recorded directly in equity		225,995	271,194	-	-	-	-	-
Comprehensive income for the period								
Loss		-	-	-	-	(16,731)	-	-
Other comprehensive income		-	-	-	-	-	138	138
Total comprehensive income (loss) for the period		-	-	-	-	(16,731)	138	138
Balance as at 31 March 2016		2,033,954	1,304,541	464,905	2,096	(6,079)	846	846

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period		Three-month period	
	ended 31 March		ended 31 March	
<i>Note</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	(30,811)	4,438	(16,731)	36,042
<i>Adjustment for</i>				
Interest income	(543)	(2,976)	(27,815)	(29,832)
Interest expenses	11,490	11,145	263	1
Depreciation and amortization	32,122	29,656	2,652	1,962
Doubtful accounts	18,030	-	1,642	2,150
Employee benefit expenses	1,184	1,061	981	1,129
Profit on disposals of equipment	(2,793)	(11)	-	(11)
Loss on write off of equipment	2	-	2	-
Loss on devaluation of investments	-	-	170	-
Impairment loss on assets	2	-	-	-
Deposit for shares subscription to be forfeited	-	(43,252)	-	(43,252)
Income tax income	(396)	(236)	-	-
	28,287	(175)	(38,836)	(31,811)
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(6,936)	(19,589)	3,723	(8,132)
Other receivables	(13,451)	4,037	(13,650)	(1,445)
Inventories	3,067	(7,215)	(2,367)	115
Other non-current assets	(138)	68	(71)	89
Trade accounts payable	(10,121)	(572)	(5,393)	(739)
Other payables	(36,739)	(12,644)	(23,004)	(5,274)
Other non-current liabilities	752	(200)	706	-
Cash generated used in operating activities	(35,279)	(36,290)	(78,892)	(47,197)
Withholding tax paid	(172)	(227)	(169)	(226)
Net cash used in operating activities	(35,451)	(36,517)	(79,061)	(47,423)

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period		Three-month period	
	ended 31 March		ended 31 March	
Note	2016	2015	2016	2015
	(in thousand Baht)			
Cash flows from investing activities				
Interest received	624	3,245	2,074	3,238
Pledged deposits at bank	(1,232)	(2,134)	(211)	(308)
Advance payment for assets	-	(62,551)	-	(87,453)
Purchase of property, plant and equipment	(258,301)	(87,803)	(214,165)	(265)
Sale of equipment	10,000	31	-	31
Purchase of intangible assets	(74)	-	(74)	-
Repayment of short-term loans	-	-	(80,686)	(54,150)
Proceeds from short-term loans	-	-	15,600	-
Purchase of investment in subsidiaries	-	-	-	(82,235)
Net cash used in investing activities	(248,983)	(149,212)	(277,462)	(221,142)
Cash flows from financing activities				
Interest paid	(6,421)	(15,651)	(749)	(1)
Bank overdrafts and short-term				
loans from financial institutions	(13,844)	(1,122)	(8,980)	(27)
Repayment of short-term loan from related person	-	(25,620)	-	-
Proceeds from short-term loans from non related person	19,513	-	19,513	-
Repayment for short-term loans from non related person	(500)	-	-	-
Repayment for long-term loans	(13,360)	(5,127)	-	-
Finance lease payments	(211)	-	(211)	-
Proceeds from issue of ordinary shares	497,189	546,220	497,189	546,220
Net cash from financing activities	482,366	498,700	506,762	546,192
Net increase in cash and cash equivalents	197,932	312,971	150,239	277,627
Cash and cash equivalents at 1 January	80,914	479,087	57,658	379,405
Cash and cash equivalents at 31 March	278,846	792,058	207,897	657,032
Non - cash transactions				
Transfer advance received for subscription	28	-	72,000	-
to ordinary shares				72,000
Payable on construction in progress	22	31,565	-	11,649
				-

The accompanying notes are an integral part of these financial statements.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

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The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements were authorized for issue by the Board of Directors on 16 May 2016.

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 Company’s first five major shareholders as at 31 March 2016 were as follows:

	(% of paid-up share capital)
1. Miss. Tachamol Nanawaratorn	2.73
2. Mr. Kornchanun Thanannapong	1.93
3. Mr. Bhusana Premanode	1.81
4. Mr. Surat Itsopolphan	1.73
5. Mr. Komol Jungrungruangkij	1.73

The principal activities of the Company are engineering products and providing services on installation and implementation of information technology system, waste plant, generating electricity from waste, solar energy and biomass.

Details of the Company’s subsidiaries were as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2016	31 December 2015
<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 Business Partners Co., Ltd.	Investments (not commercial operations yet)	Thailand	100	100
3. NFS (2010) Co., Ltd.	Sale of mobile phone (temporary cease)	Thailand	100	100

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2016	31 December 2015
4. IEC Mae Ramat Co., Ltd.	Operating in production and distribution of electricity from solar energy	Thailand	100	100
5. E-Contech Management Pte. Ltd.	Providing consulting service and engineering technology reserch	Singapore	100	100
6. IEC Sakaeo 1 Co.,Ltd.	Operating in production and distribution of electricity from boimass	Thailand	75	75
Indirect subsidiaries				
7. GIDEC Co., Ltd.	Operating in waste disposal, and production and distributing electricity from waste.	Thailand	50	50
8. IEC Mae Tha Mae Taeng Co., Ltd.	Operating in production and distribution of electricity from solar energy	Thailand	100	100

2. Basis of preparation of interim financial statements

2.1 Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2015) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2015. The financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2015.

2.2 New financial reporting standards

During the period, the Company and its subsidiaries has adopted the revised and new financial reporting standards including guidelines issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and subsidiaries.

2.3 Functional and presentation currency

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

The interim financial statements are presented in Thai Baht, which is the Group/the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statement to the nearest thousand / million unless otherwise stated.

2.4 Use of judgments and estimates

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

In preparing these interim financial statements, the significant judgments made by management in applying the Group/Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Company and its subsidiaries for the year ended 31 December 2015.

2.4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements is included in the following notes :

Note 12	Valuation investment properties
Note 15	Calculating the recoverable amount of goodwill

2.4.2 Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 12	Valuation of investment properties.
Note 13	Accounting for an arrangement containing a lease
Note 15	Assumptions of estimates of future cash flows
Note 18	Deferred taxation and utilisation of tax losses
Note 26	The assumptions of discount rate, future salary increase rate, staff turnover rate, mortality rate and disability rate.
Notes 27 and 34	Provisions and contingencies

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

2.5 *Going Concern*

As shown in the financial statements, the Group / Company had loss for the three - month period ended 31 March 2016 in the amount of Baht 30.81 million and Baht 16.73 million, respectively and had negative cash flows from operating activities in the amount of Baht 35.45 million and Baht 79.06 million, respectively in the consolidated and separate financial statements. A subsidiary has also failed the payment under loan agreement in January and February 2016 in the amount of Baht 14.59 million. On 29 March 2016, the subsidiary entered into the debt restructuring agreement to extend the period of repayment (as described in note 25 to the financial statements). In addition, there is lot of contentions case issues, which have been in the judicial process, including the completion of various projects be still in construction which rises to future economic benefits to the Group/Company. Based on the above circumstances indicate the existence of a material uncertainty which may cast significant doubt about the Group's/Company's ability to continue as a going concern The Group/Company has implemented policies and procedures in an attempt to manage its liquidity risk and other circumstances which enables to the Group's/Company's management ensures that the Group/Company will unravel negative cash flows from negative operating activities when the investment project can commercially operate under the plan. The consolidated and separate financial statements have been prepared by the Group's/Company's management on a going concern basis on the assumption that such further capital and facilities are secured to the extent that the Group's and the Company's operations require. Accordingly, the consolidated and separate financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amount and classification of liabilities that may be necessary if the Group/Company is unable to continue as a going concern.

3. **Significant accounting policies**

The Group / Company has significant accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2015

4. **Acquisition of subsidiary**

Thaworn Energy (2013) Co., Ltd. ("TE")

The Board of Directors Meeting of the Company held on 23 March 2015 had approved the Company acquired the ordinary shares of Thaworn Energy (2013) Co., Ltd. ("TE") for 100% of registered and paid-up share capital from 4 existing shareholders ("Seller") (Mrs. Waraporn Petcharawan, Mr. Polpipat Srisuwan, Mr. Ittdej Srisuwan and Mr. Saran Eusook) of 1,250,000 shares at the selling price of Baht 100 per share, totaling value of investment amounted to Baht 125 million. The term of payment for shares were as follows:

The first of installment amounted to Baht 40 million within 7 days from the date of signing in share sell and purchase agreement which contained the condition to refund the settlement amount unless TE does not obtain an approval of factory operating permit (Ror. Ngor. 4) and power purchase agreement from PEA. TE meanwhile is prohibited to incur any negative pledges at present or in the future. The Sellers must guarantee the Company's satisfaction over TE capability to successfully test run its biogas power generation.

The second of installment amounted to Baht 85 million to shareholders of TE in proportion of their shareholding under the condition that TE has to obtain an approval of factory operating permit (Ror. Ngor. 4) and power purchase agreement from PEA and the seller must guarantee the Company's satisfaction over TE capability to successfully test run its biogas power generation.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Such acquisition was to invest in a biogas power plant project according to the strategic plan for investing and business operating of the Company.

The project was approved by the Risk Management Committee which already assessed the risks on 20 March 2015.

Subsequently, on 2 April 2015, the Company entered into a purchase agreement of shares in Thaworn Energy (2013) Co., Ltd. and the first payment was settled in the amount of Baht 40 million to 4 existing shareholders and was recorded in prepaid investment in a subsidiary. Presently, the project has been continuously developed by Thaworn Energy (2013) Co., Ltd. which has been not finished.

Please also see note 35 to the financial statements.

5. Seasonal operations

The Group is subject to seasonal sales or rendering of services revenue from its engineering products and providing services on installation and implementation of information technology system, waste plant, generating electricity from waste, solar energy and biomass, which conforms with economic environment.

6. Related parties

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 subsidiaries, key management personnel and related 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 Business Partners Co., Ltd.	Thailand	Subsidiary, 100% shareholding
3. NFS (2010) Co., Ltd.	Thailand	Subsidiary, 100% shareholding
4. IEC Mae Ramat Co., Ltd.	Thailand	Subsidiary, 98.98% shareholding
5. GIDEC Co., Ltd.	Thailand	Indirect subsidiary held by IEC Green Energy Co., Ltd. 50% shareholding
6. IEC Mae Tha Mae Taeng Co., Ltd.	Thailand	Indirect subsidiary held by IEC Green Energy Co., Ltd., 100% shareholding

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Name of entities	Country of Incorporation/ Nationality	Natures of relationship
7. Energy System Engineering and Services Co., Ltd. (formerly : Ethnic Earth.Com Holdings Co., Ltd)	Thailand	Related company by shareholding
8. The M Group Plc.	Thailand	Related company by shareholding
9. Sorisa (Thailand) Co., Ltd.	Thailand	Related company with a key management personnel of the Company (Executive Chairman)
10. Electricity Generating PCL	Thailand	Related company, 50% shareholding in GIDEC Co., Ltd.,
11 Crystal Holding Co., Ltd.	Thailand	Related company, co-director and Executive Chairman is the shareholder of such related company.
12. E-Contech Management Pte. Ltd.	Singapore	Subsidiary, 100% shareholding
13. IEC Sakaeo 1 Co., Ltd.	Thailand	Subsidiary, 75% shareholding
14. Kaewpraya Concrete Co., Ltd.	Thailand	Related company, related with the director of IEC Sakaeo 1 Co., Ltd..
15. Kaewlumduan Group Co., Ltd.	Thailand	Related company, related with the director of IEC Sakaeo 1 Co., Ltd.
16. Miss Jaruwan Bhusanaphibankoop	Thailand	Related person, related with the director of IEC Sakaeo 1 Co., Ltd..
17. Mr. Sutin Jaitham	Thailand	Director of a subsidiary IEC Sakaeo 1 Co., Ltd.
18. 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
Sale of fuel-raw material	Cost plus profit margin of 3%
Management fee	Contract price
Interest income	8.5% per annum
Land rental	Contract price
Interest expense	8.5% 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
Advance received from sale of land	Contract price (at cost)
Construction in progress (construction materials)	Market price

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Significant transactions during the three-month periods ended 31 March 2016 and 2015 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Revenue				
Subsidiaries				
Interest income	-	-	27,272	26,862
Management fee	-	-	5,310	-
Expenses				
Subsidiaries				
Land rental	-	-	10	-
Other Related company				
Sale of fuel raw material	10,822	-	-	-
Related person				
Interest expenses	-	447	-	-
Key management personnel Compensation				
Short-term employee benefits	18,127	20,627	17,096	19,085
Post-employment benefits	704	1,012	651	966
Total key management personnel compensation	<u>18,831</u>	<u>21,639</u>	<u>17,747</u>	<u>20,051</u>

Balances as at 31 March 2016 and 31 December 2015 with related parties were as follows:

Trade accounts receivable - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Gidec Co., Ltd..	<u>-</u>	<u>-</u>	<u>10,273</u>	<u>1,273</u>

Other receivables – related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Other receivables and advances				
Subsidiaries				
IEC Green Energy Co., Ltd.	-	-	150,456	128,790
IEC Business Partners Co., Ltd.	-	-	21,280	21,019
IEA Mae Tha Mae Taeng	-	-	792	2
IEC Mae Ramat Co., Ltd	-	-	3,664	143
E-Contech Management Pte. Ltd.	-	-	560	260
IEC Sakaeo 1 Co., Ltd.	-	-	7,240	4,357
NFS (2010) Co., Ltd.	-	-	161	-
Gidec Co., Ltd.	-	-	1,245	-

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Other related companies				
Kaewlumduan Group Co., Ltd.	2,304	-	-	-
The M Group Plc.	450,000	450,000	450,000	450,000
Total	452,304	450,000	635,398	604,571
<i>Less allowance for doubtful accounts</i>	<i>(450,000)</i>	<i>(450,000)</i>	<i>(471,019)</i>	<i>133,552</i>
	2,304	-	164,379	133,552

Allowance for doubtful accounts comprised:

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Subsidiary				
IEC Business Partners Co., Ltd.	-	-	21,019	21,019
Other related companies				
The M Group Plc.	450,000	450,000	450,000	450,000
Total	450,000	450,000	471,019	471,019

Short-term loans to related parties

	Interest rate		Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(%)</i>		<i>(in thousand Baht)</i>			
Subsidiaries						
IEC Green Energy Co., Ltd.	8.5	8.5	-	-	1,023,034	980,834
IEC Business Partner Co., Ltd.	No interest charge	No interest charge	-	-	193,862	192,376
IEC Mae Ramat Co., Ltd.	8.5	8.5	-	-	215,400	201,400
E-Contech Management Pte Ltd	8.5	8.5	-	-	10,800	10,800
IEC Sakaeo 1 Co., Ltd.	8.5	8.5	-	-	87,500	80,100
Total			-	-	1,530,596	1,465,510
<i>Less Allowance for doubtful accounts</i>			-	-	<i>(193,862)</i>	<i>(192,376)</i>
Net			-	-	1,336,734	1,273,134

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
For the three-month period 31 March				
Doubtful debts expenses	-	-	1,486	2,150

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Allowance for doubtful accounts comprised:

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Subsidiary				
IEC Business Partner Co., Ltd.	-	-	193,862	192,376
Total	<u>-</u>	<u>-</u>	<u>193,862</u>	<u>192,376</u>

Movements of short-term loans to related parties during the three-month periods ended 31 March were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	-	16,770	1,465,510	1,471,850
Increase	-	-	80,686	54,150
Decrease	-	-	(15,600)	-
At 31 March	<u>-</u>	<u>16,770</u>	<u>1,530,596</u>	<u>1,526,000</u>

Investments in subsidiaries were as details in note 10 to the financial statements.

Trade account payables – related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Other related company				
Kaewlumduan Group Co., Ltd	2,136	12,136	-	-
Total	<u>2,136</u>	<u>12,136</u>	<u>-</u>	<u>-</u>

Other payables – related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Other payables				
Subsidiary				
IEC Business Partners Co., Ltd.	-	-	16	-
Accrued interest expense				
Related person				
1 Director	7	7	-	-
Total	<u>7</u>	<u>7</u>	<u>16</u>	<u>-</u>

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Other non-current liabilities – related person

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
<i>Advance received on sale of land</i>				
Related person				
Miss Jaruwan Bhusanaphibankoop	6,859	6,859	-	-
Total	6,859	6,859	-	-

Short-term loans from related parties

Movements of short-term loans from related parties during the three-month periods ended 31 March are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	-	25,620	-	-
Decrease	-	(25,620)	-	-
At 31 March	-	-	-	-

Provision for losses of subsidiaries was described in note 27 to financial statements.

Directors' remunerations

The Ordinary General Meeting of Shareholders (new) held on 24 May 2015 passed a resolution to approve the remunerations for directors, executive directors, member of the audit committee, nomination and remuneration committee, risk management committee and corporate governance committee for the year 2015 in the amount not exceeding Baht 7 million.

Please also see note 35 to the financial statements.

Significant agreements with related parties

On 1 January 2016, the Company entered into the management agreement with 8 subsidiaries (IEC Green Energy Co., Ltd., IEC Business Partners Co., Ltd., NFS (2010) Co., Ltd., IEC Mae Ramat Co., Ltd., IEC Sakaew1 Co., Ltd., Gidec Co., Ltd., IEC Mae Tha Mae Thang Co., Ltd., and E-Contech Management Plc. Ltd.). The Company agreed to manage the operations (engineering, accounting, financing, human resource, administration, control, monitoring, legal and others) of each subsidiaries for a period of 12 months from 1 January 2016 to 31 December 2016 with the annual hiring rate of Baht 644,300 to Baht 5,432,300.

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

On 25 February 2016, the subsidiary (“IEC Sakaeo 1 Co., Ltd.”) (seller) entered into an agreement to sell fuel, wood chips, to Kaeolumduan Group Co., Ltd. (buyer) of 9,046.37 tons totalling of Baht 11.58 million, requiring payable in two installments as follows:

- The first installment : when the seller delivers wood chips of 7,246.37 tons to the buyer in the amount of Baht 9.28 million and the buyer inspect the woodchips completely. The payment date is on 29 February 2016. The subsidiary received a payment on 26 February 2016.
- The second installment : when the seller delivers woodchips of 1,800 tons in the amount of Baht 2.30 million and the buyer inspect the woodchips completely. The payment date is on 31 March 2016. The subsidiary received a payment on 1 April 2016.

On 29 July 2015, the Company entered into the land lease agreement with a subsidiary (GIDEC Co., Ltd.), agreed to lease the land which is located at Tha Chang, Hat Yai, Songkhla for use in the construction of office building. The period of agreement is three years from 29 July 2015 to 28 July 2018 with annual rental rate of Baht 40,000.

On 30 June 2014, the subsidiary (IEC Sakaeo 1 Co., Ltd) entered into a purchase and sale agreement on land with Miss Jaruwan Bhusanaphibankoop (“Buyer”) to sell its land, acquired on 8 October 2010, to buyer, requiring a prining equal to cost value at the acquisition date. Presently, such land has been guaranteed long-term loan from a financial institution. Entering purchase and sale agreement and transferring land ownership will be performed when such land is released from the mortgage.

Please also see note 35 to the financial statements.

Contingently liable to its related parties

On 31 March 2016, the Company was contingently liable as guarantor of loans from domestic financial institutions of 2 subsidiaries (IEC Mae Tha Mae Taeng Co., Ltd. and IEC Mae Ramat Co., Ltd.) in the total amount of Baht 412 million.

7. Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties	-	-	10,273	10,273
Other parties	46,394	39,458	3,731	7,454
Total	46,394	39,458	14,004	17,727
Less allowance for doubtful accounts	(3,931)	(3,931)	(3,731)	(3,731)
Trade accounts receivable, net	42,463	35,527	10,273	13,996

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	-	-	-	10,273
Overdue				
Less than 3 months	-	-	10,273	-
Total	-	-	10,273	10,273
Other parties				
Within credit terms	40,627	30,605	-	3,723
Overdue				
Less than 3 months	1,836	-	-	-
Over 12 months	3,931	8,853	3,731	3,731
Total	46,394	39,458	3,731	7,454
<i>Less</i> allowance for doubtful accounts	(3,931)	(3,931)	(3,731)	(3,731)
Net	42,463	35,527	-	3,723
Trade accounts receivable, net	42,463	35,527	10,273	13,996

The normal credit terms granted by the Group range from 7-30 days.

8. Other receivables

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties	452,304	450,000	635,398	604,571
<i>Less</i> allowance for doubtful accounts	(450,000)	(450,000)	(471,019)	(471,019)
Net	2,304	-	164,379	133,552
Other parties	380,274	368,445	118,822	109,603
<i>Less</i> allowance for doubtful accounts	(64,157)	(46,127)	(45,820)	(45,664)
Net	316,117	322,318	73,002	63,939
Other receivables, net	318,421	322,318	237,381	197,491

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
For the three-month period ended 31 March				
Doubtful debts expenses	18,030	-	156	-

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Other receivables - other parties

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Accrued income	76,911	50,150	672	-
Prepaid expenses	11,386	6,316	5,003	2,281
Advance payment for development project	6,000	6,000	6,000	6,000
Other advance payment	1,105	2,240	716	868
Accrued interest income	115	196	115	196
Value added tax refundable	162,918	154,961	41,653	34,217
Withholding tax	20,704	20,533	20,172	20,003
Advance payment for fuel materials	-	63,618	-	-
Other receivables	101,135	57,043	42,409	43,977
Others	-	7,388	2,082	2,061
Total	380,274	368,445	118,822	109,603
<i>Less allowance for doubtful accounts</i>	<i>(64,157)</i>	<i>(46,127)</i>	<i>(45,820)</i>	<i>(45,664)</i>
Other receivables-other parties, net	316,117	322,318	73,002	63,930

Accrued income (in the amount of Baht 76.91 million in consolidated financial statements as at 31 March 2016)

As at 31 March 2016, the above accrued income included accrued income of the subsidiary (GIDEC Co., Ltd.) of Baht 26.58 million represented income from waste disposal with Hat Yai Municipality as the agreement dated 25 June 2010. Presently, it has been in the process of verifying the document to support for paying under the agreement. The Management has believed that it could be collectible in full amount.

Advance payment for fuel - raw material (Amounting of Baht 63.62 million in consolidated financial statements as at 31 December 2015)

On 1 June 2014, the subsidiary (IEC Sakaeo 1 Co., Ltd.) entered into a purchase of fuel (wood chop, bark, palm fiber) agreement with Mr. Suthud Suklerd for a period not less than 18 months. Under the agreement, required the company had to pay an advance for fuel in the amount of Baht 66 million. The subsidiary already made the payment under the agreement on 30 June 2014. As at 31 December 2015, the balance of advance payment of fuel-raw material amounted to Baht 54 million. Subsequently, on 25 February 2016, Mr. Suthud Suklerd made a statement of confession arising from receiving an advance on fuel from the subsidiary (IEC Sakaeo 1 Co., Ltd.) in the amount of Baht 54 million (the subsidiary recorded to other receivables). The debtor failed to deliver the fuel completely to the subsidiary within the limit of time, resulting to the subsidiary incurred damage and the debtor made the debt confession to the subsidiary by dividing into 3 payable installments as follows:

- The first installment will be paid Baht 17,872,687.81 within 29 February 2016. The subsidiary received a payment on 26 February 2016.
- The second installment will be paid Baht 17,872,687.81 within 31 March 2016. As of 16 May 2016 the subsidiary had not received the payment, so set the allowance for doubtful accounts in full amount.

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

- The third installment will be paid Baht 17,872,687.81 within 30 April 2016. The subsidiary received a payment on 4 May 2016.

On 19 January 2015, the subsidiary (IEC Sakeao 1 Co.,Ltd) (“buyer”) entered into a purchase of fuel agreement with Mr.Utid Singkarn (“Seller”). The seller has to procure and deliver the fuels to the buyer sufficiently by category, quality and quantity for a period not less than 12 months. Under the agreement, requires the subsidiary had to pay an advance for fuel in the amount of Baht 10 million. The subsidiary already made the payment under the agreement on 19 January 2015. Subsequently, on 15 February 2016, the subsidiary entered into a settlement memorandum with Mr. Utid Singkarn and Kaewlumduan Group Co., Ltd. (creditor). Mr. Utid Singkarn agreed to settle the advance payment of fuel receiving from subsidiary of Baht 10 million with the cost of fuel to be purchased from Kaewlumduan Group Co., Ltd. in the amount of Baht 10 million. On 29 February 2016, the subsidiary reversed the advance payment for fuel and account payable in the amount of Baht 10 million.

9. Available-for-sale investments

Movements during the three-month periods ended 31 March were as follows:

	Consolidated financial statements		Separate financial statements	
	Fair value		Fair value	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	833	907	833	907
Valuation adjustment	138	(82)	138	(82)
At 31 March	971	825	971	825

Consolidated and Separate financial statements					
Unrealized gain from change in value of investments					
Cost method				Fair value	
31	31	31	31	31	31
March	December	March	December	March	December
2016	2015	2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Available-for-sale investment					
Electricity Generating PCL.	125	125	846	708	971
					833

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

10. Investments in subsidiaries

Movements during the three-month periods ended 31 March were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cost :-				
At 1 January	-	-	1,664,010	1,575,775
Purchase of investment	-	-	-	82,235
	-	-	1,664,010	1,658,010
Less allowance for devaluation of investments	-	-	(576,128)	(571,013)
	-	-	1,087,882	1,086,997
Advance investments in subsidiary	40,000	-	40,000	-
At 31 March	40,000	-	1,127,882	1,086,997

**Separate
financial statements**
2016 2015
(in thousand Baht)

***For the three-month period ended
31 March***

Loss on devaluation of investments	170	-
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Please also see note 35 to the financial statements.

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Investments in subsidiaries were as follows:

Separate financial statements												
	Ownership Interest		Paid-up capital		Cost method		Allowance for devaluation of investments		At cost - net		Dividends	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	(in million Baht)		(in million Baht)		(in thousand Baht)		(in thousand Baht)		(in thousand Baht)		(in thousand Baht)	
<i>Direct subsidiaries</i>												
IEC Green Energy Co., Ltd.	100	100	534	534	525,135	525,135	413	413	524,722	524,722	-	-
IEC Business Partners Co., Ltd.	100	100	560	560	560,600	560,600	560,600	560,600	-	-	-	-
NFS (2010) Co., Ltd.	100	100	16	16	16,000	16,000	15,115	14,945	885	1,055	-	-
IEC Mae Ramat Co., Ltd	100	100	105	105	214,000	214,000	-	-	214,000	214,000	-	-
E- Contech Management Pte. Ltd.	100	100	3	3	3,275	3,275	-	-	3,275	3,275	-	-
IEC Sakao 1 Co., Ltd.	75	75	400	400	345,000	345,000	-	-	345,000	345,000	-	-
Total			1,664,010	1,664,010	576,128	575,958	1,087,882	1,088,052	-	-	-	-
Advance investments in subsidiary												
Tha Worn Energy Co., Ltd.			40,000	40,000	-	-	-	-	40,000	40,000	-	-
Total			1,704,010	1,704,010	576,128	575,958	1,127,882	1,128,052	-	-	-	-

The International Engineering Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

11. Other long-term investments

Movements during the three-month periods ended 31 March were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
General investments				
At 1 January – cost	9,395	9,395	9,395	9,395
Less allowance for devaluation of investments	(8,995)	(8,995)	(8,995)	(8,995)
At 31 March	400	400	400	400

12. Investment properties

Acquisitions, disposals and transfers of investment properties during the three-month periods ended 31 March were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Net book value at 1 January	207,615	7,220	143,702	-
Depreciation for the period	(492)	-	(10)	-
Net book value at 31 March	207,123	7,220	143,692	-

Land 120 rai of the Company at Amphoe Banbueng, Chonburi Province amounted to Baht 156.22 million. As of 16 May 2016 have not been the progress of the requisition for Ror.Ngor. 4 for selling such land.

Land for 64 rai of a subsidiary (IEC Sakaeo 1 Co., Ltd.) with cost value amounted to Baht 7.22 million was valued by Future Appraisal Co., Ltd, a firm of independent professional valuer, at compare with market values, market value amounted to Baht 9.55 million as the appraisal report dated 12 April 2016. However, the subsidiary entered into a purchase and sale agreement on land, requiring a pricing equal to cost value and see note 6 to the financial statements. The above land has been registered to mortgage as collateral to the bank under the loan agreement.

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

13. Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Net book value at 1 January	3,158,918	2,428,678	646,102	15,690
Acquisition and transfer in - at cost	289,866	87,803	225,814	265
Disposal and transfer out				
- net book value	(7,209)	(265)	(2)	(265)
Depreciation for the period	(29,675)	(27,596)	(2,021)	(1,165)
Net book value at 31 March	<u>3,411,900</u>	<u>2,488,620</u>	<u>869,893</u>	<u>14,525</u>

As at 31 March 2016, the book value of lands including structures existing at the present and to be constructed in the future of three subsidiaries and the related right to insurance claims on those assets have been mortgaged as collateral for obligations under loan agreements, which was summarized as follows:

	Consolidated financial statements <i>(in million Baht)</i>
Land and land improvement	170
Building	131
Solar power plant with equipment	690
Biomass power plant with equipment	547
Total	<u>1,538</u>

Property, plant and equipment under construction

1 Digital Mobile TV project (Cost of construction in progress amounted to Baht 82 million)

The Company has operated a portable digital television via a UHF frequency under the 58 – bands. Total budget cost amounted to Baht 250 million and actual cost incurred as of 31 March 2016 totaled Baht 154 million (recording in construction in progress of Baht 82 million, advance payment for assets of Baht 31 million, intangible assets of Baht 35 million and other expense of Baht 6 million) and the remaining amounted to Baht 96 million. As of 16 May 2016, the Company has been waiting for MCOT to carry out the import permission for the radio communication equipment from the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) which resulted to delay of the project and the allocation of frequency of MCOT did not agree to the legal. However, the Company set up an allowance for impairment of such asset in full amount, basing on prudence. The Board of Directors Meeting held on 12 November 2014, resolve to approve the Company terminated the agreement and sue MCOT. On 7 September 2015, the Company notified the letter of the termination to MCOT and requested to claim the payment within 30 days from the date of receiving the notification. MCOT received the above letter on 14 September 2015.

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Subsequently, on 22 April 2016, the Company filed a lawsuit against MCOT with the Civil Court (Black Case No. 1830/2559) to indemnify claims with interest. The amount of claim as at filing date was Baht 244.77 million. The Court scheduled the settlement of issues, proceeding with the case and investigating appointment from plaintiff on 4 July 2016.

2 Project of Waste Plastic Recycling at Rayong Province (cost of construction in progress incurred in the amount of Baht 624 million)

The Board of Directors Meeting held on 2 April 2015 approved to construct the plant of thermoplastic producing from plastic contamination to exports in amount Baht 663 million. Subsequently, the Board of Directors Meeting held on 11 March 2016 approved the additional budget from Baht 663 million to Baht 751 million to increase a line of plastic beads production.

The Company invest under the project as follows:

2.1 The project is located on land for 24 rai at Tambon Makhankhu, Ampur Nikompattana, Rayong Province (cost of construction in progress incurred in the amount of Baht 40 million).

The Board of Directors Meeting held on 25 May 2015 approved to relocation of the Waste Plastic Recycling Project site from Ampur Muang, Chachoengsao Province to Ampur Nikompattana, Rayong Province and approved to acquire land at Tambon Makhankhu, Ampur Nikompattana, Rayong Province in the amount of Baht 24.75 million. On 28 May 2015, the Company entered into the purchase of land agreement of 24 Rai 3 Ngan 1.6 Square Wah with a limited partnership and made the payment of land and registered the transfer of ownership on 28 May 2015. The Company had constructed the plastics recycling plant on those land and incurred cost of construction in process in the amount of Baht 66 million (cost of land of Baht 26 million, cost of construction in progress of Baht 40 million which comprised deposit at 20% of the total budgeting cost of construction of plastic recycling amounted to Baht 20 million and preparing area cost of Baht 10 million and piling cost of Baht 10 million).

The management of the Company confirmed to continue that project. Presently, such project has no progression.

2.2 The project is located on land and leasehold building under the lease agreement dated 12 July 2015 at Tambon Makhankhu, Ampur Nikompattana, Rayong Province (cost of construction in progress incurred in the amount of Baht 584 million).

The Company has installed machinery to produce plastic beads on land and leasehold building under leases agreement with the other company for a period of 2 years with had cost incurred amounted to Baht 601 million.

As of 31 March 2016, such project had cost incurred amounted to Baht 667 million recorded as land in the amount of Baht 26 million, construction in progress in the amount of Baht 624 million and the expenses of Baht 17 million, remaining of Baht 84 million which has not been finished. Currently, it is in the process of test run of machinery which will start the commercial date in June 2016.

The projects according to no 2.1 and 2.2 have been approved by Risk Management Committee to consider the risks on 18 March 2015 and 29 March 2015.

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For the three-month period ended 31 March 2016 (Unaudited)

3 Project of Producing Ethanol plant at Rayong (cost of construction in progress incurred in the amount of Baht 449 million)

The subsidiary (IEC Business Partners Co., Ltd.) had property, plant and equipments of which cost as at 31 March 2016 amounted to Baht 469 million (cost of land of Baht 20 million and cost of construction in progress of Baht 449 million) less allowance for impairment loss of asset of Baht 469 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. Please also see note 34 to the financial statements.

4 Developing technology and creating a prototype of waste management by converts garbage into fuel waste at Hat Yai (cost of construction in progress incurred in the amount of Baht 120 million).

The subsidiary (IEC Green Energy Co., Ltd.) had constructed and installed the waste sorting machine on the rental land under the agreement dated 1 December 2010 with the budget cost amounted to Baht 140 million. Actual cost was incurred until 31 March 2016 amounted to Baht 129 million to be record in construction in progress of Baht 120 million and expenses of Baht 9 million and the balance amounted to Baht 11 million. It has been expected to be completed in April 2016 and renting to Gidec Co., Ltd.

5 Prototype of Very Small Power Plant (VSPP) for Minicipal Solid Waste (MSW) Using Applied Technology Project at Hat Yai (cost of construction in progress incurred in the amount of Baht 86 million)

The subsidiary (IEC Green Energy Co., Ltd.) had constructed and installed the prototype of power plant on the rental land under the agreement dated 1 December 2010 with the budget cost amounted to Baht 125 million. Actual cost was incurred until 31 March 2016 amounted to Baht 87 million which was recorded in construction in progress in the amount of Baht 86 million and expense in the amount of Baht 1 million and the balance amounted to Baht 38 million which has not been finished and it has been expected to be completed on November 2016.

The above projects mentioned in 4 and 5 were approved by the Risk Management Committee which already assessed the projects' risk on 29 August 2015.

6 Waste plastic recycling project in Southern Region Industrial Estate, Tambon Chalung, Ampur Had Yai, Songkhla (cost of construction in progress incurred in the amount of Baht 72 million).

The Company had constructed the waste plastic recycling project in Southern Region Industrial Estate, Tambon Chalung, Ampur Had Yai, Songkhla, with the budget cost amounted to Baht 157 million. Actual cost incurred until 31 March 2016 amounted to Baht 75 million to be record in construction in progress amounted to Baht 72 million and expense amounted to Baht 3 million and the balance amounted to Baht 82 million which has not been finished and it has been expected to be complete on the fourth quarter in 2016.

The project was approved by the Risk Management Committee which already assessed the risks on 4 July 2015.

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

7 Fuel-processing Front-end System Rental Project (cost of construction in progress in the amount of Baht 16 million)

The subsidiary (IEC Green Energy Co., Ltd.) had installed the Front-end System for fuel – processing. The Front-end System will be installed at the electricity plant of IEC Sa Kaew 1 Co., Ltd. with the budget in the amount of Baht 74 million, the cost incurred until 31 March 2016 in the amount of Baht 16 million which was recorded in construction in progress in full amount. The balance amounted to Baht 58 million which has not been finished and it has been expected to be complete in the July 2016.

The project was approved by the Risk Management Committee which already assessed the risk on 6 March 2016.

8 Other assets under construction in progress

During the period ended 31 March 2016, the Group/Company had other assets under construction with costs incurred as at 31 March 2016 in the amount of Baht 158 million, and to be expected to complete within 2016.

Assets installed on the rental land

As at 31 March 2016, property, plant and equipment of the Company and the subsidiaries with book value in the amount of Baht 1,795 million had been constructed on the rental land of the Company and three subsidiaries (IEC Mae Ramat Co., Ltd. and GIDEC Co., Ltd.) under the 5 rental contracts for a period of 2 years and 10 years. All of the rights in construction, building and machinery of a subsidiary belong to landlord.

14. Leasehold rights

Acquisitions, disposals and transfers of leasehold rights during the three-month periods ended 31 March 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Net book value at 1 January	13,927	22,075	13,927	22,075
Amortization for the period	(314)	(500)	(314)	(500)
Net book value at 31 March	13,613	21,575	13,613	21,575

15. Goodwill

	Consolidated financial statements	
	For the three-month period ended 31 March	
	2016	2015
	(in thousand Baht)	
Cost :		
At 1 January	348,353	348,353
No changed during the period	-	-
At 31 March	348,353	348,353

Goodwill arised from the consideration paid on business acquisition was higher than the net asset value of IEC Sakaeo 1 Co., Ltd. and GIDEC Co., Ltd. in the amount of Baht 102 million and Baht 111 million, respectively. The Company tested the impairment of goodwill by net discount cash flow method. The result was shown that the recoverable amount exceeded the book value, however, there was uncertainty of such recoverable amount.

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16. Deferred rights to use transmission line

Acquisitions, disposals and transfers of deferred rights to use transmission line during the three-month periods ended 31 March were as follows:

	Consolidated financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
Net book value at 1 January	48,407	50,444
Amortization for the period	(507)	(502)
Net book value at 31 March	47,900	49,942

17. Other intangible assets

Acquisitions, disposals and transfers of other intangible assets during the three-month periods ended 31 March were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Net book value at 1 January	85,498	89,267	7,916	8,597
Acquisition and transfer - cost	74	246	74	246
Amortization for the period	(1,134)	(1,058)	(307)	(297)
Net book value at 31 March	84,438	88,455	7,683	8,546
Comprise:-				
Computer software, net	8,618	9,374	7,683	8,546
The right of use of technology, net	75,820	79,081	-	-
Advance payment for computer software, net	-	-	-	-
Television broadcasting's right, net	-	-	-	-
Total	84,438	88,455	7,683	8,546

18. Deferred Tax

Deferred tax assets arising from temporary difference that have not been recognized in financial statements were as follows:-

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Deductible temporary differences	240	241	224	226
Tax losses	281	314	182	235
Total	521	555	406	461

The tax losses expire during 2016-2020. The deductible temporary difference do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit against which the Group / Company can utilize the benefits therefrom.

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19. Advance payment for assets

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Advance payment for equipment in Digital Mobile TV Project	31,610	31,610	31,610	31,610
Less allowance for impairment	(31,610)	(31,610)	(31,610)	(31,610)
Net	-	-	-	-

20. Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Bank overdrafts	5,849	19,693	1,184	10,164
Promissory note	20,000	20,000	-	-
Total	25,849	39,693	1,184	10,164

Movement in short-term loans from financial institutions for the the three-month periods ended 31 March were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	20,000	20,000	-	-
No changed during the period	-	-	-	-
At 31 March	20,000	20,000	-	-

21. Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties	2,136	12,136	-	-
Other parties	10,656	10,777	325	5,718
Total	12,792	22,913	325	5,718

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22. Other payables

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties	7	7	16	-
Other parties	214,558	219,053	75,707	87,078
Total	214,595	219,060	75,723	87,078

Other payables – other parties

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Payable to purchase of fixed asset	103,184	96,549	13,813	16,421
Accrued expenses	47,198	37,104	9,967	13,132
Other payables	10,476	34,421	3,245	8,738
Customs department payables	26,363	26,105	26,363	26,105
Advance income	7,210	7,197	7,197	7,197
Undue output tax	4,314	2,064	169	532
Advance receive	14,953	14,953	14,953	14,953
Accrued interest expense	890	660	-	-
Total	214,588	219,053	75,707	87,078

23. Short-term loans

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Other persons :				
Promissory note	1,500	2,000	-	-
Bill of exchange	20,000	-	20,000	-
Less discount on bill of exchange	(487)	-	(487)	-
Bill of exchange - net	19,513	-	19,513	-
Total	21,013	2,000	19,513	-

At 31 March 2016, the Company has short-term loan from 2 other parties in the amount of Baht 20 million in separate financial statement. The short term loan is bill of exchange due on 30 September 2016 with the discount rate at 4.88% per annum

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Movements of short-term loans from other persons during the three-month periods ended 31 March were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	2,000	-	-	-
Increase	19,513	-	19,513	-
Decrease	(500)	-	-	-
At 31 March	21,013	-	19,513	-

24. Deposit

The Executive Committee's Meeting of the Company held on 11 September 2015 agreed to the other company inspected the position of the subsidiary (IEC Mae Ramat Co., Ltd.) which is in the generation and distribution of electricity from solar energy project before deciding to purchase of shares of the subsidiary. On 18 September 2015, the Company entered into memorandum with other company. Pursuant to the memorandum, the other company provided a deposit of Baht 50 million to the Company and agreed the deposit as a part of the settlement of share sale if the parties would agree to sell and purchase. The period of inspection of the position will be expected to finish within 90 days from the date of memorandum. Subsequently, on 28 December 2015, the Company changed the term of period for due diligence to be completed on 16 May 2016.

25. Long-term loans

	Consolidated financial statements	
	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>	
Long-term loans from financial institutions	706,055	714,464
Less Current portion of long-term loans due within one year	(112,991)	(98,400)
Net	593,064	616,064

In January – February 2016, a subsidiary (“IEC Sakaeo 1 Co., Ltd.”) was in default of repayment of the principal and interest to a commercial bank in the amount of Baht 14.59 million (comprising the principal in the amount of Baht 9.64 million and interest of Baht 4.95 million). The subsidiary entered into the debt restructuring agreement with a commercial bank on 29 March 2016, to change the condition in payment of debt in default as follows:-

- 1) To change the condition to the payment of principal by requiring grace period from January 2016 to February 2016, and on March 2016 onward, the subsidiary agreed to repay the principal and interest to a commercial bank according to the each original credit facilities agreement.
- 2) To pay the suspended principal of January 2016 to February 2016 amounted to Baht 9.64 million on monthly installment in the amount of Baht 2.41 million totalling 4 installments. The first installment starts in June 2016 and will be finished within September 2016. Interest rate is charged at MLR – 0.5 per annum to be calculated from the outstanding principal until complete payment.
- 3) To pay interest of Baht 4.95 million on monthly installment in the amount of Baht 1.24 million totalling 4 installments. The first installment starts in June 2016 and will be finished within September 2016 without interest.

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On 18 March 2016, the subsidiary (“IEC Mae Ramat Co., Ltd.”) entered into the loan agreement with a domestic financial institution in the amount of Baht 270 million, comprising long-term loan in the amount of Baht 265 million and bank overdraft in the amount of Baht 5 million, requiring payable in the amount not less than Baht 4.4 million per month within 5 years. The first payment will be paid within a next month from the principal drawn down. Interest is payable on a monthly basis at the rate of MLR – 1.0% per annum. The subsidiary had drawn down the long-term loan in the amount of Baht 265 million on 11 May 2016.

Movements of long-term loans during the three-month periods ended 31 March were as follows:

	Consolidated financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	714,464	630,287
Increase – adjust	4,951	-
Decrease	(13,360)	(5,127)
At 31 March	706,055	625,160

26. Employee benefit obligations

Movement in the present value of the defined benefit obligations during the three-month periods ended 31 March were as follows::

	Consolidated financial statements		Separate financial statements	
	Three-month period ended		Three-month period ended	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Defined benefit obligations plan at 1 January	15,954	6,480	13,663	4,217
Recognize in profit or loss				
Current service costs	1,087	997	899	1,077
Interest on obligation	97	65	82	53
Actuarial losses	-	3,087	-	3,569
Defined benefit obligations plan at 31 March	17,138	10,629	14,644	8,916

Principal actuarial assumptions at the reporting date:

	Consolidated and Separate financial statements	
	2016	2015
	<i>(%)</i>	
Discount rate	1.52 - 4.01	1.52 - 4.01
Salary increase rate	3 - 10	3 - 10
Staff turnover rate	0.00 – 36.00	0.00 – 36.00
Mortality rate	100 of TMO 08 **	100 of TMO 08 **
Disability rate	5.00 of TMO 2008**	5.00 of TMO 2008**
Normal retirement age (year)	55 – 60	55 – 60

* Upon the length of service

** Base on TMO 2008 (TMO2008 : Male and Female Thai Mortality Ordinary Tables of 2008)

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27. Provisions

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Current:				
Provision for penalty under the contract	32,190	32,190	-	-
Non - current:				
Provision on lawsuit	8,326	8,326	-	-
Provisions for losses of subsidiary	-	-	77,941	77,941
Total	40,516	40,516	77,941	77,941

Provisions for losses of subsidiary:-

	Separate financial statements	
	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>	
IEC Business Partners Co., Ltd.	77,941	77,941
Total	77,941	77,941

28. Share capital / Warrants

		Consolidated and separate financial statements			
	<i>Par value (Baht)</i>	31 March 2016 Number	31 December 2015 Amount <i>(shares / Baht)</i>	31 March 2016 Number	31 December 2015 Amount
Authorized share capital					
At the beginning of period					
- Ordinary shares	0.01	204,824,585,000	2,048,245,850	204,824,585,000	2,048,245,850
At the end of period					
- Ordinary shares	0.01	204,824,585,000	2,048,245,850	204,824,585,000	2,048,245,850
Issued and paid-up share capital					
At the beginning of period					
- Ordinary shares	0.01	180,795,930,000	1,807,959,300	164,824,585,000	1,648,245,850
Increase of shares					
- 21 January 2015	0.01	-	-	15,971,345,000	159,713,450
Increase of shares					
- 15 February 2016	0.01	22,599,491,250	225,994,913	-	-
At the end of period					
- Ordinary shares	0.01	203,395,421,250	2,033,954,213	180,795,930,000	1,807,959,300

On 1-5 February 2016, the Company received the payment from the issuing and allocation of additional shares in the amount of 22,599,491,250 shares from the existing shareholders in the price of Baht 0.022 per share totaling Baht 497,188,808. On 15 February 2016, the increase shares capital was registered with the Ministry of Commerce (the issue and paid-up share capital was Baht 225,994,913 and premium on ordinary shares was Baht 271,193,895).

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29. Premium on ordinary shares

	Consolidated and Separate financial statements	
	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>	
Premium on ordinary shares	1,304,541	1,033,347

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.

30. 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.

31. Segment information/Discontinued operations

30.1 Segment information

Business segments

The Group/Company has two reportable segments, which are the Group/Company's strategic divisions. The strategic divisions offer different products and services, and managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group/Company's reportable segments.

Business segments

- Segment 1 is telecommunication segment and implementation of information technology system.
- Segment 2 is investments business in producing and distributing electricity from alternative energy (business in solar power plant, waste disposal plant and power plant from waste, and biomass power plant)

Information regarding the results of each reportable segment, performance is measured based on segment profit before tax as included in the internal management reports. Segment profit before tax is used to measure performance as management believes that such information is suitable.

Geographic segments

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

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Information about reportable segments

For the three-month period ended 31 March

	Segment 1		Segment 2		Total	
	2016	2015	2016	2015	2016	2015
	<i>(in million Baht)</i>					
Revenue from operating						
- External	1	11	123	87	124	98
Other revenue						
- External	2	49	6	1	8	50
- Intersegment	1	-	17	14	18	19
- Other segment	32	27	-	-	32	27
Total	36	87	146	107	182	194
Less Elimination	(33)	(27)	(17)	(19)	(50)	(46)
Total Revenue	3	60	129	88	132	148
Segment profit (loss) before income tax	(50)	10	19	(6)	(31)	4
Segment assets as 31 March/31 December	1,464	1,083	3,484	3,415	4,948	4,498

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Reconciliation of reportable segment profit or loss and assets

For the three-month period ended 31 March

	2016 (in million Baht)		2015	
Profit or loss				
Profit (loss) for reportable segments		(31)		2
Elimination of inter-segment profits		-		2
Total profit (loss) before income tax		(31)		4

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	(in million Baht)			
Assets				
Total assets for reportable segments	4,947	4,497	2,918	2,422
Investments in equity securities – accounting for investor	1	1	1,129	1,129
Total assets	4,948	4,498	4,047	3,571

32. Earnings (loss) per share

Basic earnings (loss) per share

Basic earnings (loss) per share for the periods ended 31 March 2016 and 2015 were calculated by dividing the profit (loss) for the period attributable to ordinary share holders of the Company by the weight average number of ordinary shares issuing during the period as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in million Baht / in million Share)			
Profit (loss) for the period attributable to shareholders of the Company (basic)	(23)	24	(17)	36
Number of ordinary shares outstanding at 1 January	180,796	164,825	180,796	164,825
Effect of shares issued				
- 15 February 2016	11,424	-	11,424	-
- 21 January 2015	-	12,422	-	12,422
Weighted average number of ordinary shares outstanding (basic)	192,220	177,247	192,220	177,247
Earnings (loss) per share (basic) (Baht)	(0.0001)	0.0001	(0.0001)	0.0002

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33. Commitments with non - related parties

	31 March 2015	
	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Capital commitments</i>		
Equipment for Digital Mobile TV project	96	96
Construction cost, machinery and equipment for waste segregation, Hat-Yai	11	-
Construction cost, machinery and equipment for rental Front-End System at Sakaeo	58	-
Prototype of a Very Small Power Plant (“VSPP”) for Msw Using at Hat-Yai	38	-
Construction cost, machinery and equipment for Waste Plastic Recycling at Song-Kla	82	82
Construction cost, machinery and equipment for Waste Plastic Recycling at Ra-Yong	84	84
Total	369	262
<i>Long-term operating lease and service commitments</i>		
Within one year	17	16
After one year but within five years	18	15
After five years	26	10
Total	61	41
<i>Other commitments</i>		
Bank guarantee for performance bonds and bid bonds and compliance with the agreement	46	46
Letter of guarantee under the power purchase agreements with the PEA	6	-
Total	52	46

At 31 March 2016, the Group had following commitments:

- On 8 April 2015, the Company (“purchaser”) entered into an agreement to purchase the residue from the organic fertilizer process with the other company (“seller”) to produce the recycling plastic, by determining price at Baht 225 per metric ton for a period of 10 years from the agreement date.

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For the three-month period ended 31 March 2016 (Unaudited)

34. Contingent liabilities and contingent assets

Contingent liabilities

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Description
Civil case: Black case No.611/2559	Mr. Smith	Subsidiary (IEC Business Partners Co., Ltd.)	On 19 February 2016, the subsidiary (“IEC BP”) was filed a lawsuit with regard to receiving stolen property. The Court appointed to inquiry the petition on 4 July 2016.
Civil case: Black case No.842/2550 Red case 4483/2553	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 ordered the registration of asset purchasing was invalid, 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, if it may be possible, 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 had no power to sue because of 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. The plaintiff appealed to the court. On 2 February 2015, the Appeal Court modified a decision to revoke the juristic act to purchase asset and the transfer of land and building, machinery and equipment and ordered the subsidiary with the defendant transfer the land and building, machinery and equipment to IGA. In case of non-transfer of the above assets, the subsidiary associated with the defendant compensate the plaintiff in the amount Bath 179.53 million with the interest of 7.5% per annum, starting from filing date until fully settlement. Other request dismissed the case. On 29 April 2015, the subsidiary filed a petition for expand the period of dika by 30 days from 1 May 2015. On 28 May 2015, the subsidiary filed the dika to the Court and as of 16 May 2016, it has been in the process of consideration of Supreme Court which has not been finalized.
Civil case: Black case No. 219/2552 Red case	IGA	Subsidiary (IEC Business Partners Co., Ltd.)	On 22 January 2009, a subsidiary was sued in relation to branch the sell agreement with calling the outstanding debt, 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

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For the three-month period ended 31 March 2016 (Unaudited)

Case No.	Plaintiff/ Complainant	Defendant/ Objector	Description
2759/2552			interest at 7.5 % per annum on principal of Baht 77.21 million totaled Baht 82.54 million. However, as at 31 December 2012, the subsidiary recorded payable on assets and provision amounted to Baht 69 million and Baht 8 million, respectively. At present, the Court ordered to temporarily dispose the case in order to waiting for the decision regarding the revoke of the juristic act to purchase assets. Subsequently, on 28 September 2015, the Court appointed to inquiry the petition of the plaintiff who filed the petition to dismiss a case raised further consideration, however, the subsidiary requested to postpone the inquiring to 28 October 2015. On the above date the Court ordered to dismiss the petition of the plaintiff.

- 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 lawsuits to the Tax Court against the Company in 30 cases, seeking to recover approximately Baht 46.8 million (including interest accrued up to December 2005). Lawsuits had not yet been filed over the remaining amounted to Baht 23 million (including interest). The Court of First Instance ruled in favor of the plaintiff in 18 cases and 12 cases dismissed. Subsequently, the Supreme Court already sentenced 29 cases in favor of the Customs Department and 1 case dismissed that the Company had to pay the compensation on tax coupons including interest (7.5 % per annum since 2004) to the Customs Department amounted to Baht 46 million. The Company made the payment on tax coupons amount Baht 20 million and the remaining amount to Baht 26 million (it was recorded in other payables in full).

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 otherwise 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. As of 16 May 2016 the Company has been in the process of investigation of the property to enforce the defendant under the law.

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

35. Events after the reporting period

On 1 April 2016, a subsidiary (IEC Green Energy Co., Ltd.) entered into agreement for rent the front machinery to a subsidiary (GIDEC Co., Ltd.) for a period of five years with monthly rental rate of Baht 1.50 million.

The General Meeting of Shareholders held on 25 April 2016 passed the resolution as follows:

- To approve the remunerations for directors, executive directors, member of the audit committee, nomination and remuneration committee, risk management committee and corporate governance committee for the year 2016 in the amount not exceeding Baht 7.50 million.
- To approve the decrease of share capital from of Baht 2,048,245,580 to Baht 2,033,954,212.50 divided into 203,395,421,250 shares of Baht 0.01 per share by cancelling ordinary shares which were not issued of 1,429,163,750 shares. The Company has registered the decrease of share capital with the Ministry of Commerce on 28 April 2016.
- To approve the increase of authorized share capital of Baht 406,790,842.50 to Baht 2,440,745,055 by issuing new 40,679,084,250 ordinary shares of Baht 0.01 per share. The Company has registered the increase of share capital with the Ministry of Commerce on 29 April 2016
- To approve the issuing and allocation of warrants to purchase the increasing share capital of the Company No.2 (IEC-W2) not exceeding 40,679,084,250 units by issuing and allocation to existing shareholders, at the rate of 5 existing ordinary shares to 1 unit of warrant with the maturity of warrants of 3 years from date of issuance.
- To approve the issuing and allocation of new increased ordinary shares not exceeding 40,679,084,250 shares of Baht 0.01 per share to support the exercise of warrants (IEC-W2).

The Board of Directors Meeting held on 27 April 2016 had approved the Company acquired the ordinary shares of Nong Ri Power Plant Company Limited for 100% of registered and paid-up share capital from the 4 existing shareholders (Mr. Paisarn Wongwaikolayut, Mrs. Saranya Wongwaikolayut, Mr. Thosapol Wongwaikolayut and Miss Thosaporn Wongwaikolayut) of 500,000 shares at the selling price of Baht 100 per share, totaling value of Baht 50 million. The Company entered into the share selling and purchase agreement on 29 April 2016 and made the payment for shares on the agreement date.⁵



Overview of business operations and significant changes

The Company's key policies and strategies for business operations in 2016 were as follows:

- Operating renewable energy business, consisting of solar energy power plants, waste-to-energy power plant, biomass power plant, and biogas power plant.
- Operating recycled plastic pallet from waste-plastic plant.
- Operating information business and communication technology, which involves information projects on procurement with the public and private sectors.
- Operating engineering consulting services.

Projects Invested in by the Company as of 31 March 2016

Investment projects	Investment budget (million baht)	Investment used (million baht)	Progress
Digital Mobile TV	250	154	The entire amount of assets was impaired. Now, the list of damages is being prepared, and the suing date is being scheduled.
Procurement of Potential Land for Power Plant Construction for Resale to Interested Investors, Chon Buri Province.	156	156	The land sale is being announced, and the average estimate cost of some pieces of land is 13.27 million baht less than the book value, which was recorded as loss due to impairment for 2015.
Recycled Plastic Pellet from Waste Plastic Production, Rayong Province.	751	667	The project is under construction.
Ethanol Plant, Rayong Province.	469	469	The entire amount of assets was impaired, which is waiting for the Administrative Court's consideration.
Development of Technology and the Model of Solid Waste Management by Processing MSW to Waste Fuel, Songkhla Province.	140	129	The project started to be commercially operated in April 2016.
Application of Technology and Development of the Model of the MSW Small Power Plant	125	87	The project is under construction.
Recycled Plastic Pellet from Waste Plastic Production, Songkhla Province.	157	75	The project is under construction.
Purchase of Ordinary Shares Thaworn Energy Co., Ltd. (2013) for Biogas Power Plant Investment.	125	40	The project is waiting the FiT bidding from Provincial Electricity Authority.
Rental of the Front-end System for Processing Raw Materials into Fuels.	74	16	The project is under construction.
Total	2,247	1,793	

Subsidiary Acquisition

- Thaworn Energy (2013) Company Limited (“TE”)

The Board of Directors’ Meeting on 23 March 2015 resolved to approve the Company’s purchase of 1,250,000 ordinary shares from Thaworn Energy (2013) Company Limited (“TE”), which represented 100% of the issued and paid-up shares from existing four shareholders (“the Seller”) (Mrs. Varaporn Petcharawan, Mr. Polpipat Srisuwan, Mr. Itthidetch Srisuwan, and Mr. Saran Usuk) at the price of 100 baht per share. The total value of the shares was 125 million baht, which was subject to the following share trade and payment conditions:

The first payment, amounting to 40 million baht, shall be made within 7 days from the date when the share purchase agreement is entered into under the condition that the Company receives a refund for paid shares if TE fails to receive the Permit of Factory Operation (Ro Ngo 4) and the Power Purchase Agreement (PPA) from the PEA. In addition, TE is prohibited from incurring any obligations on current or future assets, and the Seller shall allow TE to test biogas power generation to achieve satisfactory results.

The second payment, amounting to 85 million baht, shall be made to individual TE shareholders based on their shareholding proportion under the condition that TE receives the Power Purchase Agreement (PPA) from the PEA and the Permit of Factory Operation (Ro Ngo 4). The Seller shall allow TE to test biogas power generation to ensure satisfactory results.

The purpose for acquisition of the said company is investment in biogas power plant, which is consistent with the Company’s strategic plan for investment and business operations in terms of distribution of biogas-power plant in addition to the existing renewal energy power plants, i.e. biomass power plant, waste-to-energy power plant, and solar power plants.

On 2 April 2015, the Company entered into a share purchase agreement with Thaworn Energy (2013) Company Limited and made the first payment, amounting to 40 million baht, to four existing shareholders. This payment was recorded as investment in subsidiaries with a full amount of advance payment. The said project was approved by the Risk Management Committee, who completed the project risk assessment on 20 March 2015. At present, the project is waiting for the call for the FiT bidding from the Provincial Electricity Authority.

- NongRee Power Plant Company Limited

On 27 April 2016, the Board of Directors’ Meeting resolved to approve the Company’s purchase of 500,000 ordinary shares from NongRee Power Plant Company Limited, which represented 100% of the registered and paid-up shares from existing four shareholders (Mr. Paisan Wongwaikonlayut, Mrs. Saranya Wongwaikonlayut, Mr. Thotsaphon Wongwaikonlayut, and Mrs. Thotsaphorn Wongwaikonlayut) at the rate of 100 baht per share. The total value of the traded shares was 50 million baht. The share purchase agreement was entered into on 29 April 2016 and the share payment was made on the agreement date.

Execution of Capital Increase

From 16-20 January 2015, the Company received an additional capital increase share payment which amounted to 502,968,420 baht from three private placement investors, at the offering price of 0.036 baht per share. The total amount of capital increase capital payment was 574,968,420 baht (including advance payment for capital increase shares in the amount of 72 million baht, received on 31 October 2014), comprising issued and paid-up shares of 159,713,450 baht and paid-in capital in excess of par value of 415,254,970 baht. The Company registered the said capital increase with Ministry of Commerce on 21 January 2015; therefore, its registered capital equated to 2,048,245,850 baht and the paid-up capital amounted to 1,807,959,300 baht.

In January 2015, two private placement investors requested decreasing the number of shares reserved for purchase, from 32,000,000,000 to 7,971,345,000 shares, and they requested making an additional share payment in an adequate amount for the decreased number of shares reserved for purchase. The Company was also requested to consider confiscating deposit of the decreased number of shares reserved for purchase. Later, the Board of Directors' Meeting resolved to approve the Company's confiscation of the deposit amounting to 43 million baht, which must appear in 'profit & loss in the whole amount.'

The Annual General Meeting (AGM) on 24 May 2015 resolved to approve extending the duration of the offering of 24,028,655,000 ordinary shares for capital increase, which had not been sold yet, to private placement investors, at the value of 0.01 baht per share, to another 12 months from the original maturity date and shortening the silent period for private placement investors from 6 months to 3 months. However, the remaining conditions were exactly the same as former conditions, based on the resolution of the 2014 AGM (new meeting) on 23 May 2014.

Significant resolutions of the Extraordinary General Meeting (EGM), No. 1/2015 on 14 December 2015:

- Cancelling the allocation of the remaining unallocated 24,028,655,000 ordinary shares for capital increase to private placement investors at a par value of 0.01 baht per share for reallocation.
- Reallocating the unallocated 24,028,655,000 ordinary shares for capital increase at a par value of 0.01 baht per share:
 - Allotting and offering a total of 22,599,491,250 ordinary shares for capital increase to existing shareholders (Right Offering or RO) at the ratio of 8 original ordinary shares to 1 new ordinary share for capital increase (rounded off) at the offering price of 0.022 baht per share.
 - As for the 1,429,163,750 ordinary shares for capital increase, reducing the registered capital for non-allocated ones and reducing the registered capital for the remaining ordinary shares for capital increase after being allotted and offered to existing shareholders.

-
- From 1-5 February 2016, the Company received 497 million baht from the allotment and offering of 22,599,491,250 shares for capital increase from existing shareholders. The Company also registered the paid-up capital increase with the Ministry of Commerce on 12 February 2016. Therefore, as of 12 February 2016, the Company's issued and paid-up capital amounted to 2,033,954,213 baht (203,395,421,250 ordinary shares at a value of 0.01 baht per share).

Power Plant Business Operations and Industrial and Economic Conditions

The increase in the amount of solid waste has resulted in problems related to solid waste management. Despite involving the lowest investment costs, landfill, the currently-use method, has an impact on communities, in terms pollution, including visual pollution. Thus, construction of new landfills is difficult due to community resistance, and local authorities unavoidably encounter problems concerning solid waste management planning.

Nevertheless, the Company is a renewal energy power generation company with a position advantage over its competitors, for its strategic location, competent personnel, and trust from government agencies and the general public, in term of environmental, community and social responsibility. The Company has adjusted its investment expansion strategy, by focusing on seeking investment opportunities for waste-to-energy power plants and refuse derived fuel-related projects.

Realizing problems and opportunities of the business, the Company has studied technology of solid waste disposal and processing it into electric power, which can be developed to become the Company's main business in the near future. It is a business that yields sustainable and secure returns.

As of 31 March 2016 the Company has invested in three solar power plant projects, one waste-to-energy power plant, and one biomass power plant as follows:

1. The Solar Power Plant, Mae Tha district, Lamphun province, with a 2-MW production capacity based on the Power Purchase Agreement with the Provincial Electricity Authority – In 2015, its total revenue amounted to 37.31 million baht. In Q1/2016, the total revenue was 9.58 million baht.
2. The Solar Power Plant, Mae Ramat district, Tak province, with a 5.25-MW production capacity based on the Power Purchase Agreement with the Provincial Electricity Authority – In 2015, its total revenue amounted to 85.78 million baht. In Q1/2016, the total revenue was 22.57 million baht. The Company sold the investment in December 2016.
3. The Solar Power Plant, Mae Taeng district, Chiang Mai province, with a 2-MW production capacity based on the Power Purchase Agreement with the Provincial Electricity Authority – In 2015, its total revenue amounted to 40.0 million baht. In Q1/2016, the total revenue was 10.41 million baht.
4. The Waste-to-Energy Power Plant, Hat Yai district, Songkhla province, with a 6.7-MW production capacity based on the Power Purchase Agreement – This was a joint venture with Electricity Generating Public Company Limited, under the 25-year Solid Waste Management Agreement with the Hat Yai Municipality and the Power Purchase Agreement with the Provincial

Electricity Authority. In 2015, its total revenue amounted to 117.51 million baht. In Q1/2016, the total revenue was 41.71 million baht.

5. The Biomass Power Plant, Sa Kaeo province, with an 8-MW production capacity based on the Power Purchase Agreement with the Provincial Electricity Authority. In 2015, its total revenue amounted to 115.24 million baht. In Q1/2016, the total revenue was 38.59 million baht.

Information Technology Business Operation and Industrial and Economic Conditions

Overall, Thailand's spending on information and communication technology (ICT) in 2015 grew by 3.8%, which resulted from a slight growth in consumer spending and shrinking investment funds of the business sector. Nevertheless, Thailand was still the second major buyer of ICT products and services in the ASEAN region despite experiencing economic recessions and political issues for the past several years. In 2015, the ICT spending from the government and public sectors and consumers amounted to approximately 20.7 billion USD. In 2015, ICT expenses represented 7% of Thailand's GDP. The growth of ICT spending was equal to that of the agricultural sector. The growth of telecommunication services and IT represented 45.5% and 54.5%, respectively. The growth of the IT market in 2015 was quite stable, which represented 1.9%. The Digital Economy Master Plan will stimulate the ICT market growth after 2016, and the Master Plan will push changes in the country's economy and ICT industry. It was expected that it will have tangible impacts in the second half of the year 2016 (Source: www.idc.com).

In 2015, the Company's major customer group of the system integrator was still CAT Telecom Public Company Limited (CAT), which has always been the Company's key customer. In 2015, CAT set an investment budget of over 570 million baht in the Information Technology Budget Plan, which covered information center technology, development of information technology security products, information technology strategies, information technology for business support, and information technology for organizational management. In 2015, the Company had the opportunity to present products and solutions that continuously responded to CAT's business plan. However, the year 2015 saw a slowdown in budget use of CAT's several projects as a result of its business-related factors. This directly affected the Company's project plans which were included in the budget plan. The budget of some CAT's key projects in 2015 was carried forward to the year 2016, such as the CRM System Optimization Project.

In 2015, the Company operated two projects with CAT, as included in the plan. The first project was the IBACSS Maintenance Project (for software) with a value of 48.79 million baht, which has been continuously projected for the second year. The second project was the Enterprise Payment Integration System Development Hiring Project with a value of 20.7 million baht, which was continuous to 2016. Based on the Company's budget plan, CAT shall start implementing the Unified Database Maintenance and Repair Project with a value of 21 million baht at the end of 2015. However, the procurement delay of the project occurred, the same as the CRM System Optimization Project – a budget of 80 million baht was carried forward to 2016.

Even though the overall system integrator business in 2015 suffered from a slowdown in several projects due to the aforementioned reasons, in 2016, apart from accelerating advancing delayed projects, CAT initiated two significant projects. The first one was the International Interconnection Charge and Wholesale System Project, with a value of 26.7 million, and the second was the Billing System Project, with a value of 300 million baht. For CAT, they were large-scale projects of great importance. The strength of both projects was the improvement of efficiency of the interconnection system and billing system, which the Company had originally operated for CAT in the IBACSS Project.

The system integrator business is the Company's main source of revenue for IT Group Business. The revenue of the system integrator business amounted to 42.56 million baht in 2015, which represented 7% of the revenues of the Company and its subsidiaries. In Q1/2016, the total revenue was 0.67 million baht of 1%

Progress of the Digital Mobile TV Project

The Company has been hired by MCOT Public Company Limited (MCOT) to serve as the sole operator taking charge of management and marketing of digital mobile TV in the DVB-T/H system or equivalent on UHF in Channel 58. The Company continuously implemented the project to achieve the MCOT's target. However, as the application for importing transmitter devices, between MCOT and the National Broadcasting and Telecommunication Commission, was not complete, the broadcasting schedule had to be postponed.

On 7 September 2015, the Company submitted a contract cancellation letter to MCOT and asked the MCOT to pay damage compensation within 30 days from the day MCOT received the letter. MCOT received the said letter on 14 September 2015. On 22 April 2016, filed a lawsuit with the Civil Court against MCOT (Black Case No. 1830/2016), requesting MCOT to pay compensation and interest. Which was 244.77 million baht at lawsuit filling date. The court set the day of settlement of issues and defined the guidelines for the legal proceedings or witness examination on 4 July 2016.

Causes or Actions for Qualified Opinions/No Opinions/Significant Observations by the Auditor

In the auditor's report from the financial statement audit for the year ending on 31 December 2015, the auditor's unqualified opinions with emphasis paragraphs are as follows:

1. Emphasis paragraphs and events

- Uncertainty related to continuous operating ability of the business

In the financial statements for the year ending on 31 December 2015, the profit (loss) of the Company Group/the Company for the year was 50.99 million baht and 25.92 million baht, respectively. The negative cash flow from operations in the consolidated financial statements and separate financial statements was 45.23 million baht and 132.20 million baht, respectively.

Based on the three-month financial statements ending on 31 March 2016, the loss of the Company Group/the Company for the period amounted to 30.81 million baht and 16.73 million baht, respectively. The negative cash flow from operations in the consolidated financial statements and separate financial statements amounted to 35.45 million baht and 79.06 million baht, respectively. It was identified that a subsidiary defaulted on debt repayment amounting to 14.59 million baht in January and February 2016 (due to discontinuity of power generation to strengthen the machinery system to support new raw materials – The management requested postponement of the debt repayment to the commercial bank for not over 60 days). This subsidiary entered into an agreement on debt restructuring on 29 March 2016 to extend the debt repayment period. There were some pending litigation cases. This depended on the success of projects under construction, which would bring economic benefits to the Company Group and Company in the future. These situations showed significant uncertainties that might be the causes of a significant doubt about the continuous operating ability of the Company Group and the Company.

Solutions for the Company Group/the Company consisted of managing liquidity risks and other situations and requesting additional project credits from commercial banks and debt repayment postponement related to loan agreements with commercial banks. Thus, the management of the Company Group/the Company felt confident that the Company Group/the Company would be able to deal with negative cash flow from operations when completed investment projects can be commercially operated.

- Others

On 30 December 2015, the Company issued an invoice for approximately 10 million baht, for computer programs and equipment installed at a subsidiary. This was recorded as income from sales or services in the consolidated comprehensive income statements and separate comprehensive income statements.

Change in Accounting Estimates

The Company reviewed the useful life of buildings, machines, and equipment and their balance using the immediate change method from 1 January 2015 henceforth as follows:

Consolidated financial statements			
	Original	Useful life	Review criteria
	(Year)	New	
GDEC Co., Ltd. (Subsidiary)			
Solid waste disposal and waste-to-energy power production plant with power production equipment	25	10, 15, 20 and 25	Based on its conditions, judged by engineers
	Original	Balance	Review criteria
	(baht)	New	
IEC Mae Tha Mae Taeng Co., Ltd.			
Solar production plant with power production equipment	69,964	759,615	Marketing price
IEC Mae Ramat Co., Ltd.			
Solar production plant with power production equipment	64,595	908,527	Marketing price
IEC Sakaeo 1 Co., Ltd.			
Plant buildings and building improvement Biomass power plant with equipment used for production.	-	651,962	Marketing price
	-	9,703,810	Marketing price
	<u>134,559</u>	<u>12,023,914</u>	

The review of service life and balance of the said assets resulted in the 2015 depreciation cost decreasing by 348,230 baht in the consolidated financial statements.

Non-Recurring Items

1. IEC Green Energy Company Limited had 43.55 million baht for making an advance payment for a renewable energy project, as the cost of a plasma technology-based waste plant design from 2009. The project was discontinued in 2011 and will be resumed when it is commercially viable with proper returns. The Company set a full amount of the allowance for loss on impairment for the advance payment based on the agreement.

Resolutions of the Subsidiary Board of Directors' Meeting (IEC Green Energy Company Limited) on 29 June 2015:

- Receiving indemnity amounting to 20 million baht from a contractual party that failed to comply with the plasma technology purchase agreement on 16 July 2015.
- Amortizing the remaining advance payment of 23.55 million baht for the design of the plasma technology-based waste plant.

During the year ending on 31 December 2015, the Subsidiary (IEC Green Energy Company Limited) amortized the advance payment of 23.55 million baht for the design of the plasma technology-based waste plant and reversed an allowance for loss on impairment of 43.55 million baht. It received a 20-million baht payment on 16 July 2015.

2. The Board of Directors' Meeting on 30 September 2015 resolved to approve receiving indemnity amounting to 17.60 million baht from the contractor producing master copies of a learning package and amortized it as administrative expense for 3.80 million baht in the consolidated financial statements and separate financial statements. The Company received the indemnity on 19 October 2015.

Overall Performance and Profitability

As of 31 December 2015, the profit made by the Company and its subsidiaries amounted to 0.14 million baht, whilst that of the previous year equaled 13.41 million baht, which showed a profit decrease of 13.27 million baht. This was because the Company Group needed to shut down the Waste-to-Energy Plant in Hat Yai and the Biomass Power Plant in Sa Kaeo for maintenance to ensure improved efficiency.

The performance for Q1, ending on 31 March 2016, the Company and its subsidiaries made a loss, which amounted to 22.98 million baht.

Key Performance Indicators

1. Return on Equity Ratio (ROE)

In 2015, the ROE represented 0.005%, which resulted from the increase in costs of sales and services and administrative costs of the Company's subsidiaries. This was because the Company acquired IEC Sakaeo 1 Company Limited in October 2014, and Gidec Company Limited, the Company's indirect subsidiary, started commercial operations in December 2014.

In Q1/2016, the ROE represented -0.066%, which resulted from recording doubtful accounts of other receivables in its subsidiaries and the fact that the Company was constructing a plant in Rayong, which had not been commercially operated yet.

2. Debt to Equity Ratio

In 2015, the debt to equity ratio was 0.35, which decreased from 2014, when the ratio was 0.39. This was because the Company received capital increase fund of approximately 572 million baht during 2015 from three private placement investors, while the Company entered into a loan agreement for 142 million baht with a financial institution during 2015.

In Q1/2016, the debt to equity ratio was 0.30, which decreased from 2014, when the ratio was 0.35. This was because the Company received capital increase fund of approximately 497 million baht during Q1/2016.

3. Liquidity Ratio

In 2015, the Company's liquidity ratio equaled 1.02, which decreased from 2014, when the ratio was 1.90. This resulted from the fact that the amount of Company's cash reduced by 398 million baht because of its investment in various projects during 2015. The projects included the Biomass Waste-to-Energy Power Plant Construction Project and the Plastic Recycling Project in Ban Bueng district, Chon Buri province; the Waste Plastic Recycling Project in Rayong province; and the Waste Plastic Recycling Project at the Southern Industrial Estate, Chalung sub-district, Hat Yai district, Songkhla province. This resulted in a decrease in the Company's current assets while there was no significant change in current liabilities.

In Q1/2016, the Company's liquidity ratio equaled 1.43, which decreased from 2015, when the ratio was 1.02. This resulted from the Company's increased cash due to capital increase.

Revenues, Factors and Causes of Changes (2014 - 2015)

	Communication and Telecommunication			Investment in Securities and Energy			Business and Engineering Research Consulting Services			Total		
	2015	2014	%	2015	2014	%	2015	2557	%	2014	2015	%
Revenues												
Revenues from sales or services	43	240	-82%	396	183	116%	3	37	-92%	442	460	-4%
Other revenues	106	52	104%	59	1	5800%	1	-	0%	166	53	213%
Total revenues	149	292	-49%	455	184	147%	4	37	-89%	608	513	19%
Expenses												
Sale or service costs	30	207	-86%	249	62	302%	4	22	-82%	283	291	-3%
Sale expenses	4	1	300%	5	1	400%	-	-	0%	9	2	350%
Administrative expenses	179	124	44%	97	84	15%	4	6	-33%	280	214	31%
Other expenses	18	1	1700%	26	4	550%	-	1	-100%	44	6	633%
Financial costs	-	-	0%	44	15	193%	-	-	0%	44	15	193%
Total expenses	231	333	-31%	421	166	154%	8	29	-72%	660	528	25%
Profit (loss) for the year	(82)	(41)	100%	34	18	89%	(4)	8	-150%	(52)	(15)	247%
Income tax	-	-	0%	-	-	0%	-	1	-200%	(1)	1	-200%
Net profit (loss) for the period	(82)	(41)	100%	34	18	89%	(3)	7	-143%	(51)	(16)	219%
Share (profit) and loss for the minority of shareholders	-	-	0%	51	29	76%	-	-	0%	51	29	76%
Net profit (loss) for the period (Shareholding Company)	(82)	(41)	100%	85	47	81%	(3)	7	-143%	-	13	-100%

The revenue from sales or services and revenue from the adder subsidy for the Company and its subsidiaries amounted to 442 million baht while those in the previous year equated to 460 million baht, which decreased by 18 million baht (4%). This resulted from an increase in their revenue in 2015, because:

- The revenue of the Energy Group Business increased by 213 million baht because the Company acquired IEC Sakaeo 1 Company Limited in October 2014, and Gidec Company Limited, the Company's indirect subsidiary, started commercial operations in December 2014.
- The revenue of IT Group Business decreased by 197 million baht and the revenue of business and engineering research consulting services decreased by 34 million baht. This was because in 2015, there was a slowdown in CAT's budget use as a result of its business-related factors. This had a direct impact on the Company's project plans included in the budget plan. The budget of some CAT's key projects in 2015 was carried forward to the year 2016, such as the CRM System Optimization Project.

The Company and its subsidiaries earned other revenues for 2015, which increased by 113 million baht because of:

- A confiscated deposit of 43 million baht for share reserved for purchase – Two private placement investors requested decreasing the number of shares reserved for purchase and they requested making an additional share payment in an adequate amount for the decreased number of shares reserved for purchase. The Company was also requested to consider confiscating deposit of the decreased number of shares reserved for purchase.
- Reversal of an allowance of 3.5 million baht for estimated liabilities, which decreased by 26.5 million baht from 2014, when the figure was 30 million baht. In 2014, the Company cancelled the estimated liabilities amounting to 29.88 from a litigation case against the Customs Department. In 2015, an allowance of 3.55 million baht was revised for the estimated fine for work delay based on an agreement from the Hat Yai Municipality.
- Reversal of an allowance for loss on impairment of 64 million baht for the advance payment for assets and other non-current assets. This was because a subsidiary reversed an allowance for loss on impairment of 43.55 million baht for the advance payment for the plasma technology-based waste plant design and an allowance for loss on impairment of 21.4 million baht for the security deposit for the production of master copies of a learning package.
- Reversal of an allowance of 27.13 for doubtful accounts. The Company received debt repayment and accrued interest from Ethnic Earth.Com Holding Company Limited.

Cost of Sales and Services

In 2015, the sale or service cost for the Company and its subsidiaries amounted to 283 million baht, with a gross profit margin of 36.08%. The gross profit margin in 2014 was similar, which represented 36.78%.

Sales and Administrative Expenses

The sales and administrative expenses of the Company and its subsidiaries increased by 73 million baht, which represented 33.65% due to an increase in expenses related to employees, remuneration of the management, and expenses related to premises and equipment. The number of employees increased because the Company acquired IEC Sakaeo 1 Company Limited in October 2014, and Gidec Company Limited, an indirect subsidiary, started commercial operation in December 2014.

Other Expenses

Other expenses for the Company and its subsidiaries for 2015 increased by 38.36 million baht, when compared with the previous year. The Company's other significant expenses in 2015 were as follows.

- 1) Loss from asset impairment of 14.44 million baht from asset value appraisal.
- 2) Loss from damages for security deposit of 3.80 million baht for producing of master copies of a learning package. This was because the Company received compensation for security deposit of 17.60 million baht for producing master copies of a learning package and reversed an allowance for loss on asset impairment of 21.40 million baht.
- 3) Loss from damages for advance payment of 23.55 million for the plasma technology-based waste plant design. The Company received compensation of 20 million baht for the advance payment for the plasma technology-based waste plant design and reversed an allowance for loss on asset impairment of 43.55 million baht.

Financial Cost

The financial cost of the Company and its subsidiaries increased by 28.51 million baht, which represented 186.93% when compared with the previous year. This was the consequence of acquiring IECT Sakaeo 1 Company Limited, which had borrowed money from a bank prior to the acquisition in October 2014 and the fact that IEC Mae Tha Mae Taeng Company Limited borrowed more money from a bank in 2015.



Unit: Million Baht

<i>Three-month period, ending on 31 March 2016</i>	Communication and Telecommunication Business	Investment in Securities and Energy	Business and Engineering Research Consulting Services	Total
Revenues				
Revenues from sales or services	1	123	-	124
Other revenues	2	6	0	8
Total revenues	3	129	0	132
Expenses				
Sale or service costs	0	64	-	64
Sale expenses	1	2	-	3
Administrative expenses	49	33	3	85
Other expenses	-	-	-	-
Financial costs	0	11	-	11
Total expenses	51	110	3	163
Profit (loss) before income tax	(48)	19	(2)	(31)
Income tax			(0)	(0)
Net profit (loss) for the period	(48)	19	(2)	(31)
Share (profit) and loss for the minority of shareholders		8		8
Net profit (loss) for the period (Shareholding Company)	(48)	27	(2)	(23)

In Q1, as of 31 March 2016, the Company and its subsidiaries made a loss of 23 million baht, with the following details:

1. The revenue of the Company and its subsidiaries from sales or services and revenue from the adder subsidy from the Energy Group Business was higher than the revenue from IT Group Business due to IT Group Business's delay in contract renewal.
2. Other revenue of the Company and its subsidiaries was derived from profits from sales of equipment in its subsidiaries.
3. The administrative expenses of the Company and its subsidiaries resulted from recording doubtful accounts of other receivables in its subsidiaries and the fact that the Company was constructing a plant in Rayong, which had not been commercially operated yet.
4. The Company and its subsidiaries had a financial cost because of the loan of financial institutions of the Energy Group Business.

Asset Management

As of 31 December 2015, the total assets of the Company and its subsidiaries amounted to 4,498 million baht, increasing from 2014 by 607 million baht, which represented 15.60%. This mainly resulted from the increase of land, structures and equipment of subsidiaries related to energy business and capital increase fund of 1,119.43 million baht in 2014.

In Q1/2016, the Company received capital increase fund amounting to 497 million baht.

- Receivables

Trade and other accounts receivable are stated on the invoice value less allowance for doubtful accounts, estimated through the analysis of the debt repayment history and prediction of future debt repayment of the customers. Account receivables were amortized upon recognition that they were bad debts.

Analysis of ages of account receivables is as follows:

Consolidated financial statements			
	31 March 2016	31 December 2015	31 December 2014
Premature due date	40,626,431	30,605,116	47,852,697
Over due date			
Less than 3 months	1,836,500	-	-
3-6 months	-	-	-
6-12 months	-	-	-
Over 12 months	3,931,336	8,853,587	5,228,288
Total	5,767,836	8,853,587	5,228,288
Total account receivables	46,394,267	39,458,703	53,080,985
Allowance for doubtful accounts	(3,931,336)	(3,931,336)	(5,228,288)
Net account receivables	42,463,931	35,527,367	47,852,697

Normally, the credit period granted to customers of the Company Group is 7-30 days.

Inventory and Deterioration or Obsolescence

The inventory in 2015 increased by 15.43 million baht, resulting from information technology business and the rotary dryer and PLC system manufacturing projects.

In Q1/2016, the Company's inventory was valued at 30.52 million baht.

Investment, Goodwill and Impairment of Assets (If Any)

- Investment in subsidiaries

Capital increase

In 2014, IEC Green Energy Company Limited increased its capital by 82 million baht as the capital budget for supplying machinery and equipment for the waste separation system and incinerators.

- Goodwill

Consolidated financial statements			
	31 March 2016	31 December 2015	31 December 2014
Cost price :			
As of 1 January	348,353,479	348,353,479	245,765,334
Subsidiary acquisition	-	-	105,908,694
Annual amortization	-	-	(3,320,549)
Total	<u>348,353,479</u>	<u>348,353,479</u>	<u>348,353,479</u>

Goodwill is recorded for cash-generating assets, which are defined across work sections. The recoverable amount of asset-generating asset units is considered based on the value-in-use calculation. This involves the calculation of the present value of the cash flow estimate, which is based on the financial estimate throughout the project period approved by the management, whereby the assumption is the past performance. This will be adjusted in line with the assumption revised by the management of the Company Group/the Company. The machinery will have to be adjusted to new raw materials.

The Company Group/the Company tested the impairment based on the net cash flow value under the assumption. The test result indicated that the recoverable amount was higher than the book value under the condition of the management's confirmation about the improved management and a good management system. Thus, the Company Group/the Company did not recognize the allowance for loss on impairment of goodwill.

- Loss on Asset Impairment

Since 2010, the Company has implemented the Digital Mobile TV Project on UHF, Channel 58. Its cost was 250 million baht, and the cost incurred as of 31 December 2014 was 154 million baht (recorded in the during-construction work account for 82 million baht, advance payment for asset cost for 31 million baht, intangible assets for 35 million baht, and other expenses for 6 million baht). The balance was 96 million baht. As of 2 March 2015, the Company was waiting for MCOT's action pertaining to the license for importing communication radio devices from the NBTC. This resulted in the project being delayed and the radio frequency allocation being unlawful. However, based on the principle of due care and diligence, the Company provided a full amount of the allowance for loss on asset impairment. The Board of Directors' Meeting on 12 November 2014 resolved to allow the Company to cancel the agreement with, and sue, MCOT.

The cost of land, structures, and equipment for the subsidiary (IEC Business Partners Company Limited) as of 31 December 2015 and 2014 amounted to 469 million baht, deducted by the allowance for loss on asset impairment of 469 million baht. There was a dispute over asset purchase transactions, which is under the court trial.

The immovable property for investment as of 31 December 2015 of the Company Group/the Company was appraised by an independent appraiser, approved by the Office of Securities and Exchange Commission. The appraisal involved market price comparison and valuation based on the Department of Lands and the Provincial Treasury Office. The Company Group/the Company tested the impairment based on the asset appraisal and considered that the estimated cost of the immovable property for investment of the Company Group/the Company was higher than book value, so an allowance for loss on asset impairment was not recognized.

The average estimated cost of some pieces of land price was 13.27 million baht below the book value. This was recorded as a loss from impairment for 2015.

Other Assets and Causes of Change

As of 31 December 2015, the total assets of the Company and its subsidiaries were valued at 4,498.06 million baht, which increased by 606.89 million baht from 2014, which represented a 15.60% increase. The major causes of the change are:

1. Increase in immovable property of investment in 2015, as a result of the Project of Procurement of Potential Land for Power Plant Construction for Resale to Interested Investors, which had a net value of 142.95 million baht.

2. Increase in land, land, and equipment, as a result of the Project on the Development of Technology and the Model of Solid Waste Management by Processing Fresh Waste to Waste Fuel in Hat Yai and the Project on the Application of Technology and Development of the Model of the Municipal Waste-Based Small Power Plant in Hat Yai. The total cost incurred for both projects amounted to 213 million baht.

3. Increase in land, structures, and equipment from the Waste Plastic Recycling Project in Rayong, with cost incurred of 526 million baht.

In Q1/2016, the Company's total assets amounted to 4,948.48 million Baht, which increased from 31 December 2015 by 450 million Baht as a result of capital increase fund.

Liquidity and Adequacy of Capital

In 2015, the net cash used for operating activities for the Company and its subsidiaries amounted to 45.23 million Baht, due to operating loss of its subsidiaries as a result of an increase in their expenses and expenses during the shutdown for machinery improvement in the waste disposal plant, the waste-to-energy power plant, and the biomass energy power plant.

The cash flow used for investment activities in 2015 amounted to 914.04 million Baht, as a result of spending on investment in different projects.

The cash flow from financing activities in 2015 amounted to 561.10 million Baht, as a result of cash from capital increase fund and loan from a commercial bank.

In Q1/2016, the Company and its subsidiaries had net cash of 35.45 million Baht for operating activities because its subsidiaries made a loss from operations, which resulted from recording doubtful accounts of other receivables in its subsidiaries and the fact that the Company was constructing a plant in Rayong, which had not been commercially operated yet.

The cash flow used for investment activities in Q1/2016 amounted to 248.98 million Baht, as a result of spending on investment in different projects.

The cash flow from financing activities in Q1/2016 amounted to 482.37 million Baht, as a result of cash from capital increase fund and loan from unrelated individuals.

Loan and Leverage Ability

Consolidated financial statements			
	31 March 2016	31 December 2015	31 December 2014
	Baht		
Long-term loan from financial institutions	706,056,090	714,464,206	630,287,226
Deducted by long-term liabilities with the due date within one year	<u>(112,991,884)</u>	<u>(98,400,000)</u>	<u>(49,200,000)</u>
Net	<u>593,064,206</u>	<u>616,064,206</u>	<u>581,087,226</u>

Moving transaction of long-term loan for the year ended on 31 December 2015 and 2014 and 31 March 2016 were as follows:

Consolidated financial statements			
	31 March 2016	31 December 2015	31 December 2014
	baht		
As of 1 January	714,464,206	630,287,226	410,369,862
Increase–Transfer	4,951,884	142,000,000	-
Increase from subsidiary acquisition	-	-	520,573,226
Decrease	(13,360,000)	(57,823,020)	(300,655,862)
As of 31 December/31 March	<u>706,056,090</u>	<u>714,464,206</u>	<u>630,287,226</u>

- Gidec Company Limited

On 27 December 2010, Gidec Company Limited (“the Subsidiary”) entered into an agreement with a domestic financial institution (“GSB”) on using all types of credits in a total amount of 400 million baht, which included a long-term loan of 280 million baht as of 31 December 2013, which has already been withdrawn in the whole amount. It is under a 7-year payback term, starting from 27 December 2010, a 22-month grace period for principal payment, with maturity in November 2012, and a monthly interest payment term. The annual MLR interest rate is for Year 1 and +1% from Year 2 onwards. The principal and interest payment shall be made after the grace period has been reached, and the minimum monthly repayment is 8 million Baht.

From May 2013 to September 2013, Gidec Company Limited breached a loan agreement with a bank, and the bank had a right to immediately claim the principal. On 28 August 2013, the bank considered approving the change in the significant conditions of the 400 million Baht credit line as follows:

- 1) Extending the grace period of principal (the 3rd time) for another 38 months without agreement time extension. The principal and interest payment shall be made from March 2014 to December 2014, at least 9.70 million baht a month and from January 2015 to the end of the agreement, at least 10.40 million baht a month. The Company shall submit the construction period extension approval letter from the Hat Yai Municipality and the power sales period extension letter to the bank. Later, the Company submitted the said letters.
- 2) Extending the period for registration and mortgage for 13 machinery items for another 42 months (maturity in 30 June 2014).
- 3) Changing a collateral condition into authorizing the bank to receive cheque payment from the PEA.

On 24 December 2013, Gidec Company Limited (“the Indirect Subsidiary”) signed an agreement on the principal grace period extension, whereby the first installment for principal payment is March 2014. However, the Subsidiary did not pay back the principal based on the agreement from March to November 2014. Later, the Subsidiary paid back the whole amount of principal and interest on 23 December 2014.

As for the loan, condominiums, future structures, and benefits from fire insurance for structures, machinery and equipment, and equipment with accessories of the Subsidiary were registered for mortgage and used as collateral for the loan. In addition, the share certificates of the Subsidiary and its directors shall be pledged for guaranteeing the full amount of the credit line and shall transfer the following titles to the bank.

- Right to lease land that is the plant location, under the ownership of the Hat Yai Municipality.
- Right to management based on the construction and municipal waste management agreement.
- Right to claim money based on the construction and municipal waste management agreement.
- Right to management based on the Power Purchase Agreement.
- Right to claim money based on the Power Purchase Agreement.

The Subsidiary has already redeemed the loan collateral from the bank.



- IEC Mae Tha Mae Taeng Company Limited

On 26 May 2015, IEC Mae Tha Mae Taeng Company Limited (“Subsidiary”) entered into a loan agreement with a domestic financial institution (CIMB) with a credit line of 142 million Baht (its whole amount was withdrawn). The balance as of 31 December 2015 and 31 March 2016 amounted to 134 million Baht and 128 million Baht, respectively, under a 7-year loan payback term and a monthly principal payback term – at least 1.69 million Baht per month. The first installment of payment shall be within the following month from the month in which the loan is withdrawn. The interest payment was on a monthly basis, at the MLR -1.50% per year.

On 2 May 2012, IEC Mae Tha Mae Taeng Company Limited (“The Subsidiary”) entered into a loan agreement with a local financial institution (CIMB) for a credit line of 140 million Baht (its whole amount was withdrawn). The balance as of 31 December 2015 and 2014 was 90 million Baht and

110 million Baht, respectively. The balance as of 31 March 2016 was 84 million baht. This loan is under an 8-year loan payback term, 6-month grace period, and monthly interest payment term. The annual interest rate is MLR-1% for Year 1-2, -0.50% for Year 3-4, and regular annual MLR interest rate from Year 5. The principal payment shall be made after the grace period has been reached, and the minimum monthly loan repayment is 0.78 million Baht.

From February 2013 to June 2013, IEC Mae Tha Mae Taeng Company Limited (“The Indirect Subsidiary”) did not make a loan repayment of 7.80 million baht based on the agreement. Later, the bank approved the extension of the grace period for another seven months (from January to July 2013) for the Company. The bank will suspend the interest margin between the default interest rate and the normal interest rate based on the original agreement until the Company pays off the debt, and the Company shall pay the first installment of principal from August 2013 henceforth and make a minimum monthly loan payment of 1.69 million baht.

The securities for the said long-term loan are as follows:

- Title deed under the borrower’s ownership.
- Solar cell panels and equipment used for electricity generation under the borrower’s ownership.
- Right to receive bank deposit refund.
- The International Engineering Public Company Limited (IEC)
- Share Certificate of IEC Mae Tha Mae Taeng Company Limited.
- Right to claim money based on the Power Purchase Agreement.



- IEC Sakaeo 1 Company Limited

On 8 October 2010 and 11 July 2014, the Company entered into a loan agreement with a local financial institution to construct a biomass power plant, with the balance of 520 million baht. Its details are as follows:

- The 1st line of credit: 173 million baht (its whole amount was withdrawn), in payment for foreign machinery.
- The 2nd line of credit: 142 million baht (its whole amount was withdrawn), in payment for foreign machinery.
- The 3rd line of credit: 120 million baht (its whole amount was withdrawn) in payment for power generation building construction.

- The 4th line of credit: 60 million Baht (its whole amount was withdrawn) in payment for power generation building foundation construction.
- The 5th line of credit: 2 million baht (its whole amount was withdrawn) in payment for construction supervision.
- The 6th line of credit: 13 million baht (its whole amount was withdrawn) in payment for management guarantees.
- The 7th line of credit: 10 million baht (its whole amount was withdrawn) in payment for the fire protection system.

From the 1st month to the 36th month, the interest shall be paid on a monthly basis at the MLR interest rate -1% per year. From the 37th month, the MLR interest rate -0.50% per year. The exception is the 7th line of credit, for which the principal and interest grace period is 2 months, and the principal and interest payment at the MLR interest rate per year shall be made from the 3rd month.

Later, the company revised the loan agreements and recently on 28 October 2014, the principal and interest payment for all line of credits was changed as follows:

- Waiving the interest installments of 19.05 million baht from June 2014 to December 2014 (suspended interest) but paying 12 installments, each with an equal amount, from January to December 2015.
- Paying interest on a monthly basis – The interest whose rate has been changed will be first paid in January 2015.

The changed interest rates are as follows:

- 1st line of credit-5th line of credit: The annual MLR interest rate - 0.5% is applied from June 2014 to June 2020, and the annual MLR interest rate +1% is applied from July 2020.
- 6th line of credit: The annual MLR interest rate -0.5% is applied from June 2014 to June 2018, and the annual MLR interest rate +1% from July 2018.
- 7th line of credit: The annual MLR interest rate is applied from June 2014 to August 2015, and the annual MLR interest rate +1% is applied from September 2015.
 - Paying the principal under 108 installments, each amounting to 20,000-1,600,000 baht. The first installment is July 2015 and the last installment is June 2024.
 - Paying the outstanding principal and interest in the last installment, in June 2024,

The securities for the long-term loan are as follows:

- All land with existing and future structures.
- Machinery
- Kaew Lamduan Group Company Limited (related business)
- Directors
- Ordinary shares of two shareholders (individual persons)
- The company's ordinary shares held by the Holding Company.

From January to February 2016, a subsidiary (IEC Sakaeo 1 Company Limited) defaulted on debt repayment (9.64 million baht principal and 4.95 million baht interest) amounting to 14.59 million Baht to a commercial bank. This subsidiary entered into an agreement on debt restructuring on 29 March 2016 to request changing the debt repayment conditions for the default portion, as follows:

- 1) The grace period will be from January 2016 to February 2016. From March 2016 onwards, the principal and interest payment shall be made by instalments to the bank as specified in the agreement on each types of loan.
- 2) Making a payment for the principal suspended from January 2016 to February 2016, amounting to 9.64 million Baht, on four monthly installments, each with 2.41 million Baht. The first payment shall be made in June 2016, and the payment shall be completed in September 2016 at the MLR -0.5% interest rate per year, calculated based on the outstanding principle until the payment is completed.
- 3) Making an interest payment of 4.95 million baht by four monthly installments, each with 1.24 million baht. The first payment shall be made in June 2016, and the payment shall be completed in September 2016 without interest.



- IEC Mae Ramat

On 18 March 2016, a subsidiary (IEC Mae Ramat Co., Lt.) entered into a loan agreement with a domestic financial institution with a 270-million baht credit line. This consisted of a 265-million baht long-term loan line and 5-million baht overdraft credit line, with a 5-year payback period. Under the agreement, it shall make the principal payment by monthly installments, each with at least 4.4 million baht. The first installment of payment shall be within the following month from the month in which the loan is withdrawn. The interest payment was on a monthly basis, at the MLR -1.0% per year. This subsidiary withdrew 265 million baht from the long-term credit line on 11 May 2016.

Registered Capital Increase and Decrease

Consolidated financial statements and separated financial statements					
<i>Par</i>	31-Mar-16	31-Dec-15	31-Dec-14		
	Value	Number of shares	Value	Number of shares	Value
(Baht)		(Shares/Baht)			
Registered capital					
As of 1 January					
- Ordinary shares	-	-	-	162,064,400,000	16,206,440,000
- Ordinary shares	204,824,585,000	204,824,585,000	2,048,245,850	-	-
Capital decrease	-	-	-	(38,445,961,308)	(3,844,596,131)
				123,618,438,692	12,361,843,869
The share value was decreased from 0.10 Baht to 0.01 Baht per share to clear deficits and negative share premiums.					
	-	-	-	-	(11,125,659,482)
	204,824,585,000	204,824,585,000	2,048,245,850	123,618,438,692	1,236,184,387
Capital increase	-	-	-	81,206,146,308	812,061,463
As of 31 December					
- Ordinary shares	204,824,585,000	204,824,585,000	2,048,245,850	204,824,585,000	2,048,245,850
Issued and paid-up capital					
As of 1 January					
- Ordinary shares	-	-	-	120,020,080,000	12,002,008,000
- Ordinary shares	1,807,795,930,000	164,824,585,000	1,648,245,850	-	-

Consolidated financial statements and separated financial statements

<i>Par</i>	31-Mar-16	Value	Number of shares	31-Dec-15 (Shares/Baht)	Value	Number of shares	31-Dec-14	Value
<i>(Baht)</i>								
Capital increase – 8 January 2014	0.1	-	-	-	-	291,890,000	29,189,000	
Capital increase – 4 April 2014	0.1	-	-	-	-	3,306,468,692	330,646,869	
	0.1	-	-	-	-	123,618,438,692	12,361,843,869	
The share value was decreased from 0.10 Baht to 0.01 Baht per share to clear deficits and negative share premiums.								
	0.01	1,807,795,930,000	1,807,959,300	164,824,585,000	1,648,245,850	123,618,438,692	(11,125,659,482)	1,236,184,387
Capital increase – 15 February 2016	0.01	22,599,491,250	225,994,913	-	-	-	-	-
Capital increase – 21 January 2015	0.01	-	-	15,971,345,000	159,713,450	-	-	-
Capital increase – 21 October 2014	0.01	-	-	-	-	41,206,146,308	412,061,463	
As of 31 December/31 March								
- Ordinary shares	0.01	203,395,421,250	2,033,954,213	180,795,930,000	1,807,959,300	164,824,585,000	1,648,245,850	

For the year ending on 31 December 2015

From 16-20 January 2015, the Company received an additional capital increase share payment which amounted to 502,968,420 baht from three private placement investors, at the offering price of 0.036 baht per share. The total amount of capital increase capital payment was 574,968,420 baht (including advance payment for capital increase shares in the amount of 72 million baht, received on 31 October 2014), comprising issued and paid-up shares of 159,713,450 baht and paid-in capital in excess of par value of 415,254,970 baht. The Company registered the said capital increase with Ministry of Commerce on 21 January 2015; therefore, its registered capital equated to 2,048,245,850 baht and the paid-up capital amounted to 1,807,959,300 baht.

In January 2015, two private placement investors requested decreasing the number of shares reserved for purchase, from 32,000,000,000 to 7,971,345,000 shares, and they requested making an additional share payment in an adequate amount for the decreased number of shares reserved for purchase. The Company was also requested to consider confiscating deposit of the decreased number of shares reserved for purchase. Later, the Board of Directors' Meeting resolved to approve the Company's confiscation of the deposit amounting to 43 million baht, which must appear in 'profit & loss in the whole amount.'

The Annual General Meeting (new meeting) on 24 May 2015 resolved to approve extending the duration of the offering of 24,028,655,000 ordinary shares for capital increase, which had not been sold yet, to private placement investors, at the value of 0.01 baht per share, to another 12 months from the original maturity date and shortening the silent period for private placement investors from six months to three months. However, the remaining conditions were exactly the same as former conditions, based on the resolution of the 2014 Annual General Meeting (new meeting) on 23 May 2014.

Resolutions of the Board of Director's Meeting on 5 November 2015:

- Cancelling the allocation of the remaining unallocated 24,028,655,000 ordinary shares for capital increase to private placement investors.
- Reallocating the unallocated 24,028,655,000 ordinary shares for capital increase:
 - Allotting and offering a total of 22,599,491,250 ordinary shares for capital increase to existing shareholders (right offering or RO) at the ratio of eight original ordinary shares to one new ordinary share for capital increase at the offering price of 0.024 baht per share.
 - Registering the remaining unallocated 1,429,163,750 ordinary shares.

Significant resolutions of the Extraordinary General Meeting (EGM), No. 1/2015 on 14 December 2015:

- Cancelling the allocation of the remaining unallocated 24,028,655,000 ordinary shares for capital increase to private placement investors at a par value of 0.01 baht per share for reallocation.
- Reallocating the unallocated 24,028,655,000 ordinary shares for capital increase at a par value of 0.01 baht per share:

- Allotting and offering a total of 22,599,491,250 ordinary shares for capital increase to existing shareholders (right offering or RO) at the ratio of eight original ordinary shares to one new ordinary share for capital increase (rounded off) at the offering price of 0.022 baht per share.
- As for the 1,429,163,750 ordinary shares for capital increase, reducing the registered capital for non-allocated ones and reducing the registered capital for the remaining ordinary shares for capital increase after being allotted and offered to existing shareholders.

For Q1/2016, as of 31 March 2016

- From 1-5 February 2016, the Company received 497 million baht from the allotment and offering of 22,599,491,250 shares for capital increase from existing shareholders, at the price of 0.022 baht per share. The total value was 497,188,808 baht. The Company also registered the paid-up capital increase with the Ministry of Commerce on 15 February 2016 (225,994,913 baht issued and paid-up capital and paid-in capital in excess of par value of 271,193,895 baht).

Resolutions of the Annual General Meeting on 25 April 2016:

- Approving the Company's reducing registered capital from 2,048,245,580 baht to 2,033,954,212.50 baht, consisting of 203,395,421,250 shares, each with a value of 0.01 baht, by removing 1,429,163,750 ordinary shares, which had not been sold. The Company registered the capital decrease with the Ministry of Commerce on 28 April 2016.
- Approving the Company's increasing registered capital by 406,790,842.50 baht to 2,440,745,055 baht by issuing 40,679,084,250 new ordinary shares, each with a value of 0.01 baht. The Company registered the capital increase with the Ministry of Commerce on 29 April 2016.
- Approving the Company's issuing and allotting the warrant to purchase the Company's second batch of capital increase shares (IEC-W2), which did not exceed 40,679,084,250 shares, by issuing and allocating the shares to existing shareholders at the ratio of 5 ordinary shares to 1 warrant unit (warrant is free of charge). The warrant is valid for three years after its issuance date.
- Approving the Company's issuing and allotting new capital increase shares, which did not exceed 40,679,084,250 shares, each with a value of 0.01 baht, to support the exercise of IEC-W2.

Source of Capital

Liabilities

During 2015, the Company Group was granted a long-term loan amounting to 142 million baht from the credit line of IEC Mae Tha Mae Taeng Company Limited from a commercial bank under the 7-year payback term. The Company Group made a loan repayment totaling 57.82 million baht to several financial institutions.

In Q1/2016, the Company made a loan repayment totaling 13.36 million baht to various financial institutions.

Equity

From 1-5 February 2016, the Company received 497 million baht from the allotment and offering of 22,599,491,250 shares for capital increase from existing shareholders, at the price of 0.022 baht per share. The total value was 497,188,80 baht. The Company also registered the paid-up capital increase with the Ministry of Commerce on 15 February 2016 (225,994,913 baht issued and paid-up capital and paid-in capital in excess of par value of 271,193,895 baht).

From 16-20 January 2015, the Company received an additional capital increase share payment which amounted to 502,968,420 baht from three private placement investors, at the offering price of 0.036 baht per share. The total amount of capital increase capital payment was 574,968,420 baht (including advance payment for capital increase shares in the amount of 72 million baht, received on 31 October 2014), comprising issued and paid-up shares of 159,713,450 baht and paid-in capital in excess of par value of 415,254,970 baht. The Company registered the said capital increase with Ministry of Commerce on 21 January 2015; therefore, its registered capital equated to 2,048,245,850 baht and the paid-up capital amounted to 1,807,959,300 baht.

In January 2015, two private placement investors requested decreasing the number of shares reserved for purchase, from 32,000,000,000 to 7,971,345,000 shares, and they requested making an additional share payment in an adequate amount for the decreased number of shares reserved for purchase. The Company was also requested to consider confiscating deposit of the decreased number of shares reserved for purchase. Later, the Board of Directors' Meeting resolved to approve the Company's confiscation of the deposit amounting to 43 million baht, which must appear in 'profit & loss in the whole amount.'

Capital Expenditure

On 2 April 2015, the Company entered into a share purchase agreement with Thaworn Energy (2013) Company Limited and made the first payment, amounting to 40 million baht, to four existing shareholders. This payment was recorded as investment in subsidiaries with a full amount of advance payment. The project has not been completed yet.

Investments in projects as of 31 March 2016 were as follows:

1. The Procurement of Potential Land for Power Plant Construction for Resale to Interested Investors, with a cost incurred of 156.22 million baht.
2. Waste Plastic Recycling in Rayong, with a cost incurred of 667 million baht.
3. The Development of Technology and the Model of Solid Waste Management by Processing Fresh Waste to Waste Fuel in Hat Yai, with a cost incurred of 129 million baht.
4. Application of Technology and Development of the Model of the Municipal Waste-Based Small Power Plant in Hat Yai, with a cost incurred of 87 million baht.

5. Waste Plastic Recycling at the Southern Industrial Estate, Chalung sub-district, Hat Yai district, Songkhla province, with a cost incurred of 75 million baht.

6. Rental of the Front-end System Project for processing raw materials into fuels, with a cost incurred of 16 million baht.

Leverage and Compliance with Covenants

- IEC Mae Tha Mae Taeng Company Limited (Its former name was “Team Solar Company Limited”)

On 26 May 2015, IEC Mae Tha Mae Taeng Company Limited (“the Subsidiary”) entered into a loan agreement with a financial institution to operate a power plant project in Mae Taeng district, Chiang Mai province, under the credit line of 142 million baht and a 7-year payback period. The principal payment shall be made in monthly installments, at least 1.69 million baht per month. The first installment of payment shall be within the following month from the month in which the loan is withdrawn. The interest payment was on a monthly basis, at the MLR interest rate -1.50% per year.

As for the long-term loan from financial institutions used for operating the power plant project in Mae Tha district, Lamphun province, the total credit lines amounted to 143 million baht, under the following covenants:

- The Company shall not pay dividends or change the shareholding proportion throughout the loan period unless upon a written consent from the lender.
- The additional debt incurrence exceeding 20 million baht (except normal commercial debt) shall be approved by the bank.
- The total number of the Company’s shares shall be pledged throughout borrowing period.
- The shareholders’ structure shall not be changed unless upon the approval from the bank. The Team Solar Co., Ltd. shall hold 100% of shares, by IEC Green Energy Co., Ltd. and shall hold 100% of shares by International Engineering Co., Ltd. (IEC).
- The loan from existing or future directors and/or related companies shall be subordinated loan. The Company is prohibited from paying back the loan until the bank loan payback is completed.

- IEC Sakaeo 1 Company Limited (Its former name was “Kaew Lamduan Power Supply Company Limited” (“KPS”))

On 8 October 2010 and 11 July 2014, the Company entered into loan agreements with a local financial institution to construct a biomass power plant, with the balance of 520 million baht. Its details are outlined below:

- The 1st line of credit: 173 million baht (its whole amount was withdrawn), in payment for foreign machinery.
- The 2nd line of credit: 142 million baht (its whole amount was withdrawn), in payment for foreign machinery.

- The 3rd line of credit: 120 million baht (its whole amount was withdrawn) in payment for power generation building construction.
- The 4th line of credit: 60 million baht (its whole amount was withdrawn) in payment for power generation building foundation construction.
- The 5th line of credit: 2 million baht (its whole amount was withdrawn) in payment for construction supervision.
- The 6th line of credit: 13 million baht (its whole amount was withdrawn) in payment for management guarantees.
- The 7th line of credit: 10 million baht (its whole amount was withdrawn) in payment for the fire protection system.

From the 1st month to the 36th month, the interest shall be paid on a monthly basis at the MLR interest rate -1% per year. From the 37th month, the MLR interest rate -0.50% per year. The exception is the 7th line of credit – The grace period for the principal and interest is 2 months, and from the 3rd month, the principal and interest at the MLR interest rate per year must be paid.

Later, the company revised the loan agreements and recently on 28 October 2014, the principal and interest payment for all line of credits was changed as follows:

- Except interest installment from the period of June 2014 to December 2014 for 19.05 million Baht (Posted Interest Suspense). Total installments are 12 installments under equal installment starting from January 2015 to December 2015.
- Monthly interest payment term is from June 2014 to December 2018 in the rate of MLR - 0.5% and from July 2018 henceforth in the rate of MLR + 1%. The interest payment is started to be changed for the first installment in January 2015.
- Payback term for principle is 108 installments for 20,000 - 1,600,000 Baht per installment. The first installment is July 2015 and last installment is June 2024.
- Last installment in June 2024, all outstanding principle and interest is paid back.

From January to February 2016, the Subsidiary (IEC Sakaeo 1 Company Limited) defaulted on debt repayment (9.64 million baht principal and 4.95 million baht interest) amounting to 14.59 million baht to a commercial bank. This subsidiary entered into an agreement on debt restructuring on 29 March 2016 to request changing the debt repayment conditions for the default portion, as follows:

- 1) The grace period will be from January 2016 to February 2016. From March 2016 onwards, the principal and interest payment shall be made by installments to the bank as specified in the agreement on each types of loan.

-
- 2) Making a payment for the principal suspended from January 2016 to February 2016, amounting to 9.64 million baht, on four monthly installments, each with 2.41 million baht. The first payment shall be made in June 2016, and the payment shall be completed in September 2016 at the MLR interest rate of -0.5% per year, calculated based on the outstanding principle until the payment is completed.
 - 3) Making an interest payment of 4.95 million baht by four monthly installments, each with 1.24 million baht. The first payment shall be made in June 2016, and the payment shall be completed in September 2016 without interest.

- Liabilities and Off-Balance Sheet Burden Management Obligations

As of 31 December 2015, the total liabilities of the Company and its subsidiaries amounted to 1,118.65 million baht, which consisted of bank loan and the security money for allowing a company to conduct due diligence of its subsidiary (IEC Mae Ramat Company Limited) in a solar power production and distribution project before decision-making about selling its investment fund for the subsidiary.

As of 31 March 2016, the total liabilities of the Company and its subsidiaries amounted to 1,102.55 million baht.



	Consolidated financial statements			Separate financial statements		
	31-Mar-16	31-Dec-15	31-Dec-14	31-Mar-16	31-Dec-15	31-Dec-14
	<i>(million Baht)</i>					
Capital expenditure obligations						
Plasma technology-based waste plant design	-	-	10	-	-	-
Equipment for installing the Digital Mobile TV Project	96	96	96	96	96	96
Costs of construction and machines & equipment for the waste separation project in Hat Yai	11	28	119	-	-	-
Costs of construction and machines & equipment for the rental of the front-end system in Sa Kaeo	58					
Costs of construction and machines & equipment for the waste disposal plant and the waste-to-energy power production plant	-	-	23	-	-	-
Application of Technology and Development of the Model of the						
Municipal Waste-Based Small Power Plant in Hat Yai	38	24	-	-	-	-
Costs of construction and machines for the Waste Plastic Recycling Project in Songkhla	82	81	-	82	81	-
Costs of construction and machines for the Waste Plastic Recycling Project in Rayong	84	137	-	84	77	-
Total	369	366	248	262	254	96

	Consolidated financial statements			Separate financial statements		
	31-Mar-16	31-Dec-15	31-Dec-14	31-Mar-16	31-Dec-15	31-Dec-14
	(million Baht)					
Long-term lease and service agreement obligations						
Within 1 year	17	17	6	16	17	5
Over 1 year-5 years	18	22	10	15	19	8
Over 5 years	26	26	21	10	9	11
Total	61	65	37	41	45	24
Other obligations						
Issuance of guarantees for bidding						
and compliance with agreements with banks	46	48	43	46	48	43
Software maintenance	-	1	3	-	1	3
Bank guarantees for the power purchase agreement with the						
PEA	6	6	5	-	-	-
Total	52	55	51	46	49	46

As of 31 December 2015 and 31 December 2016, the Company Group's obligations were as the followings:

- 1) From 2010, the Company operated the Digital Mobile TV Project on UHF in Channel 58, with the budget cost of 250 million baht. The total cost incurred as of 31 December 2015 was 154 million baht and the balance was 96 million baht.
- 2) On 8 April 2015, the Company ("the Buyer") entered into an agreement on purchasing waste from the sorting of organic fertilizer with a company ("the Seller"), whereby the Buyer agreed to buy waste from the sorting of organic fertilizer to use as a raw material of producing recycled plastic at a fixed price rate of 225 baht per ton for a 10-year period, from the agreement date.

- Factors Affecting Future Operations

The Company has improved its business structure by cancelling non-profit business and investing in energy business, including improvement of the organizational structure to support new business of the company.

The new business is energy business, which involves low risks, provides long-term income security, and gains support from the government sector.



History

1992	IEC was established with the objective to construct the Bangkok-Aranyaprathet Railway, for the first time ever connecting Thailand to the Cambodian border.
1953	IEC later registered as a Thai national company with a registered capital of THB 10 million.
1965	IEC was appointed as a “Royal Appointment” company, and received royal assent to be given the “Garuda Emblem”.
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.
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.
1992	the company was listed in the Communication Sector of the Stock Exchange of Thailand.
1993	Becoming a public limited company.
2013	The company has changed its business from telecommunications to renewable energy.
2016	The Stock Exchange of Thailand approved to make a change on the company’s business section, from Business of Information and Communication Technology section to Business of Energy & Utilities section in the industry resource category. Effective from 4 July 2016 onwards. Currently, the group consists of four business groups including (1) Energy Business: Solar Power Plant, Waste to Energy Power Plant, Biomass Power Plant and Biogas Power Plant (2) Recycled Plastic Pellets from Waste Plastic (3) Information and Communication Technology (ICT) and (4) Engineering Consulting.

General Information

Company Profile

Company Name:	The International Engineering Public Company Limited
Initial:	IEC
Company Registration:	0107536000323 (Formerly Bor Mor Jor No. 106)
Characteristics of Business:	The Company provides information technology solutions and unified communications, including business operation of solar power plants, MSW power plant, Biomass Energy, Biogas Energy and Recycled Plastic Pellets from Waste Plastic.
Registered Capital :	2,440,745,055.00 Baht (as of 31 December 2016)
Paid Up Capital :	2,034,465,987.67 ¹ Baht (as of 31 December 2016)
All Sold Ordinary Shares :	203,446,598,767 ¹ units

¹ Remarks: On 11 January 2017, the Company registered for additional paid- up share capital after the exercise of IEC-W2 Period 3 (December 2016), resulting in a total paid-up share capital of THB 2,034,512,396.51 and a total sold shares of 203,451,239,651 units.

Headquarter :	408/37 Phaholyothin Place 9 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel: 0 2619 0199 Fax: 0 2619 0019 Website: http://www.iec.co.th
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The Securities Registrar	Thailand Securities Depository Company Limited Office located at 93, The Stock Exchange of Thailand Building, 1 st Floor, Building B, Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok Metropolis 10110, Tel. (0) 2009 9000 Fax. (0) 2009 9991
Auditor's Information	Miss Maliwan Phahuwattanakorn (Audited for First Quarter of 2016) Certified Public Accountant, Registration No. 4701 Mr. Manit Worakitjaporn Certified Public Accountant, Registration No. 7326 from NPS Siam Audit Account Co., Ltd. 555/5-6, SSP Tower, 5 th Floor, Sukhumvit 63 (Ekamai) Alley, Sukhumvit Road, Khlong Tan Nua Sub-district, Vadhana District, Bangkok Metropolis 10110 Tel. (0) 2711 5300 Fax. (0) 2711 5866
Investor Relations	Miss. Apinan Sivavat Address: 408/37, Phaholyothin Place, 9 th Floor, Phaholyothin Road, Samsennai Sub-district, Phayathai District, Bangkok Metropolis 10400 Tel. (0) 2619 0199 Ext. 109 Fax. (0) 2619 0019 Website: http://www.iec.co.th/index.php/investor
Business Valuer	Phet Siam Appraisal Co., Ltd. 138 Ratchadaphisek 20 Alley, Ratchadaphisek Road, Samsen Nok Sub-district, Huai Khwang District, Bangkok Metropolis 10310 Tel. (0) 2275 4157 - 8 Fax. (0) 2275 4159 Advance Appraisal Co., Ltd. 41/391, Nuan Chan Road, Khlong Kum Sub-district, Bueng Kum District, Bangkok Metropolis 10230 Tel. (0) 2363 7626 Fax. (0) 2944 4661

56-2 Checklist

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Investors can study the Company's additional asset issuance details from the annual report form (Form 56-1) which displays on www.sec.or.th or the Company's website: www.iec.co.th



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