



# Annual Report 2019

**The International Engineering Public Company Limited**







## The International Engineering Public Company Limited

### Vision

IEC's vision is to become the leader in Renewable Energy and in Information and Communication Technology by integrating human resource development and implement modern technology in order to achieve effective management goals

### Mission

IEC's mission is to operate business as well as promoting operation in accordance with the principle of corporate governance and stakeholder responsibility, developing the management system, various products and services to further on creating and adding value by expanding in the renewable energy business and information technology business. Lastly, we also seek to adapt to the changing business environments in order to become a modern organization, both on domestic and international standard.

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## Financial Highlights

Unit: Baht

Financial Highlights	2017	2016	2015
Total Asset	3,677.40	3,065.23	4,480.41
Account Receivables	111.58	92.12	68.66
Total Liabilities	2,765.87	1,082.75	1,118.65
Total Equity	911.53	1,982.50	3,361.76
Total Revenue	386.51	462.75	265.17
Total Expenses	297.98	695.59	204.69
Net Profit (Loss) After Tax (Consolidated)	-1,095.31	-1,756.46	-5.9
Net Profit (Loss) After Tax (The Company)	-687.68	-2,254.86	37.14
Earning per Share (Baht)	0.00	0.00	0.00
Net Profit Margin (%)	-194%	-364%	-2.23%
ROE (%)	-82%	-85%	-0.18%
ROA (%)	-20%	-55%	-0.13%
Debt to Equity (time)	3.03	0.55	0.33
Interest Coverage Ratio (time)	-27.31	-41.03	0.61
Total Asset Turnover (time)	11%	15%	6%



## Company History

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 2018, the company’s operations consist of four business groups including (1) Energy Business: Solar Power Plant, Waste-to-Energy Power Plant, Biomass 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”.

## **Significant Changes and Development**

### **related to business operation and management**

### **during 2016 – Present**

- April 25, 2016 : IEC's 2016 AGM dated April 25, 2016 had the following significant resolutions:
- (1) Approve the reduction of the Company's registered capital from THB 2,048,245,850 to THB 2,033,954,212.50 by cancelling 1,429,163,750 unsubscribed shares.
  - (2) Approve the increase of the Company's registered capital by THB 406,790,842.50 from THB 2,033,954,212.50 originally to the new total of THB 2,440,745,055 by issuing new 10,679,084,250 ordinary shares at the par value of THB 0.01 each.
  - (3) Approve the issuance and allotment of no more than 40,679,084,250 units of IEC-W2 warrants to purchase IEC's ordinary shares no more than which will be issued and offered to the existing shareholders at the ratio of 5 existing shares to 1 IEC-W2. This is a free allotment of IEC-W2 and has life of 3 years from the date of issuance.
  - (4) Approve the issuance and allotment of no more than 40,679,084,250 new ordinary shares at the par value of THB 0.01 each to accommodate the exercise of IEC-W2 conversion.
- 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 cast- list. Therefore, SK1 is not under a receiving order by any means.

- 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 Exchanged 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.
- October 20, 2017 : IEC's EGM No.1/2017 dated October 20, 2017 had the following significant resolutions:
- (1) Approve the reduction of the Company's registered capital from THB 2,440,745,055 to THB 2,440,661,250.76 by cancelling 8,380,424 unsubscribed shares.
  - (2) Approve the increase of the Company's registered capital by THB 2,035,915,023.50 from THB 2,440,661,250.76 originally to the new total of THB 4,476,576,274.26 by issuing new 203,591,502,350 ordinary shares at the par value of THB 0.01 each.
  - (3) Approve the allotment and offering of the Company's 203,591,502,350 new ordinary shares at the par value of THB 0.01 via right offerings at the ratio.
- February 26, 2018 : The Company have sold all the investment in Nongree Power Plants Co., Ltd, totaling 500,000 shares which is equivalent to 100 % of the paid-in capital of the aforementioned company.
- March 15, 2018 : IEC Green Energy Co., Ltd, the Company's subsidiary, purchased the remaining ordinary shares of GIDEC Co., Ltd. ("GIDEC") totaling 2,000,000 shares which is equivalent to 50% of the paid-in capital of the aforementioned company, resulting in IECG owning 100% of GIDEC's shares.



- October 12, 2018 : The company received the allocated money from selling newly issued ordinary shares of 45,744,275,772 units in the amount of 571.80 million baht.
- March 29, 2019 : The Company has submitted the Financial Statement year 2016.
- May 22, 2019 : The last period of the IEC-W2 exercise at 9,760,547 shares at the exercise price 0.045 baht per share. (IEC-W2 Expired)
- June 20, 2019 : The Stock Exchange of Thailand ( “SET” ) has revoked the ordinary shares of the International Engineering Public Company Limited from being the listed securities, effective on July 10, 2019 and opened for trading from July 1-9, 2019.
- June 27, 2019 : The Company disagreed with SET’s order to revoke the ordinary shares, then the Company has exercised its legal right to file a case against the SET to the Administrative Court of Thailand. Currently, the case is under consideration of the Court.
- July 5, 2019 : The Company has submitted the Financial Statement year 2017.
- November 8, 2019 : The Company has submitted the Financial Statements of Quarter 1 and Quarter 2 year 2017.
- December 11, 2019 : The Company has submitted the Financial Statement of Quarter 3 year 2017.

## Board of Directors



**Mr. Komol Jungrungrangkit**  
Chairman



**Mr. Santichai Teowsomboonkij**  
Vice Chairman



**Mr. Metha Thamviharn**  
Chairman of the Audit Committee /  
Independent Director



**Mr. Sakda Sinives**  
Audit Committee / Independent Director



**Mr. Chatchawan Hasuwannakit**  
Audit Committee / Independent Director



**Mr. Pornthep Itsoponpun**  
Director



**Mr. Dumrong Putipat**

Director

Chief Executive Officer<sup>(1)</sup>

Effective Date : Ended on 31 May 2019



**Mr. Apichet Paiboonpan**

Director

Acting Chief Executive Officer<sup>(1)</sup>

Chief Executive Officer<sup>(2)</sup>

Effective Date : (1) Since 1 June 2019

Effective Date : (2) Since 31 October 2019



**Pol.Maj.Gen Somnuk Burame**

Director / Independent Director<sup>(1)</sup>

Effective Date : (1) Since 31 October 2019



**Lt.Gen Jadet Jaimun**

Director / Independent Director<sup>(1)</sup>

Effective Date : (1) Ended on 1 October 2019



## Executive Management

1. Mr. Dumrong Putipat :

Chief Executive Officer    Effective Date : Ended on 31 May 2019

2. Mr. Apichet Paiboonpun :

Acting Chief Executive Officer    Effective Date : Since 1 June 2019

Chief Executive Officer    Effective Date : Since 31 October 2019

3. Miss Duangjai Nilapan

Executive Vice President - ICT

4. Miss Reathairat Thongiarean

Chief Financial Officer

5. Mr. Somchai Wuttisart

Senior Vice President - Legal

6. Mr. Varin Maschai

Executive Vice President    Effective Date : Ended on 1 July 2019

7. Miss Duangporn Kumwichit

Senior Vice President of Accounting Department    Effective date : Ended on 1 July 2019

\*As available in details of Executive Management

# IEC's Business 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 2019, into 3 groups as follows.

### **(1) Energy Business**

- 1.1 Solar Power Plant under the management of IEC Mae Tha Mae Taeng Co., Ltd.,  
a subsidiary of the company.
- 1.2 Waste-to-Energy Power Plant under the management of GIDEC Co., Ltd.,
- 1.3 Biomass Power Plant under the management of IEC Sakaeo 1 Co., Ltd.,  
a subsidiary of the company.

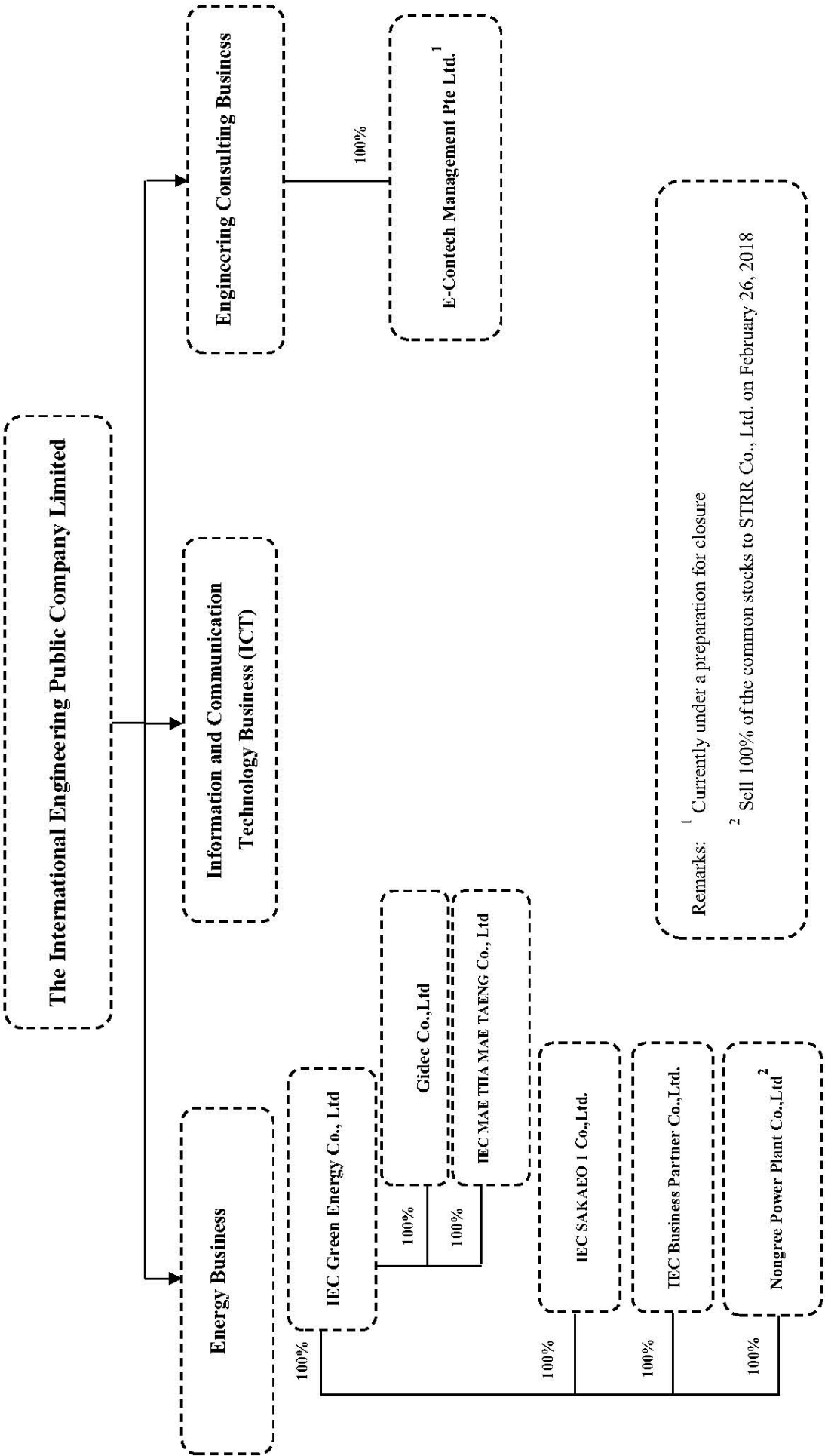
### **(2) Information and Communication Technology (ICT)**

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

### **(3) Engineering Consulting**

As of now all the projects in this business group have been completed in the end of 2015 and no more new projects in the year 2018. The company is considering cancellation of this business group.

IEC's Business Structure





## Other Subsidiaries

Subsidiary	Type of Business	Registered Capital (million baht)	Remark
<b><u>1. Officially Dissolved Company</u></b> - 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.
<b><u>2. Disposal of subsidiaries</u></b> - 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.
<b><u>3. Officially Dissolved Company</u></b> - NFS (2010) Co., Ltd.	Mobile phone and accessories wholesale/retail (Nokia Shop)	16	On March 20, 2018, 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 January 4, 2019.

### Relationship with major shareholders' business groups

- None -

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

	% Share	Year 2017		Year 2016		Year 2015	
		Million Baht	%	Million Baht	%	Million Baht	%
<b>The Company's Products and Services</b>							
<i>Information Technology</i>		39.99	6.23	52.38	5.99	42.56	7.00
<i>Mobile Phones</i>		-	-	-	-	-	-
<i>Engineering Products</i>		-	-	-	-	-	-
<i>Other Revenue</i>		179.44	27.95	281.03	32.11	106.55	17.53
<b>Total Distribution Value</b>		<b>219.43</b>	<b>34.18</b>	<b>333.41</b>	<b>38.10</b>	<b>149.11</b>	<b>24.53</b>
<b>Energy Business Group</b>							
<i>IEC Green Energy Co., Ltd.</i>	100	76.07	11.85	74.71	8.54	44.11	7.26
<i>GIDEC Co., Ltd.</i>	50	149.22	23.24	160.66	18.36	130.37	21.45
<i>IEC Mae Tha Mae Taeng Co., Ltd.</i>	100	67.48	10.51	70.71	8.08	77.42	12.74
<i>IEC Mae Ramat Co., Ltd.</i>	100	-	-	55.43	6.33	85.99	14.15
<i>IEC Sakaeo 1 Co., Ltd.</i>	100	129.79	20.22	178.75	20.42	116.63	19.19
<i>IEC Business Partners Co., Ltd.</i>	100	0.04	0.01	1.26	0.14	0.07	0.01
<b>Total Revenue of Energy Business Group</b>		<b>422.60</b>	<b>65.83</b>	<b>541.52</b>	<b>61.88</b>	<b>454.58</b>	<b>74.80</b>
<b>Information Technology Business Group</b>							
<i>IEC Technology Co., Ltd.</i>	100	-	-	-	-	-	-
<i>IEC DistributionSystem Co., Ltd.</i>	100	-	-	-	-	-	-
<i>NFS (2010) Co., Ltd.</i>	100	-	-	-	-	0.01	-
<i>ISD (2012) Co., Ltd.</i>	100	-	-	-	-	-	-
<b>Total Revenue of Information Technology Business Group</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>-</b>
<b>Engineering Consulting Business Group</b>							
<i>E-Contech Management Pte.Ltd</i>	100	-	-	0.25	0.03	4.08	0.67
<b>TOTAL Revenue of IEC and Subsidiaries</b>		<b>642.03</b>	<b>100</b>	<b>875.18</b>	<b>100</b>	<b>607.79</b>	<b>100</b>

## Nature of Business

The company's operations consist of three business groups including (1) Energy Business: Solar Power Plant, Waste-to-Energy Power Plant, Biomass Power Plant (2) Information and Communication Technology and (3) 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.

#### 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 2 solar power plants of the company are of Grid 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 4 power purchase agreements (PPA) with Provincial Electricity Authority. The total power report capacity is 3.84 MW. The plants are operated by its following subsidiaries.

Operating Subsidiary	Location	COD <sup>1</sup>	Power Report
			capacity (Total)  MW
IEC Maetha Mae Taeng Co., Ltd.	Takat sub-district, Maeta district, Lampoon province	Sep 23, 2013	1.92
	Keelek sub-district, Mae Taeng district, Chiang Mai province	Jun 30, 2014	1.92
<b>Total produced power</b>			3.84

<sup>1</sup> COD : Commercial Operation Date

**- Solar power plant, Maetha 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, Mae Malai district, Chiang Mai province**

The installed capacity of power production is 2.304 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) Inverter 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.

### **Project not submitted - None-**

## **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 7 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 meeting of the board of directors of IEC Green Energy No.4/2018 dated 15 March 2018, the full subsidiary of The International Engineering Public Company Limited, as approved by the Company's BOD meeting No.2/2018 dated 26 February, resolved to approve IECG purchase of GIDEC Co., Ltd.'s ordinary shares, a subsidiary of IECG, from EGCO, resulting GIDEC becoming wholly-owned subsidiary of IECG.

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 for 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.

#### **Project not submitted - None-**

### **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 or wood chips to burn and transfer the heat to the steam boiler. As a result, we get very high temperature and high pressure steam. 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.

### **Project not submitted** - None -

## **1.4 Biogas Power Plant**

Because of financial illiquidity and interrupted capital increase effort due to objection to it, the Meeting of the Board of Directors of The International Engineering Public Company Limited No.2/2018 dated 26 February 2018 then resolved to approve selling off all 500,000 ordinary shares or 100 % of the registered and paid-in capital of Nongree Power Plants Co., Ltd. at the par value of 100 Baht each to STRR Engineering Co., Ltd., totaling 50,00,000 Baht to be used as the Company and its subsidiaries' working capital.

## **2. 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 19.35 million baht. Since 2013, 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 290 million baht to the present.

### **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. In addition to presenting the features by specialists, the Company also presented the customers with production demonstration in order to ensure them the quality of the Company's products and services.

In 2019, the main customer of the Company is still CAT Telecom PCL which is the key customer with continual employment for over a decade. Last year, the Company presented products and solutions in response to the business plan of CAT Telecom such as Customer Front End Application System, Business Process Management Software and API Program (Application Programing Integration) etc.

### **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 technology 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 projects 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**

Information technology is a transformative factor for businesses and organizations that has been keeping up with the latest update in technology each year and thus is very significant. To catch up with the changing technologies and competitors in the market with new entrepreneurs each year.

Gartner, a well-known consulting and research company from the USA reveals a Strategic Technology trend that organizations and companies around the world should keep an eye on in 2020 in order to adapt amid technological and business changes in the next 5 - 10 years. Gartner defines this trend as 'People-Centric Smart Spaces' and divides the trend into 2 groups which are People-Centric and Smart Spaces.

## **1. People Centric Group**

### **Hyperautomation**

Automation is the use of technology to automatically manage certain tasks on behalf of humans while Hyperautomation furthers on by increasing integration with advanced technology such as AI and ML to increase decision-making and automation capabilities.

### **Multiexperience**

Multiexperience is to replace the principle of "Humans have to understand the context of technology" with "Technology that understands human context". This concept has led the computer to evolve from a single-point interaction system to a system with multiple sensors and interfaces that simultaneously interact with humans such as health promotion wearable devices, advanced computer sensors automatic vehicles, etc.

### **Democratization**

Free technology access encourages people to easily access technology and business expertise without having to have additional training or learning, which can be divided into 4 groups: Application Development, Data & Analytics, Design, and Knowledge. For example, a developer can create data models, even without a Data Scientist skill, but relying on AI-supported development instead.



## **Human Augmentation**

Human Augmentation is the use of technology to enhance both physical and perceptual experiences. For example, health protection wearable devices are used in the automotive and mining industry to increase employee safety or using data and applications to enhance the learning experience and increase the decision making ability.

## **Transparency and Traceability**

The evolution of technology causes a crisis of trust. Consumers are becoming more aware of privacy violations causing transparency and traceability trends, which focuses on 6 key areas: morality, rightness, openness, responsibility, capability and consistency. As a result, personal data protection laws are being enforced throughout the world, including Thailand. It focuses on morality, rightness, openness, responsibility, capability and consistency.

Various technologies, whether AI / or Machine Learning, must use and create trends of various information transparently and must also be accessible, monitored and checked as well.

## **2. Smart Space Group**

### **The Empowered Edge**

Edge Computing is a network concept in which data is collected, processed, and delivered at a location near the data source to reduce latency. Empowered Edge extends the foundation of IoT devices and Edge Computing to create intelligent spaces and move apps and services as close to the users as possible.

### **The Distributed Cloud**

Distributed Cloud means the distribution of Public Cloud services to other locations outside the Data Center of the Cloud Provider, but still under the control of those Cloud Providers, enabling the Data Center to be located anywhere, solving the high latency issues and data sovereignty. The transition from a centralized Public Cloud to a distributed Public Cloud is considered a new era of Cloud Computing.

### **Autonomous Things**

Autonomous Things such as drones, robots, AI, ships, and IoT devices utilize AI to work for humans. This technology can operate in various environments, including air, land and water at semi-automatic level to automatic level. Although these automatic devices are already in use in enclosed spaces such as mines or warehouses, in the future they will be developed to work in any area.

## **Practical Blockchain**

Blockchain consists of 5 key features: Shared & Distributed Ledger, Immutable & Traceable Ledger, Encryption, Tokenization and Distributed Public Consensus Mechanism. Although Blockchain is still not widely used in large organizations due to the lack of flexibility and compatibility, Blockchain Complete may change the face of industry and economy in the future when being integrated with complementary technology such as AI and IoT and becomes more responsive to applications.

## **AI Security**

Although modern technology like Hyberautomation and Autonomous Things has transformed opportunities in the business world, technology has also introduced new security vulnerabilities as well. The security team must be aware of 3 AI Security issues, including protecting the system using AI / ML, adopting AI to strengthen the security protection and being well-prepared in dealing with hackers using AI support.

Source : Gartner

## **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., Oracle Corporation (Thailand) Co.,Ltd., Hewlett-Packard (Thailand) Co., Ltd. and our new alliances in 2019 such as Source Code Asia Pacific Pte Ltd (“K2” product) and Tmax Singapore Pte. Ltd. (“Tibero” product) etc.

## **Important Projects**

The important project of CAT Telecom PCL which was the turning point for ICT business unit included the Integrated Billing & Customer Services System and Billing Mediation (IBACSS) with the project value of 953 million Baht in 2008 – 2012 and the customer information management system project (Unified Database) with the project value at 211.48 million Baht in 2013. As a result of success of these two projects, the Company was entrusted to maintain and repair those 2 projects up to this day as well as improve upon them into new projects such as the development of backup system for OM Unified and improvement of CRM.

## **Projects in process**

Projects operated by the Company at present can be divided into the two following categories:

1. Maintenance Project: The Company will submit the maintenance and repair project monthly for the period of 12 months without warranty period for projects, such as IBACSS and Unified Database maintenance and repair.
2. Turnkey Project: The Company will develop systems as ordered until it's ready for use and then submit the project to the customer within the project period with warranty period, including:
  - 2.1 Enterprise Payment Integration System project which is expected to be submitted by the first quarter of 2020.
  - 2.2 Development of backup system for OM Unified which is expected to be submitted by the first quarter of 2020.

### **3. 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. The company is considering cancellation of this business group.

## Business Group

### Energy Business



Solar Power Plant



Waste to Energy



Biomass Power

### ICT



### Engineering Consulting\*



\*Currently under a preparation for closure

## Situation of Energy

### Plan of PDP2018

From the resolution of the Cabinet, the draft power development plan of the country for 2018-2037 (PDP 2018) was approved on 30 April 2019, with the PDP 2018 plan being the main plan for the country's electricity supply to meet the demand and to support the country's economic growth with the plan time-frame in consistent with the 20-year national strategic plan (2018-2037). Develop electricity production to suit the demand and the potential of each region as well as taking in to account the correlation of electricity production investment, the stability of the power transmission system and the promotion of competition under supervision to ensure maximum efficiency and stability.

### **Summary of PDP 2018 plan**

1. Allocation of new power plants; in the year 2037, the total power capacity will be 77,211 megawatts with a new power capacity of 56,431 megawatts, to support the demand for electricity in 2037 and to replace the power plant discharged from the system.
2. With new primary fossil fuel power plants, the proportion of electricity generation from coal-fired power plant will be reduced from what is in the PDP 2015 plan to cut down carbon dioxide emissions in accordance with the COP 21 agreement and to reduce conflicts among local people. By switching to, nowadays cheaper natural gas, the electricity cost can be kept at a reasonable level.
3. The proportion of fossil fuels use is 65%, consisting of natural gas (53%) and coal and lignite (12%).
4. The proportion of electricity generation from non-fossil fuels is 35% while the proportion of that from coal fuels is reduced to 12%.
5. There is an allocation of new renewable energy power plants in accordance with the government promotion policy, such as community waste, Pracharat biomass power plant.
6. The solar power projects of the public sector can generate 100 megawatts of electricity per year for 10 years with a total of 1,000 megawatts. The project will start from the year 2019 onward.
7. A new PDP plan will be reviewed every 5 years or when there are significant changes in factors affecting the plan's goals. The power transmission system studies and plans will be put in place to enhance the stability of the electricity system. The power transmission system efficiency is enhanced to be regional grid connection that links to the distribution system in order to further support Grid Modernization.



## Risk Factors

### 1) Business operational risk

#### 1.1 Market demand risk

The main businesses of the company consist of 2 important activities which are energy and ICT.

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.

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

On 26 July 2018, IEC Mae Tha Mae Taeng Co., Ltd. (1st Defendant) which is the Company's subsidiary was sued by one of the Company's past executive in a civil case on the charge of violation under Civil Court as Undecided Case No. Por.4271/2561 to prosecute and demand for compensation from the subsidiary (1st Defendant) and other 3 pertinent defendants, totaling 4. It was alleged that the subsidiary and co. sued that particular ex-executive and co. in a criminal case for a fraud against the subsidiary at Dusit District Court on 31 July 2017 as Undecided Case No. Aor1671/2560. The ex-executive sued on the charge of violation and demanded 50 million baht of damage. The court has appointed the dates for plaintiff and defendant's witnesses to be from 21 – 24 May 2019. However, the

court considered that was a civil claim in connection with an offence and the facts in the criminal case must first be heard and finalized first, this case is therefore temporarily disposed.

#### **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.

IEC Maetha Mae Taeng Co., Ltd. face the risk of climate change. The sunlight which is the raw material for electricity generation has been changing with climate whereby in the last 2 years, the power plant experienced overcast due to raincloud and dense fog associated with forest fire.

#### **Future Risk**

Higher fuel cost for biomass power plant due to increased number of power plant, resulting in scrambling for resources, pushing the price up. IEC Sakeaw 1 has prepared to produce its own firewood supply in order to control the cost of electricity generation.

#### **1.6 Risk of Solar Power Business**

##### **1.6.1 Raw Material Quality**

Sunlight intensity, unfortunately, cannot be controlled.

##### **1.6.2 Raw Material Consistency**

Solar collection cannot be consistently controlled or quantified in hours due to the fact that the raw material consistency changes with the climate.

##### **1.6.3 Selling Price**

The buying price of electricity is given adder subsidy by PPA for 10 years. Subsequently, the Buying price will be subject to the change in government's policy 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 may impact 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, most of the savings have fixed interest rates while liabilities have floating interest rates. The company's finance division has to closely monitor the interest rate in order to minimize the impact on the company's finance. This is done by observing the trend of interest rate. In other words, should the interest rate be speculated to remain still or fall, the company may consider paying debts at floating rate while if the interest rate is expected to rise, the company may consider paying at fixed rate instead. As for risk management for the risk of interest rate in the following year, the company will control the ratio of assets and liabilities interest rate in the group to be more consistent and appropriate to mitigate the rate of interest risks.

In 2019, although the Policy Rate tends to decrease from the previous year, financial institutions' lending rates are not likely to decrease. In addition, the interest rates in a loan agreement of the company's subsidiary with one financial institution is about to increase in year 2020 as well. The financial management of the company, therefore expedited debt restructuring negotiations with the financial institution by requesting to postpone the period of interest increase, and managing free cash flow to pay off the financial institution ahead of schedule. Consequently, the company can increase the liquidity in the operations as the result of financial costs mitigation.

## 2) Risk of investment of shareholders

### 2.1 Risk affecting the right or investment of shareholders

The Company has scattered minority shareholders, which as of 4 March 2019, there was 26,346 shareholders. From that number, in order to hold a meeting of shareholders, one-third or 33.33% of shareholder votes are required to declare meeting that constitute a quorum open. Therefore, there is a risk to the shareholders that the Company might not be able to hold a general meeting that constitute a quorum on the first occasion.

The Company has no major shareholder with more than 15% of all subscribed shares and therefore has no major shareholder who hold sways over the Company and influence its decision.

Risk of conflict of interests from executives and major shareholders having competing business: (None)

# Organizational Structure

## 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 as 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 2019 are composed of following members.

Name	Position	Remark
1. Mr.Komol Jungrungruangkit	Chairman	
2. Mr.Santichai Teowsomboonkij	Vice Chairman	
3. Metha Thamviharn	Director (Independent Director ) / Chairman of Audit Committee	
4. Mr. Chatchawan Hasuwannakit	Director / Independent Director Audit Committee	
5. Mr.Sakda Sinives	Director / Independent Director Audit Committee	
6. Mr. Pornthep Itsoponpun	Director	
7. Lt.Gen Jadet Jaimun	Director / Independent Director	Ended on 1 October 2019
8. Mr.Dumrong Putipat	Director Chief Executive Officer	Ended on 31 May 2019
9. Mr.Apichet Paiboonpan	Director Acting Chief Executive Officer Chief Executive Officer Senior Executive Vice President	Since 1 June 2019 Since 31 October 2019
10. Pol.Maj.Gen Somnuk Burame	Director / Independent Director	Since 31 October 2019
11. Lt. Gen. Wattana Petchmongkol	Director	Ended on 30 April 2019
12. Mr. Poorich Nanawaratorn	Director	Ended on 30 April 2019



Two authorized directors jointly sign to bind the company and affix the company's seal. The company secretary in year 2019 is Mr. Supanut Poonsawasd.

### 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 2019, there were 8 meetings organized. The summary of attendance of each director is as follows:

Name of Attendees	Attendance / Total Meeting sessions during their duty (Times)
1. Mr.Komol Jungrungruangkit	7/8
2. Mr.Santichai Teowsomboonkij	8/8
3. Metha Thamviharn	5/8
4. Mr.Sakda Sinives	8/8
5. Mr. Chatchawan Hasuwannakit	8/8
6. Mr. Pornthep Itsoponpun	8/8
7. Mr.Apichet Paiboonpan	8/8
8. Lt.Gen Jadet Jaimun	4/6
9. Mr.Dumrong Putiput	4/8
10. Pol.Maj.Gen Somnuk Burame	2/2
11. Lt. Gen. Wattana Petchmongkol	0/2
12. Mr. Poorich Nanawaratorn	0/2

## **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**

To ensure that the principle of good corporate governance is complied with and the information is thoroughly, quickly and accurately distributed among the company directors in a straightforward manner, the Company uses a self-assessment form of Board of Directors for the year 2018 based on the Stock Exchange of Thailand's self-assessment form. The Company regularly perform self-evaluation for Board of Directors annually. The results will be used as a framework for reviewing performance, problems and obstacles as well as further improve work performance. Therefore, self-evaluation for the Board of Directors in 2018 were conducted.

The form includes the following major topics for evaluation:

- Board structure and qualifications
- Roles, duties and responsibilities of the board
- The board meeting
- Duties of directors
- Relationship with management
- Director's self improvement and management training

In each topic, there were sub-topics for the directors to rate. The scores obtained were calculated to get an average score of Board of Directors, Sub-Committees, and each director. In the year 2019, with the overall evaluation, the majority of the committee agreed that the result was good. Comments were also taken into account in order to improve performance of the Board of Directors as well as further enhance the Company's operation.

## Executive Management

Executive Management as of 2019 are:

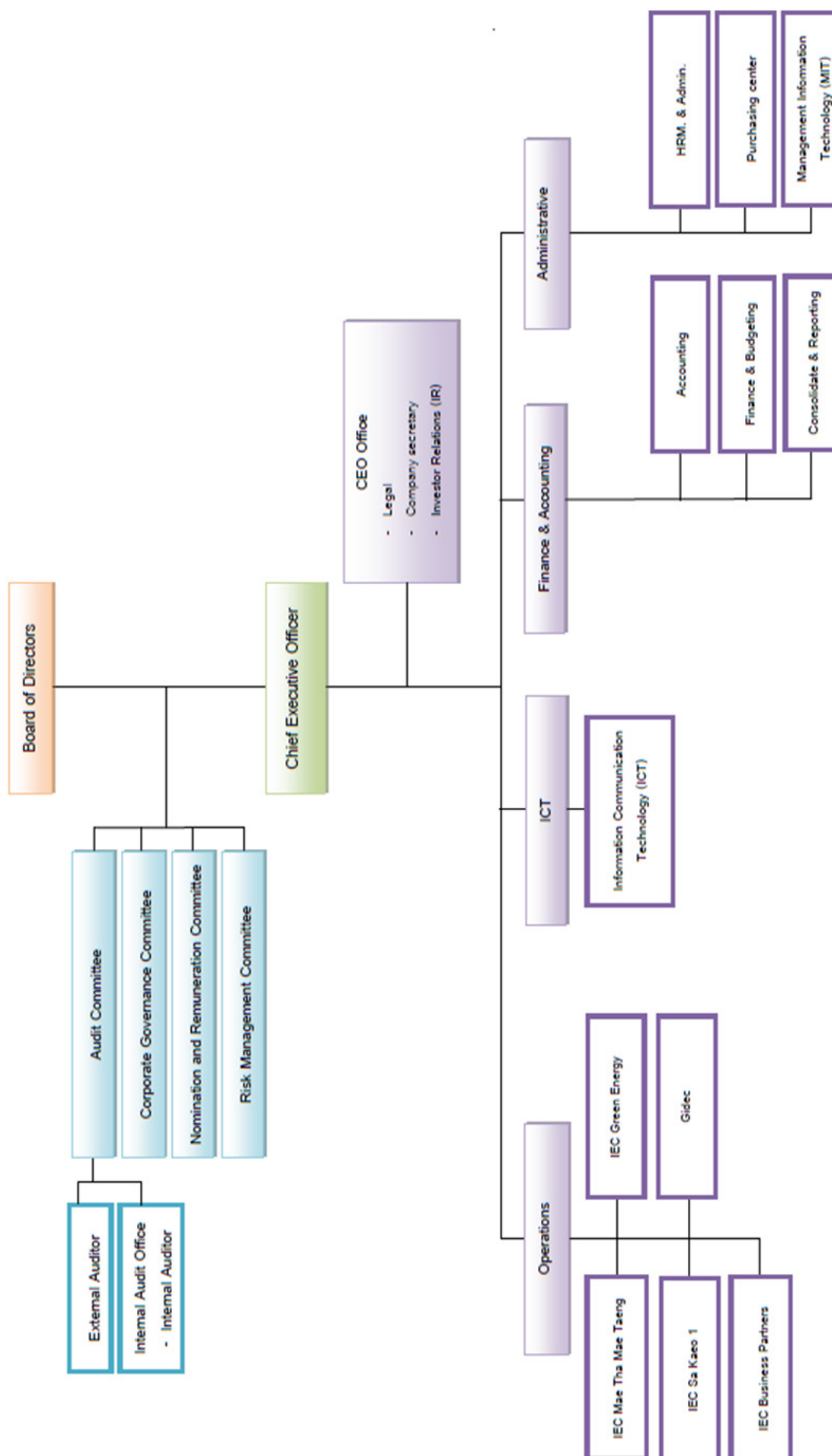
Name	Position	Remark
1. Mr.Dumrong Putipat	Chief Executive Officer	Ended on 31 May 2019
2. Mr.Apichet Paiboonpan	Acting Chief Executive Officer Chief Executive Officer	Since 1 June 2019 Since 31 October 2019
3. Ms.Duangjai Nilapan	Executive Vice President - ICT	
4. Miss Reathairat Thongjarean	Chief Financial Officer	
5. Mr.Somchai Wuttisart	Senior Vice President - Legal	
6. Mr.Vanrin Maschai	Acting Senior Executive Vice President - Operations / Executive Vice President	Ended on 1 July 2019
7. Ms.Duangporn Kumwichit	Senior Vice President - Accounting	Ended on 1 July 2019

## Company Secretary

Company Secretary as of 2019 is:

Name	Position	Remark
Mr. Supanut Poonsawasd	Company Secretary	

## The International Engineering Public Company Limited Organization Structure



## Remuneration for Board of Directors and Executives

### 1. Financial Remunerations

1.1 Remuneration for Board of Directors in the year 2019 are composed of the following meeting allowances:

No.	Name	Board of Directors	Audit Committee	Executive Board	Risk Management Committee	Nomination Committee	Total
1	Mr. Komol Jungrunruangkit	21,000.00	-	-	-	-	21,000.00
2	Mr.Santichai Teowsomboonkij	24,000.00	-	-	-	-	24,000.00
3	Mr. Metha Thamviharn	15,000.00	15,000.00	-	-	-	30,000.00
4	Mr.Sakda Sinives	24,000.00	15,000.00	-	-	-	39,000.00
5	Mr. Chatchawan Hasuwannakit	24,000.00	15,000.00	-	-	-	39,000.00
6	Mr. Pornthep Itsoponpun	24,000.00	-	-	-	-	24,000.00
7	Mr.Dumrong Putiput	12,000.00	-	-	-	-	12,000.00
8	.Mr.Apichet Paiboonpan	24,000.00	-	-	-	-	24,000.00
9	Lt.Gen Jadet Jaimun	12,000.00	-	-	-	-	12,000.00
10	Pol.Maj.Gen Somnuk Burame	6,000.00	-	-	-	-	6,000.00
	<b>Total</b>	<b>210,000.00</b>	<b>45,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255,000.00</b>

**Remark :** Meeting allowances for Board of Directors, Audit Committee was approved by the Annual General Meeting of Shareholders year 2019 dated 30 April 2019 to not exceeding 800,000 baht.

### 1.2 Compensation for Executive Officers

In 2019, the company made compensation of 7,465,000 baht to 7 executive officers. (Provident fund and other benefits not included)

### 2. Other compensation

New executives beginning their tenure from September 2017 will not be provided a provident fund. The company however has provided provident fund to the executives who began their tenure prior to September 2017 at the rate of 3% of monthly compensation. In 2019, the company has given to 3 executives a provident fund of 124,200 baht total.

## Employees

- As of 31 December 2019, IEC has the total of 30 employees.

- Labor disputes

For the past 3 years, the Company had several labor disputes including 7 labor cases whereby the employees, as the plaintiffs, demanded for severance pay. Of those, 4 cases were struck out of the lists due to plaintiffs withdrawing the case, 1 case was dismissed by the court and 2 cases where the plaintiffs won the cases. Those 2 cases are now undergoing appeal to the Court of Appeal for Specialized Cases.

- Remuneration management

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 contribute 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 the employees or their family members pass away.

3. Bonus

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



- Human resource development

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, job study/field visit, job rotation and promotion, etc.

In 2019, the Company has arranged for employee training programs in order to develop occupational skills such as finance, accounting, legal, staffing, investor relations, IT and engineering.

The employees of the Group spent about 6 hours/person/year on training and IEC employees spent 3 hours/person/year on average.

## **Corporate Governance**

### **Corporate Governance Policies**

IEC and subsidiaries formulate the corporate governance policies based on the authorities.

### **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

**Remark:** To help the internal management to be more flexible and to ensure that the Board will receive detailed, fast, accurate and direct information. The Board of Directors' Meeting No.9/2017 dated 9 May 2017 resolved to temporarily suspend the company's sub-committees from performing their duties except for the Audit Committee which will continue to perform their duties. Should there be any urgent matters for other committees to consider, those matters are to be proposed directly to the Board of Directors.

#### **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.

1.1 Operation authority , approved by the Board of Meeting no. 2/2018 dated February 26, 2018

was summarized as follows :

- Money deposit with financial institutes  
CEO : Over 5,000,000 baht
- Loan limit for subsidiaries  
CEO : Not greater than 50,000,000 baht
- Approval for opening overdraft and loan limits  
CEO and inform the Board of Directors acknowledged : 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)  
CEO : 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)  
CEO : 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 of Accounting and Finance : Not greater than 2,000,000 baht /case  
CEO : Not greater than 10,000,000 baht /case  
Board of Directors : Over 10,000,000 baht /case
- Approval for investment and expense of IEC business in addition to the indicated amount or the company's budget for general transactions

**Within-Budget:**

- |                                    |                                                                                                       |
|------------------------------------|-------------------------------------------------------------------------------------------------------|
| - Not greater than 5,000 baht      | Senior Division Manager                                                                               |
| - Not greater than 10,000 baht     | Vice President                                                                                        |
| - Not greater than 25,000 baht     | Senior Vice President / Asst.Vice President or General Manager /<br>Managing Director of subsidiaries |
| - Not greater than 50,000 baht     | Senior Executive Vice President / Senior<br>Vice President (in specific departments)                  |
| - Not greater than 50,000,000 baht | CEO                                                                                                   |
| - Over 50,000,000 baht             | Board of Director                                                                                     |

### Over-budget or Off-budget:

- Not greater than 50,000 baht      Managing Director of subsidiaries / Senior Executive Vice President (in specific departments)
- Not greater than 5,00,000 baht      CEO
- Over 5,000,000 baht      Board of Director

## 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 2019, the Audit Committee consists of:

Name	Position	Remark
1. Mr. Metha Thamviharn	Chairman of Audit Committee	
2. Mr. Sakda Sinives	Member of Audit Committee	
3. Mr. Chatchawan Hasuwannakit	Member of Audit Committee	

## 3. Nomination and Remuneration Committee

### Authorities and Responsibilities of Nomination and Remuneration Committee

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

#### **4. Risk Management Committee**

##### **Authorities and Responsibilities 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.

## **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.

**Remark:** The Board of Directors' Meeting No.9/2017 dated 9 May 2017 resolved to temporarily suspend the company's sub-committees from performing their duties except for the Audit Committee which will continue to perform their duties. Should there be any urgent matters for other committees to consider, those matters are to be proposed directly to the Board of Directors.

## **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 31<sup>st</sup> December 2019 consists of 9 members as follows:

Executive Directors	2	persons
Non-Executive Directors	3	persons
Independent Directors	4	persons

## (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. 13/2015 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. 3/2017 deliberates the resolution to modify the operation authorities since 21 February 2017 and improve the implementation of the resolutions of the Board of Directors No. 18/2017 dated 25 August 2017.

Furthermore, individuals elected to be as members in subsidiaries 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**

The company has policies and measures to prevent unfair advantages over other shareholders and promoting equal treatment for all shareholders by not misusing the information including using inside information for their own gains such as purchasing stock. This is due to following measures established by the Board to prevent insider trading by any involved persons including directors, executives and employees in the information-related department including their spouses and minors.

- Involved persons are restricted from trading the company's stock during one-month period before the disclosure of quarterly and annual financial statements as well as at least one day after the disclosure.
- Employees who acknowledged any information which is at that moment still not disclosed to public and may affect the stock price must strictly refrain from purchasing or selling company's stock until the information is disclosed to public.
- Directors and high-level executives (from executive vice president upward including financial and accounting division executives) are obligated to report their shareholding upon assuming their office initially or after every change (purchase, sales or transfer) therein within 3 working days to the Office of Securities and Exchange Commission or report their holding for the Board of Directors' Meeting's acknowledgement every time the meeting is convened.
- Set up workplace security system to secure confidential files and documents.

### **Compliance with Principle of Good Corporate Governance for list companies**

The company is determined and committed to operate the business while focusing on the preservation of shareholders' interests and responsibility to every group of stakeholders by continually adheres to the Thailand Stock Exchange's Principles of Good Corporate Governance for Listed Companies and use it as a guideline for company's operation and preservation of shareholders' interests. The principles of good corporate governance are detailed in the 5 following sections:

## **(1.) Rights of Shareholders**

The company has policies to support and promote fundamental rights for every shareholder through widely-accepted and reliable measures and standard, entitling the shareholders to freely purchase, sell and transfer their assets, attending the meeting of shareholders or assign a proxy to attend the meeting, vote and express opinions in their stead freely, submit their questions prior to the meeting, freely express their opinions in the meeting and exercise their rights to vote on important matters proposed by the Board for shareholders' approval such as the appointment of directors with expiring tenure, amendment of the memorandum of association and fixing remunerations for directors and auditors etc. In addition, the company also ensure that other processes are in compliance with rules and regulations of the Stock Exchange of Thailand such as the provision of significant information that may affect the company or the shareholders such as connected transactions, exercising of warrants, acquisition and disposal of assets of significant size as per the related regulation through SET's ELCID and the company's website.

## **(2.) Equitable Treatment of Shareholders**

The company understands and values the rights of shareholders. In order to ensure equitable treatment for every shareholder, the company set the following measures to protect the right of shareholders:

### **1. Shareholders' meeting**

#### **Information provided to shareholders prior to the meeting**

1.1 The company has a policy to support or promote every group of shareholder group, especially institutional shareholders to attend the shareholders' meeting. The company shall send out the meeting invitation which indicates time and venue of the 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 also 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 the on the 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 shall facilitate for the shareholders to exercise their right of meeting attendance and vote, and avoid any actions that may hinder their attendance. For example, the voting process in the meeting shall not be overly complicated or costly and the venue of the meeting must be convenient for the shareholders to attend.



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

1.6 The company has delivered the notice of annual general meeting of shareholders containing 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.

1.7 Protection of the retail shareholders' rights

The company encourages retail shareholders to propose an agenda prior to the meeting of shareholders or nominate 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.

1.8 Stakeholding directors

The company has a policy to prevent the directors who are also stakeholders involving the subject of any agenda from participating in the consideration of such meeting agenda.

2. The operation on the day of shareholders' meeting

2.1 The company encourages the meeting organizers to make use of technologies for to facilitate the processes in shareholders' meeting including shareholder registration, vote counting, scoring result so as to have correct and accurate information and fast meeting.

2.2 All directors including members of sub-committees and the company secretary shall attend the meeting every time including independent legal advising inspector who shall oversee that the meeting proceeds transparently and lawfully. Should they do not have important duty on such days, the executive officers shall 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 chairman shall allocate the time appropriately to encourage the attendees to propose an idea and question in the meeting.

3. Post-meeting procedures

3.1 Preparation of the meeting minutes and disclosure of shareholders' meeting resolutions

In the minutes of shareholders' meeting, the company shall process the report, voting process and announcement of voting results for the meeting's acknowledgement before the meeting session, including the question time for shareholders. The meeting shall also have a record of questions, answers and voting result of each issue which includes the number of votes that agree or disagree with the issue as well as abstention. The name of present attendees including the name of absent directors in each meeting shall also be recorded.

3.2 The company secretary shall prepare a complete, correct and clear meeting minutes for submission to the Stock Exchange's ELCID, Securities and Exchange Commission (SEC) as well as disclose to the shareholders

about the voting results of each agenda in the company's annual and extraordinary general meeting of shareholders through the company's website within 14 days from the date of meeting.

### **(3.) Roles of Stakeholders**

The company has established policies and measures towards each different group of stakeholders and is aware of and respect legal rights and agreements of all stakeholders with company's employees at all levels obligated to perform their duties in accordance to the measures as follow:

#### **1. Determination of policies regarding the treatment of 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 in order to motivate them to dedicate themselves to the organization. The company has established safety measures to ensure a good working environment and organized activities to make our employees respect the working disciplines. All employees shall be taken care of equally. Furthermore, the company has conceived plans to solve the problems that leads to the termination of employment by any reason.

1.7 In order to ensure an equal treatment of all stakeholders and that the operation is in accordance with the principle of good governance, 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 the company through the company website. The company will inspect the case as per our measure and record all progress in writing. The name of the informer shall not be disclosed and the complaint shall be kept confidential to protect the informers and prevent the impact that may occur to them.

## **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.

## **3. Business operation under environment standards**

The company controls its emission of wastes in strict compliance with the regulations set by the Pollution Control Department, Ministry of Natural Resource and Environment. IEC's power plants consistently monitor pollution level and control the discharge of industrial wastewater in addition to regularly submitting reports in adherence to the government agencies' regulations.

## **4. Disclosure and Transparency**

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 form 56-1 and the Annual Report (form 56-2) and other channels such as the company website. The information is presented in English and Thai and shall be always updated.

In 2019, the company disclosed the information through Stock Exchange of Thailand's ELCID as well as providing investor relations services by phone, providing more channels to swiftly and accurately disclose the company's information for investors, shareholders and stakeholders.

## **5. Responsibilities of the Committees**

The Board has an important role as the representative of shareholders in setting vision, mission, plans and budget in order to achieve the operational goals as well as ensuring that the executives' operation is in compliance with the set policies and performed with fairness, transparency and in accordance with related laws, regulations, policies and business ethics.

### Information about the Directors, Executives, Auditors and Company Secretary

Name-Surname	Title / Date Appointed	Age (Years)	Educational background	Share-Holding (%)	Past 5 Years work Experience		
					Period	Title	Company/Business
Mr. Komol Junggrutuangkit	Chairman and Director	68	Madhyom 3, Wat Hua Lamphong School	10.54	2017 - Present	Chairman of the Board / Director	International Engineering Plc.
					2011 - Present	Honorary Advisor	AgriPure Holdings Plc.
					1979 - Present	Chief Executive Officer	Summit Footwear Co., Ltd.
						Chief Executive Officer	Summit Pinehurst Golf Club Co., Ltd.
						Chief Executive Officer	Pinehurst Willz Co., Ltd.
						Chief Executive Officer	Summit Star Home Co., Ltd.
						Chief Executive Officer	Rumjai Pattana Kwamoo Co., Ltd.
						Honorary Advisor	Rumjai Pattana Foundation
						Honorary Advisor	River Kwai International Food Industry Co., Ltd.
						Honorary Advisor	Chiang Rai Frozen Food Co., Ltd.
						Honorary Advisor	Qualimer Co., Ltd.
Mr. Santichai Teawsomboonkit	Vice Chairman and Director	67	B.Sc. Kasetsart University, Kasetsart University, Bang Khen	0.010	1975	Animal Husbandman	Charoen Pokphand Feedmill Co., Ltd. (CP)
					1978	Vice Sales Manager	Central Food Products Co., Ltd.
					1980	Vice Manager	Centaco Co., Ltd.
					1984	Marketing Manager	Lee Pattana Feedmill Co., Ltd.
					2018	Representative of the Faculty of Agriculture	Kasetsart University
					Present	Vice Chairman	International Engineering Plc.
Mr. Medha Thamvitham	Director and Chairman of the Audit Committee / Independent Director	62	Bachelor of Law, Ramkhamhaeng University	-	1984 - Present	Chief of Lawyer	Artit Law Office
					2014 - Present	Director	International Engineering Plc.
					2015 - 2018	Audit Committee	International Engineering Plc.
Mr. Chatchawal Hasuwannakij	Director	47	Bachelor of Engineering (Electrical Power), King Mongkut's Institute of Technology Ladkrabang Master of Computer Science, Prince of Songkla University	0.074	2018 - Present	Chairman of the Audit Committee	International Engineering Plc.
					1999 - 2000	Engineer	Safeskin Medical & Scientific (Thailand) Ltd.
					2004 - 2009	Businessman	Songkhla Province
					2009 - 2019	Optic Fibre Engineer	Ban Ya Phasawang, Hat Yai, Songkhla
					2017 - Present	Director / Audit Committee	P-Otech Limited Partnership, Bangkok International Engineering Plc.

Name-Surname	Title / Date Appointed	Age (Years)	Educational background	Share Holding (%)	Past 5 Years work Experience		
					Period	Title	Company/Business
Mr. Pannthep Itsoponpun	Director	37	Bachelor of Commerce, Accounting, Macquarie University, Sydney, Australia	0.015	2009 - 2011	Accounting Manager	Pink Chili Limited Partnership, Linfield, Sydney, Australia
					2011 - 2016	Managing Director	SRF Property Company Limited (Bangsaen commercial building and condominium development project, Muang, Chonburi)
					2011 - Present	Executive Director	900 units of Seven Places-affiliated Apartments
					2016 - Present	Executive Director	Srisansuk Property Co., Ltd. (Townhome and commercial building projects in Sri Racha District, Chon Buri)
					2014 - Present	Chonburi YEC Member	Young Entrepreneur Chamber of Commerce for Chonburi Member Network and Businesses Development and Sustainability Program
Mr. Dumrong Putipat	Director Chief Executive Officer (Appointed as Chief Executive Officer on 29 October 2018 and ended on 31 May 2019)	57	- Bachelor's Degree Industrial Engineer, Institute of Technology and Vocational Education, Thewes Bangkok. - Certificate Master Industrial Management (MIM) (MIM), King's Mongkut Institute of Technology, North Bangkok (KMUTNB) - Certificate Modern Manager Program (MMP), Chulalongkorn University.	-	2014 - Present	Member	Member of Chonburi Chamber of Commerce International Engineering Plc.
					2017 - Present	Director	Chonburi Sugar Plc.
					2013 - 2018	Plant Director / Technical and Project Director	Power and Sugar Industry
					2017 - Present	Director	International Engineering Plc.
					2018 - May 2019	Chief Executive Officer	International Engineering Plc.
Mr. Apichet Paboonpun	Director Chief Executive Officer (Appointed as Chief Executive Officer by the resolution of the Board of Directors Meeting on 31 October 2019)	48	Master of Science, Mae Fah Luang University Master of Business Administration, Assumption University Bachelor of Business Administration, Assumption University IOD. DAPI.42/2017	0.080	2018 - May 2019	Director	IBC Sakaew Co., Ltd. / IBC Mae Tha Mae Taeng Co., Ltd. / GIDEC Co., Ltd. / IBC Green Energy Co., Ltd. / IBC Business Partner Co., Ltd.
					2017 - Present	Director	International Engineering Plc.
					2019 - Present	Chief Executive Officer	IBC Sakaew Co., Ltd. / IBC Mae Tha Mae Taeng Co., Ltd. / GIDEC Co., Ltd. / IBC Green Energy Co., Ltd. / IBC Business Partner Co., Ltd.
					2018 - Present	Director	IBC Sakaew Co., Ltd. / IBC Mae Tha Mae Taeng Co., Ltd. / GIDEC Co., Ltd. / IBC Green Energy Co., Ltd. / IBC Business Partner Co., Ltd.
					2008 - Present	Director	Highways Logistics Co., Ltd.
					2006 - 2008	Executive	LPS Worldwide Logistics Co., Ltd.
					2005 - 2006	Manager	Fritz Transport Co., Ltd.
					2000	Vice Manager	Tuntex Petrochemicals (Thailand) Plc.

Name-Surname	Title / Date Appointed	Age (Years)	Educational background	Share-Holding (%)	Past 5 Years work Experience		
					Period	Title	Company/Business
Mr. Sakda Srimwet	Director	65	Bachelor of Agriculture and Cooperatives, Sukhothai Thammathirat Open University Master of Science Rural Development, Central Luzon State University, Philippines.	-	2017 - Present 2011 - Present 2008 - Present 1978 - 2015	Director / Audit Committee Audit Committee Level QA Specialist Agricultural Specialist	International Engineering Plc. Agrifire Holdings Plc. The quality of agricultural Products Department of Agricultural Extension Bureau of Agricultural Product Quality Development, Department of Agricultural Extension
Lt. Gen. Jadet Jamun	Director / Independent Director (Elected as Director by the resolution of the board of directors' meeting on 20 September 2018 and ended on 1 October 2019)	66	- Diploma of Advanced Security Management Program (Class 5, 2014), National Defense College Association - Master of Arts (Military), Command And General Staff College (Year 1997) - Bachelor of Science, Chulachomklao Royal Military Academy (Class 25, Year 1978)	-	2014 - 2015 2018 - 2019	CEO Advisor Director	Royal Thai Army Radio and Television Station International Engineering Plc.
Pol. Maj. Gen Sornmuk Burane	Director / Independent Director (Elected as Director by the resolution of the board of directors' meeting on 31 October 2019)	62	Advanced Police Administration Course Class 31 - Master Degree, National Institute of Development Administration, NIDA Bachelor of Law, Ramkhamhaeng University	-	2019 2016 2014	Director Commander of the Administrative and Civil Litigation Division, Office of Law and Litigation Commander of the Provincial Police Region2	International Engineering Plc. National Police Agency National Police Agency
Miss Reattharat Thongjarean	Chief Financial Officer (CFO)	37	Master's Degree of Business Administration in Finance and Banking, Ramkhamhaeng University Bachelor of Business Administration in Accountancy, Dhurakij Pundit University	-	2018 - Present 2016 - 2018 2010 - 2016	CFO Director of Analysing, Financing and Budgeting and Accounting Director Senior Finance and Accounting Manager	International Engineering Plc. P Mart Superstore Co., Ltd. Siam Advantech Co., Ltd.

Name-Surname	Title / Date Appointed	Age (Years)	Educational background	Share-Holding (%)	Past 5 Years work Experience		
					Period	Title	Company/Business
Mr. Warin Maschai	Executive Vice President (Ended on 1 July 2019)	42	Bachelor of Science in Technical Education (Mechanical Engineering) King Mongkut's Institute of Technology, North Bangkok	-	2008 - 2015	Power Plant Operator	National power plant Co., Ltd.
						Acting Managing Director / Director	Biomass Power Plant Sa Kaeo 1 (IEC Sakaeo 1 Co., Ltd.)
						Acting Managing Director / Director	Power Plant, Mae Tha Mae Taeng (IEC Mae Tha Mae Taeng Co., Ltd.)
						Acting Managing Director	Waste to Energy Power Plant (Gidee Co., Ltd.)
						Acting Managing Director / Director	IEC Green Energy Co., Ltd.
Ms. Duangjai Nilapan	Executive Vice President - ICT / 25 August 2017 and Acting Senior Executive Vice President - ICT / 29 May 2018	50	Master of Sciences (Industrial Psychology) , Kasetsart University  Bachelor of Public Administration, Prince of Songkla University	-	2018 - Present	Executive Vice President and Acting Executive Vice President - ICT	International Engineering Plc.
					2017 - 2018	Executive Vice President - ICT and Acting Executive Vice President - Management	International Engineering Plc.
					2017 - 2018	Acting Executive Vice President - Management and Acting Senior Vice President	International Engineering Plc.
					2017	Executive Vice President - Management and Acting Vice President - ICT	International Engineering Plc.
					2015 - 2017 2015 2013 - 2015	Senior Vice President - ICT Vice President - ICT Vice President - System Integration	International Engineering Plc. International Engineering Plc. International Engineering Plc.



Name-Surname	Title / Date Appointed	Age (Years)	Educational background	Share-Holding (%)	Past 5 Years work Experience		
					Period	Title	Company/Business
Mr. Sornchai Wuttisart	Senior Vice President - Legal	52	Bachelor of Law, Chulalongkorn University	-	2017 - Present	Senior Vice President - Legal / Director	International Engineering Plc.  IEC, Mae Tha Mae Taeng Co., Ltd.
Miss Duangporn Kunwichit	Senior Vice President - Account (Ended on 1 July 2019)	42	Bachelor of Business Administration, Rajamangala University of Technology	-	2012 - 2017 2017 - 2019	Assistant Account Manager Senior Vice President - Account	Chokchai Food and Restaurant Co., Ltd. International Engineering Plc.
Mr. Suphanat Poonsawat	Company Secretary	34	Bachelor of Law, Ramkhamhaeng University	-	2017 - Present	Senior Manager - Legal / Company Secretary	International Engineering Plc.

Remark: (1) Family relations between each executive - None -  
 (2) IOD refers to Thai Institute of Directors Association  
 (3) DAP refers to Director Accreditation Program  
 (4) DCP refers to Director Certification Program

## Structure of Shareholders

The following table presents a list of major shareholders who own a minimum of 0.5% of total shares as of 4 March 2019 which was the record date (whereby the list of shareholders entitled to attend the 2019 General Meeting of Shareholders was gathered). As of the record date, the Company had 249,335,778,122 of subscribed shares.

	Name	Surname	Number of Shares	Proportion of Shareholding (%)
1	Mr. Komol	Jungrungruangkit	26,279,649,778	10.540%
2	Mr. Thidchuan	Nanawarathorn	7,000,000,000	2.807%
3	Mr. Kornchanan	Thananpong	5,002,480,904	2.006%
4	Mr. Surat	Itsophonphan	3,928,875,562	1.576%
5		Thai NVDR Company Limited	2,524,507,978	1.012%
6	Mr. Vichit	Chinwongwarakul	2,269,800,000	0.910%
7	Mr. Veerasak	Boonyaworamethee	1,414,532,499	0.567%
8	Mr. Sanya	Santayati	1,408,000,000	0.565%
9	Mr. Wasan	Sittiwannarak	1,288,203,100	0.517%
Total shares owned by first 9 major shareholders			51,116,040,821	20.500%
From the total number of Shares			249,335,778,122	Shares

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

-None-

2) Agreement among major shareholders

-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 (IEC-W2) 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 Warrant (Units)	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 Jun 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
4.IEC -W2 Period 4	140,262,699	1.00:1.00	0.025	31 Mar 2017	140,262,699	40,474,622,726
5.IEC -W2 Period 5	0	1.00:1.00	0.035	30 Jun 2017	0	40,474,622,726
6.IEC -W2 Period 6	0	1.00:1.00	0.035	29 Sep 2017	0	40,474,622,726
7.IEC -W2 Period 7	0	1.00:1.00	0.035	29 Dec 2017	0	40,474,622,726
8.IEC -W2 Period 8	0	1.00:1.00	0.035	30 Mar 2018	0	40,474,622,726
9.IEC -W2 Period 9	0	1.00:1.00	0.045	29 Jun 2018	0	40,474,622,726
10.IEC -W2 Period 10	0	1.00:1.00	0.045	28 Sep 2018	0	40,474,622,726
11.IEC -W2 Period 11	0	1.00:1.00	0.045	28 Dec 2018	0	40,474,622,726
12.IEC -W2 Period 12	0	1.00:1.00	0.045	29 Mar 2019	0	40,474,622,726
13. the final round	9,760,547	1.00:1.00	0.045	22 May 2019	9,760,547	40,464,862,179

## 2. Bonds

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. The total offering value is not exceeding THB 200 Million. The bill of exchange has 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).

The company had an outstanding balance of 1 bill of exchange offered to the investor since 2018, with a total offering value of 50 million baht. The redemption date of the ticket was 1 March 2019. However, the bill of exchange has an agreement stating that it can be redeemed before the maturity date, therefore the company requested to redeem the said bill of exchange before the date, on the 9<sup>th</sup> of January 2019.

### 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-

## Corporate Social Responsibility

Although the previous year many aspects of the company's operations were affected, the company is still committed to conducting a complete integrated renewable energy business. 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 and supporting community activities, etc. During the past year, the company carried out social and environmental responsibility activities 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 the odour originating from solid waste collected from Hat Yai Municipality and from the waste unloading yard in the plant area as well as carrying out various environmental management projects as follows;

- Change 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.
- Send data of the Continuous Emission Monitoring Systems (CEMS) measurement data transmission online to Department of Industrial in Songkhla province to check the operation all the time.
- Building closed to fix problems with odour. The building was constructed 30x40 meters to control odour to affect the neighbourhood.
- The addition of 3 meters high concrete around the building to prevent the odour of waste water to outside.

- Duct Work to absorb odour from garbage room to the stove burns.
- Installation of Ozone production to control odour.

**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 2019, 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:

- **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<sub>2</sub>SO<sub>4</sub>) into wastewater to ensure acceptable wastewater quality.
- **Make a dust-break and earthen dykes around the power plant**

#### **Solar power plant project at Lampoon province and Mae Malai, Chiang Mai province**

The Company has policy against the use of herbicide and regularly conduct water quality test around the projects every year in order to ensure that there is no pollution resulting from energy production.

## **2. Taking part in community development**

### **Waste-to-energy Power Plant at Hat Yai District, Songkhla Province**

- **Waste bank project:** First began in August 2015 up until now. The project has continually been purchasing wastes from 2 schools which are Bueng Pichai school and Baan Tung Liab school. The company has been purchasing recyclables such as plastic bottle, paper scrap and plastic bag in order to cultivate the mindset among the children to realize the importance of environment by promoting waste sorting to reduce the amount of waste as well as reusing the reusables. This year, the amount of waste in those schools decreased by 3% due to less spending among the students, resulting in reduced amount of accumulated wastes per month. The Company has a plan to expand the purchase wastes from the community in order to bolster their income.

### **Public relation campaign with the communities surrounding the power plant**

- On 11 January 2019, GIDEC Company Limited has a joint project with Ban Bueng Pichai school taking Ban Bueng Pichai school students on a field trip at the Songkhla Zoo for the students to learn about wildlife. The company also scholarships to students who are high academic achievers from low-income families.
- On 12 January 2019, GIDEC Co., Ltd. donated gifts and organized Children's Day activities to the communities in the area.
- On 7 April 2019, GIDEC Company Limited participated in the Unity Offering Ceremony at Wat Koh by donating money to help preserving the religion and participated in activities with the communities around Wat Koh area to establish good relationships with the communities, the temples and the schools in the area.
- On 21 April 2019, GIDEC Company Limited was invited to donate the Mass Media Volunteer Spirit Club Shirts, led by Hawk News. Mass Media Volunteer Spirit Club was established to encourage people in the society to do good things. GIDEC Company Limited donated the Mass Media Volunteer Spirit Club Shirts to the club as a way to support the club towards their goals.
- On 24 April 2019, GIDEC Co., Ltd. gave a souvenir to the Energy Department of Songkhla Province to offer to those who visited the booth of Songkhla Energy at the Red Cross Fair of the year 2019
- On 21 May 2019, GIDEC Company Limited together with the Songkhla province industry and the companies within Good Environmental Governance, Songkhla Province participated in community service activities by cleaning Bang Sala Temple, Khlong Hoi Khong District, Songkhla Province.
- On 20 July 2019, GIDEC Co., Ltd. and its employees visited the area around the community waste disposal plant for electricity generation. GIDEC Co., Ltd. conducted a questionnaire to rectify what may affect the community and to build up an understanding with the community in order to enabling sustainable co-existence.
- On 16 September 2019, GIDEC Company Limited donated money to Bon Khuan Community for the requested community water supply system repair.
- On 18 September 2019, GIDEC Company Limited together with Hat Yai City Municipality staff welcomed the delegation from the Ministry of Justice and students from Prince of Songkla University, Songkhla Campus, on a study visit to learn about the operations and solution guidelines for the community waste issues.
- On 8 October 2019, GIDEC Co., Ltd. sent a representative to attend the Buddhist Unity Festival of the Year 2019 at Ban Bueng Pichai school. With the donation money, the company hired special teachers to teach the students and paid for educational expenses for the students from low income families.
- On 11 November 2019, GIDEC Company Limited, with the intention to conserve Thai cultures and traditions, participated in the Loi Krathong Festival with the community and provided financial support for Loi Krathong Festival activities of the year 2019, including the Noppamas Beauty Pageant and stage performances.

### **Solar power plant project at Lampoon province and Mae Malai at Chiang Mai province**

- **Solar energy learning space** in which the Company allows the students and citizens as well as government agencies to visit the site and inquire about the operation so they can use the knowledge to improve upon their alternative energy generation capability.
- **Subsidize energy fund** so the local community may use such fund to develop the local area. In the past year, the local fund committee of Ta Kad village used the fund to purchase table sets to be used for public activities.

### **Public relation campaign with the locals surrounding the power plant**

- Help promote children's day activities in association with Ta Kad municipality and Ta Kad Nuea municipality.
- Promote youth football team in Lampoon province.
- Support the Sports Day in Ta Kad municipality and Ta Kad Nuea municipality
- Promote hiring of locals for grass trimming and solar cell maintenance in accordance with the Company's policy on human rights and anti-discriminatory practice as well as preparing equipment for the job in accordance with the standard of safety. Maintenance of solar cells were also conducted with regards for the local environment by using only tap water to prevent side effects on the surrounding communities.

### **Sakaeo Biomass Power Plant**

- **Tri-party wastewater management and remedy program** for the environment along Phra Prong canal as representative of businesses located near Phra Sathueng river basin in order to participate in tending and preserving the Phra Prong-Phra Sathueng river basin of Sakaeo and Prachinburi province. The Company was assigned to a task force in accordance with Department of Industrial Works' order No.187/2559 re: Appointment of tri-party task force to manage wastewater and remedy environment problems along Phra Prong canal.

### **Public relation campaign with the community surrounding the power plant**

- Volunteer program in association with Nong Sai's locals to repair roads in the community as well as broken manhole covers.
- Children's day activity whereby sports equipment was donated to the school in Nong Sai community.
- Kathin ceremony and offering of candles to the temple in association with Nong Sai locals.
- Friendship sports match with Nong Sai locals.
- Electrical and lighting system installation project, from the entrance of the alley at the Nong Sai Temple gate to the factory entrance.
- The factory access road repair and renovation project.



# Internal Control and Risk Management

## 1) Opinion of the Board of Directors

The Board of Directors Meeting No.1/2019 was held on 13 February 2019 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 and needs development 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

### with Direct and Indirect Subsidiaries

#### 1. Transactions with related parties

Related transactions made between the Company and its subsidiaries, direct and indirect, including pricing policy and interest rate applied are as shown in Item 6 of the Note to the Financial Statements Year 2017

- Related Transactions of subsidiaries, direct and indirect, with their relationships are as follow:

<b>1. The International Engineering Public Company Limited</b>	
Direct Subsidiary	Related Transactions
1. IEC Green Energy Co., Ltd.	<p>The Company executed the connected transactions as follows</p> <ul style="list-style-type: none"> <li>● Income from management fees as per contract in the amount of 633,000 Baht</li> <li>● Interest income at the rate of 8.5 percent per annum in the amount of 94,185,854 baht</li> </ul>
2. IEC Business Partners Co., Ltd.	<p>The Company executed the connected transactions as follows</p> <ul style="list-style-type: none"> <li>● Income from management fees as per contract in the amount of 458,000 baht</li> </ul>
3. NFS (2010) Co., Ltd.	<p>The Company executed the connected transactions as follows</p> <ul style="list-style-type: none"> <li>● Income from management fees as per contract in the amount of 260,000 baht</li> </ul>
4. IEC Sakaeo 1 Co., Ltd.	<p>The Company executed the connected transactions as follows</p> <ul style="list-style-type: none"> <li>● Income from management fees as per contract in the amount of 1,259,000 baht</li> <li>● Interests received at the rate of 8.5% per annum in the amount of 8,740,465 baht</li> </ul>
<b>2. IEC Green Energy Co., Ltd.</b>	
Direct Subsidiary	Related Transactions
1. GIDEC Co., Ltd.	<p>The Company executed the connected transactions as follows</p> <ul style="list-style-type: none"> <li>● Income from management fees as per contract in the amount of 1,653,000 baht</li> </ul>

	<ul style="list-style-type: none"> <li>● Interests received at the rate of 8.5% per annum in the amount of 70,083,028 baht</li> <li>● Rental of assets and other services at the contract price of 1,028,092 baht</li> </ul>
2. IEC Mae Tha Mae Taeng Co., Ltd.	<p>The Company executed the connected transactions as follows</p> <ul style="list-style-type: none"> <li>● Income from management fees as per contract in the amount of 1,123,000 baht</li> <li>● Interests received at the rate of 8.5% per annum in the amount of 5,937,250 baht</li> </ul>

### **Necessity and rationale of connected transaction**

In a case whereby the Company enter into any form of contracts or transaction is made between the Company and its subsidiaries, directly or indirectly, and a third party, the Company will consider based on necessity and appropriateness of entering into such transaction while prioritizing the benefits to the Company

### **Measure or procedure for approval of related transaction**

In a case whereby the Company enter into any form of contracts or transaction is made between the Company and its subsidiaries, directly or indirectly, and a third party, in order to protect the benefits of the Company, the board of directors stipulated that the procedure must be done in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions. Price and conditions must be set as if conducting transaction with any third party whereby stake holding directors or employees must not partake in the approval process.

### **Policy and tendency to conduct related Transactions in the future**

Related transaction will be conducted. However, the Company will carefully exercise discretion in each related transaction while prioritizing the benefits to the Company.

## **2. Transaction between the Company and direct and indirect subsidiaries**

Details as per Note to the Financial Statements Year 2017

## Report of the Audit Committee

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

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;

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 Grant Thornton Limited, whereby Mr. Somkid Taitragul, Certified Public Accountant No. 2785, 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 5 July 2019. There is an approval on the company financial statements for the year 2017, ended on the 31st December 2017, which has also been reviewed by a certified auditor. 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 2019, due to the fact that personnel are being sought for the position of head of internal audit, the audit committee therefore resolved to have currently performing internal audit officers to observe and provide any necessary information to the accounting division to ensure trust, such as reviewing the management and purchase procedures made by IEC Mae Tha Mae Taeng Co., Ltd.

Please be informed accordingly.

Yours sincerely,



(Mr. Metha Thamviharn)

Chairman of the Audit Committee

# **The International Engineering Public Company Limited and its Subsidiaries**

**Auditor's Report and**

**Consolidated Financial Statements**

**For the Year Ended 31 December 2017**

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of The International Engineering Public Company Limited

### *Disclaimer of Opinion on the Statements of Profit or Loss and Other Comprehensive Income, Changes in Shareholders' Equity and Cash Flows*

I was engaged to audit the accompanying consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows of The International Engineering Public Company Limited and subsidiaries (the "Group") for the year ended 31 December 2017, and related notes to the consolidated and separate financial statements, including the summary of significant accounting policies.

I do not express an opinion on the accompanying consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows because of the matters described under the Basis of Disclaimer of Opinion on the Statements of Profit or Loss and Other Comprehensive Income, Changes in Shareholders' Equity and Cash Flows section of my report. I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an opinion on such statements.

### *Qualified Opinion on the Company's Statements of Financial Position*

I have audited the consolidated and separate statements of financial position of The International Engineering Public Company Limited and subsidiaries (the "Group") as at 31 December 2017, and related notes to the consolidated and separate financial statements, including the summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion on the Consolidated and Separate Statements of Financial position, the accompanying consolidated and separate statements of financial positions present fairly, in all material respects, the consolidated and separate financial positions of the Group and Company as at 31 December 2017 in accordance with Thai Financial Reporting Standards.

### *Basis of Disclaimer of Opinion on the Statements of Profit or Loss and Other Comprehensive Income, Changes in Shareholders' Equity and Cash Flows*

The financial statements for the year ended 31 December 2017, include the addition adjustments for impairments of investment in subsidiary, impairment of property, plant and equipment, impairment of non-operating asset, impairment of goodwill and impairment of intangible assets totaling Baht 855.23 million in consolidated financial statements and of Baht 288.01 million in separate financial statements, which the Company's management cannot identify whether or not the addition provision for impairment should be how much allocated to the financial performance and cash flows for the former years. In addition, I did not observe the physical count of inventories and work in process as at 31 December 2017. On this basis, I cannot express an opinion on the consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and statements of cash flows for the year ended 31 December 2017.

**Basis for Qualified Opinion on the Statement of Financial Position as at 31 December 2017**

I could not observe the physical count of fuel supplies inventory and work in process at the end of the year 2017 since the Group and the Company cannot provide information for inventory observation. I was unable to satisfy myself by other audit procedures as to the quantity and values of fuel supplies and work in process with the net book value of Baht 14.51 million in the consolidated statement of financial position (Baht 4.20 million in the separate statement of financial position) as at 31 December 2017.

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

**Key Audit Matter**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate statements of financial position as at 31 December 2017. These matters were addressed in the context of my audit of the consolidated and separate statements of financial position, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
<p><b>Impairment of investments in subsidiary, property, plant and equipment, non-operating assets, goodwill and intangible assets</b></p> <p>During the year ended 31 December 2017, the Group and Company recognized additional adjustments to the impairment of investments in subsidiaries, property, plant and equipment, non-operating assets, goodwill and intangible assets totaling Baht 855.23 million in the consolidated financial statements and Baht 288.01 million in the separate financial statements.</p> <p>In accordance with Thai Financial Reporting Standards, the Group is required to test the impairment of goodwill annually, and other assets whenever there is an indication of impairment.</p> <p>An impairment assessment requires significant judgements and estimates to be made by management with complex considerations about</p>	<p><b>My audit procedures included:</b></p> <p>Evaluating the professional competency of the independent appraiser appointed by management to assist them in performing the valuation</p> <p>Discussing with management and the independent appraiser the basis of assumptions used and future business plans, including reviewing underlying supporting documentation.</p> <p>Assessing the reasonableness of assumptions and methodology that management and the independent appraiser applied to estimate expected future cash flows by comparing with current and historical operations.</p> <p>Evaluating the reasonableness of the discount rate applied to calculate future cash flows.</p> <p>Verifying the mathematical accuracy of the model and inspecting inputs with supporting documents.</p> <p>Reviewing management's sensitivity analysis and considering the impact to the recoverable</p>

Key audit matter	How the matter was addressed in the audit
<p>future cash flows forecasts of the assets and discount rate which is impacted by economic circumstances, current market conditions and specific risks related to each assets.</p> <p>The Group and Company have disclosed about the impairments relating to investment in subsidiaries, property, plant and equipment, non-operating assets, goodwill and intangible assets in notes 15, 18, 19, 21 and 23 to the consolidated and separate financial statements, respectively.</p>	<p>amount.</p> <p>Assessing the adequacy and appropriateness of the disclosures of assumption and recoverable amount of investment in subsidiaries, property, plant and equipment, non-operating assets and goodwill.</p>

#### *Other information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available for my review after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I do not express any form of assurance report thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to inform the management and those charged with governance to correct the material misstatement.

#### *Responsibilities of Management and Those Charged with Governance for the preparation of Financial Statements*

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



### *Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Mr. Somckid Tiatragul**

Certified Public Accountant

Registration No. 2785

Grant Thornton Limited

Bangkok

5 July 2019

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit: thousand baht)

	Separate F/S					
	31 December 2017	%	31 December 2016	%	31 December 2015	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	1,736,660	59.83	262,841	14.19	80,698	2.26
Trade and other accounts receivable	19,473	0.67	39,263	2.12	18,313	0.51
Inventories	4,204	0.14	3,572	0.19	9,510	0.27
Short-term loans to related companies and accrued interest income	604,294	20.82	706,833	38.17	1,406,682	39.39
Investment and asset available for sale	50,000	1.72	50,000	2.70	-	-
Other current assets	59,413	2.05	74,081	4.00	59,626	1.67
Assets held for sales and discontinued operations	-	-	-	-	214,000	5.99
<b>Total current assets</b>	<b>2,474,043</b>	<b>85.23</b>	<b>1,136,591</b>	<b>61.38</b>	<b>1,788,829</b>	<b>50.09</b>
<b>NON-CURRENT ASSETS</b>						
Restricted deposit with banks	67,518	2.33	67,518	3.65	34,927	0.98
Other investments	1,383	0.05	1,292	0.07	1,233	0.03
Advance payment for purchase of investment	-	-	-	-	40,000	1.12
Investment in subsidiaries	-	-	91,932	4.96	874,052	24.48
Investment properties	159,696	5.50	114,016	6.16	143,702	4.02
Property, plant and equipment	24,279	0.84	46,804	2.53	657,702	18.42
Non-operating asset	151,949	5.23	371,914	20.08	-	-
Leasehold rights	8,142	0.28	9,042	0.49	13,927	0.39
Goodwill	-	-	-	-	-	-
Deferred cost of rights to use electricity transmission system	-	-	-	-	-	-
Intangible assets	1,905	0.07	4,033	0.22	7,916	0.22
Deferred tax assets	-	-	-	-	-	-
Other non-current assets	13,722	0.47	8,690	0.47	8,703	0.24
<b>Total non-current assets</b>	<b>428,593</b>	<b>14.77</b>	<b>715,240</b>	<b>38.62</b>	<b>1,782,161</b>	<b>49.91</b>
<b>TOTAL ASSETS</b>	<b>2,902,636</b>	<b>100.00</b>	<b>1,851,831</b>	<b>100.00</b>	<b>3,570,990</b>	<b>100.00</b>

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit: thousand baht)

	Separate F/S					
	31 December 2017	%	31 December 2016	%	31 December 2015	%
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term loans						
from financial institutions	552	0.02	9,568	0.52	10,164	0.28
Trade and other accounts payable	28,181	0.97	34,959	1.89	51,340	1.44
Accrued expense	15,014	0.52	14,534	0.78	6,330	0.18
Current portion of long-term loans from financial institutions and accrued interest	-	-	-	-	-	-
Current portion of liabilities under finance lease agreements	1,036	0.04	945	0.05	869	0.02
Short-term loans from other	140,000	4.82	80,000	4.32	-	-
Reserve for short-term liabilities	12,067	0.42	32,277	1.74	-	-
Advance received for purchase shares	1,712,967	59.01	10,000	0.54	50,000	1.40
Other current liabilities	3,084	0.11	4,816	0.26	35,125	0.98
Liabilities held for discontinued operations	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>1,912,902</b>	<b>65.90</b>	<b>187,098</b>	<b>10.10</b>	<b>153,829</b>	<b>4.31</b>
<b>Non-current liabilities</b>						
Long-term loans from financial institutions and accrued interest	-	-	-	-	-	-
Liabilities under finance lease agreements	1,022	0.04	2,047	0.11	2,991	0.08
Employee benefit obligations	6,572	0.23	18,726	1.01	13,662	0.38
Reserve for long-term liabilities	81,964	2.82	77,941	4.21	77,941	2.18
Other non-current liabilities	2,090	0.07	2,481	0.13	2,898	0.08
<b>Total non-current liabilities</b>	<b>91,649</b>	<b>3.16</b>	<b>101,195</b>	<b>5.46</b>	<b>97,493</b>	<b>2.73</b>
<b>TOTAL LIABILITIES</b>	<b>2,004,551</b>	<b>69.06</b>	<b>288,294</b>	<b>15.57</b>	<b>251,323</b>	<b>7.04</b>

THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION

(Unit: thousand baht)

	Separate F/S					
	31 December 2017	%	31 December 2016	%	31 December 2015	%
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>						
Shareholders' equity						
Share capital - common share at Baht 0.01 par value						
- Registered 244,074,505,500 shares	2,440,745		2,440,745		2,048,246	
- Issued and paid-up 203,591,502,350 shares (2016: 203,446,598,767 shares)	2,035,915	70.14	2,034,466	109.86	1,807,959	50.63
Share premium	1,307,482	45.04	1,305,309	70.49	1,033,347	28.94
Share premium from reduction in par value of common share	464,905	16.02	464,905	25.11	464,905	13.02
Retained earnings (Deficits)						
Appropriated for legal reserve	2,096	0.07	2,096	0.11	2,096	0.06
Unappropriated	(2,913,371)	-100.37	(2,244,205)	-121.19	10,652	0.30
Other components of shareholders' equity	1,058	0.04	967	0.05	708	0.02
Equity attributable to the Company's shareholders	898,085	30.94	1,563,537	84.43	3,319,667	92.96
Non-controlling interests	-	0.00	-	0.00	-	0.00
Total shareholders' equity	898,085	30.94	1,563,537	84.43	3,319,667	92.96
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,902,636</b>	<b>100.00</b>	<b>1,851,831</b>	<b>100.00</b>	<b>3,570,990</b>	<b>100.00</b>

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(Unit: thousand baht)

	Separate F/S					
	2017	%	2016	%	2015	%
Revenue from sales electricity	-	-	-	-	-	-
Revenues from services	39,990	100.00	52,382	100.00	52,158	100.00
<b>Total revenues</b>	<b>39,990</b>	<b>100.00</b>	<b>52,382</b>	<b>100.00</b>	<b>52,158</b>	<b>100.00</b>
Cost of sales	-	-	-	-	-	-
Cost of services	(32,817)	(82.06)	(41,028)	(78.32)	(30,004)	(57.53)
<b>Total costs</b>	<b>(32,817)</b>	<b>(82.06)</b>	<b>(41,028)</b>	<b>(78.32)</b>	<b>(30,004)</b>	<b>(57.53)</b>
<b>Gross profit</b>	<b>7,173</b>	<b>17.94</b>	<b>11,354</b>	<b>21.68</b>	<b>22,154</b>	<b>42.47</b>
Dividend income	37	0.09	45,181	86.25	34	0.07
Other income	20,903	52.27	49,652	94.79	9,987	19.15
Gain on sale of investment	-	-	77,530	148.01	-	-
Interest income	111,926	279.88	108,665	207.45	113,956	218.48
Reversal of allowance for impairment of assets	45,719	114.33	-	-	21,400	41.03
Reversal of allowance for doubtful accounts	855	2.14	-	-	32,447	62.21
Reversal of provision for liabilities	-	-	-	-	-	-
Forfeited deposit for shares subscribed	-	-	-	-	43,252	82.92
<b>Profit before expenses</b>	<b>186,613</b>	<b>466.65</b>	<b>292,382</b>	<b>558.17</b>	<b>243,229</b>	<b>466.33</b>
Selling expenses	(4,512)	(11.28)	(1,854)	(3.54)	(4,353)	(8.35)
Administrative expenses	(197,595)	(494.11)	(363,390)	(693.73)	(189,021)	(362.40)
Loss on impairment of investments in subsidiaries	(91,932)	(229.89)	(882,120)	(1,684.02)	(4,945)	(9.48)
Loss on impairment of assets	(241,793)	(604.63)	(570,240)	(1,088.62)	(13,268)	(25.44)
Loss on write-off advance payment of assets	-	-	-	-	-	-
Allowance for doubtful accounts from short-term loans to subsidiary companies and accrued interest income	(331,636)	(829.30)	(725,759)	(1,385.51)	(5,570)	(10.68)
<b>Loss before finance costs and income tax</b>	<b>(680,855)</b>	<b>(1,702.56)</b>	<b>(2,250,982)</b>	<b>(4,297.24)</b>	<b>26,072</b>	<b>49.99</b>
Finance costs	(6,828)	(17.07)	(3,875)	(7.40)	(153)	(0.29)
<b>Loss before income tax</b>	<b>(687,683)</b>	<b>(1,719.63)</b>	<b>(2,254,857)</b>	<b>(4,304.64)</b>	<b>25,919</b>	<b>49.69</b>
Income tax expense	-	-	-	-	-	-
<b>Loss from continuing operations</b>	<b>(687,683)</b>	<b>(1,719.63)</b>	<b>(2,254,857)</b>	<b>(4,304.64)</b>	<b>25,919</b>	<b>49.69</b>
Profit from discontinued operations	-	-	-	-	-	-
<b>Loss for the year</b>	<b>(687,683)</b>	<b>(1,719.63)</b>	<b>(2,254,857)</b>	<b>(4,304.64)</b>	<b>25,919</b>	<b>49.69</b>

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(Unit: thousand baht)

	Separate F/S					
	2017		2016		2015	
<b>OTHER COMPREHENSIVE INCOME</b>						
Item that will not be reclassified subsequently to profit or loss						
Actuarial gain	18,517	0.46	-	-	(4,606)	(0.09)
Items that will be reclassified subsequently to profit or loss						
Gain on fair value of available for sale investments	91	-	259	-	(74)	-
Total other comprehensive income for the year	18,608	0.47	259	0.00	(4,680)	(0.09)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<b>(669,075)</b>	<b>(16.73)</b>	<b>(2,254,598)</b>	<b>(43.04)</b>	<b>21,240</b>	<b>0.41</b>
<b>PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO:</b>						
Equity holders of the Company	(687,683)	(17.20)	(2,254,857)	(43.05)	25,719	0.49
Non-controlling interests	-	-	-	-	-	-
	<b>(687,683)</b>	<b>(17.20)</b>	<b>(2,254,857)</b>	<b>(43.05)</b>	<b>25,719</b>	<b>0.49</b>
<b>COMPREHENSIVE INCOME (LOSS) FOR THE YEAR ATTRIBUTABLE TO:</b>						
Equity holders of the Company	(669,075)	(16.73)	(2,254,598)	(43.04)	21,240	0.41
Non-controlling interests	-	-	-	-	-	-
	<b>(669,075)</b>	<b>(16.73)</b>	<b>(2,254,598)</b>	<b>(43.04)</b>	<b>21,240</b>	<b>0.41</b>
<b>BASIC LOSS PER SHARE</b>						
Loss (Baht/Share)	<b>(0.0034)</b>		<b>(0.0112)</b>		<b>0.0001</b>	

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**

	(Unit: thousand baht)		
	Separate F/S		
	2017	2016	2015
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax			
From continuously operations	(687,683)	(2,254,857)	25,919
From discontinued operations	-	-	-
<b>Total</b>	<b>(687,683)</b>	<b>(2,254,857)</b>	<b>25,919</b>
<b>Adjustments to reconcile income (loss) before income tax to net cash provided from (used in) operating activities:</b>			
Interest income	(111,926)	(108,665)	(113,956)
Interest expenses	6,828	3,875	153
Depreciation and amortization	11,884	11,492	8,403
Allowance for doubtful accounts from trade and other accounts receivable	16,619	10,528	17,117
Allowance for doubtful accounts from short-term loans and accrued interest income	314,774	725,759	-
Reversal of allowance for doubtful account	(855)	-	(32,447)
Loss on impairment of investment properties	-	45,719	-
Loss on impairment of property, plant and equipment	11,450	20,908	-
Loss on impairment of intangible assets	1,255	6,910	4
Loss on impairment of assets not used in operations	229,088	509,970	-
Loss on impairment of the deferred cost of rights to use the electricity transmission system	-	-	-
Loss on impairment of other current assets	-	-	-
Loss on impairment of advance payment for purchase investment	-	40,000	-
Loss on impairment of goodwill	-	-	13,268
Loss on write-off of other investments	-	200	-
Loss on write-off of assets	1,397	105,592	-
Loss on write-off of investment for investment properties	-	23,100	-
Loss on write-off of assets not used in operations	10,062	-	-
Loss on write-off of intangible assets	0	-	-
Reversal of allowance for impairment of investment properties	(45,719)	(13,268)	-
Reversal of allowance for impairment of property, plant and equipment	-	-	-
Reversal of allowance for impairment of assets not used in operations	-	-	-
Reversal of allowance for impairment of deferred cost of rights to use the electricity transmission system	-	-	-
Gain on disposal of equipment	(449)	(0)	(769)



**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**

(Unit: thousand baht)

	Separate F/S		
	2017	2016	2015
Reversal of allowance for devaluation of inventories	(999)	-	(188)
Withholding tax written off	-	-	-
Loss on impairment of investment in subsidiaries	91,932	882,120	-
Gain on disposal of discontinued operations □	-	(77,530)	-
Loss on the consolidated financial statements from the disposal of discontinued operations	-	-	-
Loss on devaluation of investment	-	-	4,945
Gain on disposals of leasehold rights	-	(11,238)	(3,028)
Equipment donated	-	-	-
Reversal of provisions	-	-	-
Allowance (reversal of allowance) for penalty on delay construction	(19,687)	32,277	-
Reversal of long-term provisions	5,069	-	-
Employee benefit expenses	6,363	5,064	4,840
Reversal of allowance for impairment of deposit for producing the original learning package	-	-	(17,600)
Reversal of allowance for impairment of advance payment for assets	-	-	-
Gain on forfeiting deposit for shares subscription □	-	-	(43,252)
Income tax benefit	-	-	-
Dividend received	(37)	(45,181)	-
<b>Cash provided from (used in) operations before changes in operating assets and liabilities</b>	<b>(160,634)</b>	<b>(87,224)</b>	<b>(136,590)</b>
<b>Decrease (increase) in operating assets:</b>			
Trade and other accounts receivable	3,171	(31,478)	(14,290)
Inventories	(173)	1,970	(14,774)
Other current assets	1,430	(18,360)	-
Other non-current assets	(5,031)	(22,420)	(6,304)
<b>Increase (decrease) in operating liabilities:</b>			
Trade and other accounts payable	(9,844)	(20,332)	35,120
Accrued expenses	481	8,204	-
Advance received for share subscription	1,702,967	(40,000)	-
Other current liabilities	(1,731)	(30,310)	-
Other non-current liabilities	(391)	(417)	673
<b>Cash provided from (used in) operating activities</b>	<b>1,530,246</b>	<b>(153,144)</b>	<b>425</b>
Withholding tax refunded	14,555	5,448	6,394
Withholding tax paid	(1,635)	(1,544)	(2,509)
<b>Net cash provided from (used in) operating activities</b>	<b>1,543,165</b>	<b>(236,463)</b>	<b>(132,280)</b>

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**

	(Unit: thousand baht)		
	Separate F/S		
	2017	2016	2015
<b>Cash flows from investing activities</b>			
Purchase of investment in subsidiary	-	(100,000)	(88,235)
Increase in available for sale investment	-	(50,000)	-
Interest received	10,196	14,816	89,048
Increase in restricted deposits with banks	-	(32,591)	22,404
Purchase of investment property	-	-	(156,219)
Purchase of property, plant and equipment	(664)	(402,423)	(636,348)
Proceeds from disposal of property, plant and equipment	1,260	1	4,131
Increase in non-operating assets	(19,185)	-	-
Proceeds from disposal of leasehold rights	-	14,953	9,500
Purchase of intangible assets	-	(3,927)	(296)
Increase in short-term loans to subsidiary companies	(141,694)	(254,959)	(167,100)
Proceeds from short-term loans to subsidiary companies	32,361	322,898	173,440
Proceeds from return of advance payment for assets	-	-	-
Prepaid investment in subsidiary	-	-	(40,000)
Proceeds from deposit	-	-	50,000
Proceeds from claim of deposit for producing the original learning package	-	-	17,600
Proceeds from disposal of discontinued operations	-	291,530	-
<b>Net cash used in investing activities</b>	<b>(117,726)</b>	<b>(199,703)</b>	<b>(722,075)</b>

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**

(Unit: thousand baht)

	Separate F/S		
	2017	2016	2015
<b>Cash flows from financing activities</b>			
Interest paid	(5,331)	(3,875)	(153)
Increase (decrease) in bank overdrafts and short-term from financial institution	(9,016)	(596)	9,650
Proceeds from short-term loans from financial institutions	-	-	-
Repayment for short-term loans from financial institutions	-	-	-
Repayment of short-term loans from related parties	-	-	-
Proceeds from short-term loans from others	310,000	175,000	-
Repayment of short-term loans from others	(250,000)	(95,000)	-
Proceeds from long-term loans from financial institutions	-	-	-
Repayment of long-term loans from financial institutions	-	-	-
Payment for liabilities under finance lease agreements	(933)	(869)	(69)
Dividend received	37	45,181	-
Cash received from share capital increment	3,623	498,468	546,220
<b>Net cash provided from (used in) financing activities</b>	<b>48,379</b>	<b>618,309</b>	<b>555,648</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,473,818</b>	<b>182,143</b>	<b>(298,706)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>262,841</b>	<b>80,698</b>	<b>379,405</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,736,660</b>	<b>262,841</b>	<b>80,698</b>
<b>Supplemental cash flows information</b>			
<b>Non-cash transactions:</b>			
Accounts payable for construction in progress	-	-	-
Transfer of advance payment from warrants converted to common share	-	-	72,000
Purchase of equipment under financial lease agreements	-	-	3,930
Payables for purchase assets	-	3,951	34,156
Transfer from inventory to property, plant and equipment	541	-	-

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit: thousand baht)

	Consolidated F/S					
	31 December 2017	%	31 December 2016	%	31 December 2015	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	1,778,632	48.37	299,667	9.78	103,449	2.32
Trade and other accounts receivable	111,578	3.03	92,119	3.01	68,659	1.54
Inventories	14,506	0.39	5,758	0.19	21,986	0.49
Short-term loans to related companies and accrued interest income	20,000	0.54	-	-	-	-
Investment and asset available for sale	50,000	1.36	50,000	1.63	-	-
Other current assets	141,362	3.84	158,892	5.18	236,375	5.30
Assets held for sales and discontinued operations	-	-	-	-	483,225	10.84
<b>Total current assets</b>	<b>2,116,079</b>	<b>57.54</b>	<b>606,436</b>	<b>19.78</b>	<b>913,693</b>	<b>20.49</b>
<b>NON-CURRENT ASSETS</b>						
Restricted deposit with banks	95,266	2.59	89,723	2.93	52,633	1.18
Other investments	1,383	0.04	1,292	0.04	1,233	0.03
Advance payment for purchase of investment	-	-	-	-	40,000	0.90
Investment in subsidiaries	-	-	-	-	-	-
Investment properties	220,578	6.00	176,838	5.77	207,615	4.66
Property, plant and equipment	979,643	26.64	1,636,717	53.40	2,812,198	63.07
Non-operating asset	161,320	4.39	371,914	12.13	-	-
Leasehold rights	8,142	0.22	9,042	0.29	13,927	0.31
Goodwill	-	-	2,905	0.09	239,322	5.37
Deferred cost of rights to use electricity transmission system	39,173	1.07	40,965	1.34	44,273	0.99
Intangible assets	215	0.01	80,066	2.61	87,403	1.96
Deferred tax assets	-	-	-	-	855	0.02
Other non-current assets	55,602	1.51	49,343	1.61	45,722	1.03
<b>Total non-current assets</b>	<b>1,561,321</b>	<b>42.46</b>	<b>2,458,803</b>	<b>80.22</b>	<b>3,545,182</b>	<b>79.51</b>
<b>TOTAL ASSETS</b>	<b>3,677,400</b>	<b>100.00</b>	<b>3,065,239</b>	<b>100.00</b>	<b>4,458,875</b>	<b>100.00</b>

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit: thousand baht)

	Consolidated F/S					
	31 December 2017	%	31 December 2016	%	31 December 2015	%
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term loans						
from financial institutions	48,296	1.31	61,085	1.99	39,693	0.89
Trade and other accounts payable	68,337	1.86	78,853	2.57	99,025	2.22
Accrued expense	57,076	1.55	58,171	1.90	36,033	0.81
Current portion of long-term loans from						
financial institutions and accrued interest	459,537	12.50	475,849	15.52	98,400	2.21
Current portion of liabilities under finance						
lease agreements	1,036	0.03	945	0.03	869	0.02
Short-term loans from other	170,067	4.62	80,000	2.61	2,000	0.04
Reserve for short-term liabilities	12,067	0.33	50,086	1.63	32,190	0.72
Advance received for purchase shares	1,712,967	46.58	10,000	0.33	50,000	1.12
Other current liabilities	25,413	0.69	15,180	0.50	35,002	0.79
Liabilities held for discontinued operations	-	-	-	-	2,342	0.05
<b>Total current liabilities</b>	<b>2,554,797</b>	<b>69.47</b>	<b>830,170</b>	<b>27.08</b>	<b>395,555</b>	<b>8.87</b>
<b>Non-current liabilities</b>						
Long-term loans from financial institutions						
and accrued interest	101,304	2.75	141,864	4.63	616,064	13.82
Liabilities under finance lease agreements	1,022	0.03	2,047	0.07	2,991	0.07
Employee benefit obligations	7,187	0.20	20,553	0.67	15,908	0.36
Reserve for long-term liabilities	91,860	2.50	77,941	2.54	77,941	1.75
Other non-current liabilities	9,698	0.26	10,173	0.33	10,187	0.23
<b>Total non-current liabilities</b>	<b>211,071</b>	<b>5.74</b>	<b>252,578</b>	<b>8.24</b>	<b>723,093</b>	<b>16.22</b>
<b>TOTAL LIABILITIES</b>	<b>2,765,868</b>	<b>75.21</b>	<b>1,082,748</b>	<b>35.32</b>	<b>1,118,648</b>	<b>25.09</b>

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit: thousand baht)

	Consolidated F/S					
	31 December 2017	%	31 December 2016	%	31 December 2015	%
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>						
Shareholders' equity						
Share capital - common share at Baht 0.01 par value						
- Registered 244,074,505,500 shares	2,440,745		2,440,745		2,048,246	
- Issued and paid-up 203,591,502,350 shares (2016: 203,446,598,767 shares)	2,035,915	55.36	2,034,466	66.37	1,807,959	40.55
Share premium	1,307,482	35.55	1,305,309	42.58	1,033,347	23.18
Share premium from reduction in par value of common share	464,905	12.64	464,905	15.17	464,905	10.43
Retained earnings (Deficits)						
Appropriated for legal reserve	2,096	0.06	2,096	0.07	2,096	0.05
Unappropriated	(2,572,194)	-69.95	(1,823,906)	-59.50	(137,301)	-3.08
Other components of shareholders' equity	(45,868)	-1.25	(45,959)	-1.50	708	0.02
Equity attributable to the Company's shareholders	911,774	24.79	1,936,911	63.19	3,171,715	71.13
Non-controlling interests	(280,805)	-7.64	45,581	1.49	168,512	3.78
Total shareholders' equity	911,531	24.79	1,982,491	64.68	3,340,227	74.91
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,677,400</b>	<b>100.00</b>	<b>3,065,239</b>	<b>100.00</b>	<b>4,458,875</b>	<b>100.00</b>

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(Unit: thousand baht)

	Consolidated F/S					
	2017	%	2016	%	2015	%
Revenue from sales electricity	329,600	85.27	396,888	85.77	285,080	84.18
Revenues from services	56,915	14.73	65,857	14.23	53,556	15.82
<b>Total revenues</b>	<b>386,515</b>	<b>100.00</b>	<b>462,745</b>	<b>100.00</b>	<b>338,636</b>	<b>100.00</b>
Cost of sales	(252,551)	(65.34)	(297,533)	(64.30)	(232,059)	(68.53)
Cost of services	(55,907)	(14.46)	(64,066)	(13.84)	(57,017)	(16.84)
<b>Total costs</b>	<b>(308,458)</b>	<b>(79.81)</b>	<b>(361,599)</b>	<b>(78.14)</b>	<b>(289,076)</b>	<b>(85.36)</b>
<b>Gross profit</b>	<b>78,057</b>	<b>20.19</b>	<b>101,146</b>	<b>21.86</b>	<b>49,560</b>	<b>14.64</b>
Dividend income	37	0.01	36	0.01	34	0.01
Other income	32,965	8.53	44,799	9.68	21,076	6.22
Gain on sale of investment	-	-	40,754	8.81	-	-
Interest income	2,313	0.60	2,720	0.59	5,518	1.63
Reversal of allowance for impairment of assets	138,608	35.86	-	-	64,948	19.18
Reversal of allowance for doubtful accounts	855	0.22	-	-	27,131	8.01
Reversal of provision for liabilities	-	-	-	-	3,553	1.05
Forfeited deposit for shares subscribed	-	-	-	-	43,252	12.77
<b>Profit before expenses</b>	<b>252,835</b>	<b>65.41</b>	<b>189,454</b>	<b>40.94</b>	<b>215,071</b>	<b>63.51</b>
Selling expenses	(20,534)	(5.31)	(8,970)	(1.94)	(8,338)	(2.46)
Administrative expenses	(297,985)	(77.10)	(695,590)	(150.32)	(274,087)	(80.94)
Loss on impairment of investments in subsidiaries	-	-	-	-	-	-
Loss on impairment of assets	(990,936)	(256.38)	(1,220,840)	(263.83)	(14,441)	(4.26)
Loss on write-off advance payment of assets	-	-	-	-	(23,548)	(6.95)
Allowance for doubtful accounts from short-term loans to subsidiary companies and accrued interest income	-	-	-	-	-	-
<b>Loss before finance costs and income tax</b>	<b>(1,056,620)</b>	<b>(273.37)</b>	<b>(1,735,947)</b>	<b>(375.14)</b>	<b>(105,343)</b>	<b>(31.11)</b>
Finance costs	(38,687)	(10.01)	(42,314)	(9.14)	(47,355)	(13.98)
<b>Loss before income tax</b>	<b>(1,095,307)</b>	<b>(283.38)</b>	<b>(1,778,261)</b>	<b>(384.29)</b>	<b>(152,698)</b>	<b>(45.09)</b>
Income tax expense	-	-	(855)	(0.18)	921	0.27
<b>Loss from continuing operations</b>	<b>(1,095,307)</b>	<b>(283.38)</b>	<b>(1,779,116)</b>	<b>(384.47)</b>	<b>(151,778)</b>	<b>(44.82)</b>
Profit from discontinued operations	-	-	22,653	4.90	61,607	18.19
<b>Loss for the year</b>	<b>(1,095,307)</b>	<b>(283.38)</b>	<b>(1,756,462)</b>	<b>(379.57)</b>	<b>(90,171)</b>	<b>(26.63)</b>

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(Unit: thousand baht)

	Consolidated F/S					
	2017		2016		2015	
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Item that will not to be reclassified subsequently to profit or loss</b>						
Actuarial gain	20,633	0.05	-	0.00	(4,190)	(0.01)
<b>Items that will be reclassified subsequently to profit or loss</b>						
Gain on fair value of available for sale investments	91	0.00	259	0.00	(74)	(0.00)
<b>Total other comprehensive income for the year</b>	<b>20,724</b>	<b>0.05</b>	<b>259</b>	<b>0.00</b>	<b>(4,265)</b>	<b>(0.01)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<b>(1,074,583)</b>	<b>(2.78)</b>	<b>(1,756,204)</b>	<b>(3.80)</b>	<b>(94,435)</b>	<b>(0.28)</b>
<b>PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO:</b>						
Equity holders of the Company	(768,634)	(1.99)	(1,686,605)	(3.64)	(39,044)	(0.12)
Non-controlling interests	(326,673)	(0.85)	(69,857)	(0.15)	(51,127)	(0.15)
	<b>(1,095,307)</b>	<b>(2.83)</b>	<b>(1,756,462)</b>	<b>(3.80)</b>	<b>(90,171)</b>	<b>(0.27)</b>
<b>COMPREHENSIVE INCOME (LOSS) FOR THE YEAR ATTRIBUTABLE TO:</b>						
Equity holders of the Company	(747,910)	(1.94)	(1,686,347)	(3.64)	(43,308)	(0.13)
Non-controlling interests	(326,673)	(0.85)	(69,857)	(0.15)	(51,127)	(0.15)
	<b>(1,074,583)</b>	<b>(2.78)</b>	<b>(1,756,204)</b>	<b>(3.80)</b>	<b>(94,435)</b>	<b>(0.28)</b>
<b>BASIC LOSS PER SHARE</b>						
Loss (Baht/Share)	(0.0038)		(0.0084)		(0.0002)	



**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**

	(Unit: thousand baht)		
	Consolidated F/S		
	2017	2016	2015
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax			
From continuously operations	(1,095,307)	(1,779,116)	(151,778)
From discontinued operations	-	22,653	61,607
Total	<b>(1,095,307)</b>	<b>(1,756,462)</b>	<b>(90,171)</b>
<b>Adjustments to reconcile income (loss) before income tax to net cash provided from (used in) operating activities:</b>			
Interest income	(2,313)	(2,720)	(5,578)
Interest expenses	38,687	42,314	43,765
Depreciation and amortization	98,328	116,443	122,336
Allowance for doubtful accounts from trade and other accounts receivable	1,573	30,749	6,593
Allowance for doubtful accounts from short-term loans and accrued interest income	40,000	-	-
Reversal of allowance for doubtful account	-	-	(27,131)
Loss on impairment of investment properties	-	45,719	-
Loss on impairment of property, plant and equipment	679,794	510,712	-
Loss on impairment of intangible assets	74,994	6,910	12
Loss on impairment of assets not used in operations	236,109	669,316	-
Loss on impairment of the deferred cost of rights to use the electricity transmission system	-	1,450	-
Loss on impairment of other current assets	10	10,625	-
Loss on impairment of advance payment for purchase investment	-	40,000	-
Loss on impairment of goodwill	2,905	236,418	14,441
Loss on write-off of other investments	-	200	-
Loss on write-off of assets	2,275	106,270	21,535
Loss on write-off of investment for investment properties	-	23,100	-
Loss on write-off of assets not used in operations	10,062	-	-
Loss on write-off of intangible assets	0	-	-
Reversal of allowance for impairment of investment properties	(45,719)	(13,268)	-
Reversal of allowance for impairment of property, plant and equipment	(83,518)	-	-
Reversal of allowance for impairment of assets not used in operation	(9,371)	-	-
Reversal of allowance for impairment of deferred cost of rights to use the electricity transmission system	-	-	-
Gain on disposal of equipment	(461)	(2,600)	(769)

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**

	(Unit: thousand baht)		
	Consolidated F/S		
	2017	2016	2015
Reversal of allowance for devaluation of inventories	(4,310)	(1,428)	(215)
Withholding tax written off	-	-	(658)
Loss on impairment of investment in subsidiaries	-	-	-
Gain on disposal of discontinued operations	-	(40,754)	-
Loss on the consolidated financial statements from the disposal of discontinued operations	-	230,107	-
Loss on devaluation of investment	-	-	-
Gain on disposals of leasehold rights	-	(11,238)	(3,028)
Equipment donated	-	-	138
Reversal of provisions	-	-	(3,553)
Allowance (reversal of allowance) for penalty on delay construction	(38,019)	17,896	-
Reversal of long-term provisions	13,919	-	-
Employee benefit expenses	7,267	5,468	5,283
Reversal of allowance for impairment of deposit for producing the original learning package	-	-	(17,600)
Reversal of allowance for impairment of advance payment for assets	-	-	(20,000)
Gain on forfeiting deposit for shares subscription	-	-	(43,252)
Income tax benefit	-	-	(921)
Dividend received	(37)	(36)	-
<b>Cash provided from (used in) operations before changes in operating assets and liabilities</b>	<b>(73,200)</b>	<b>265,194</b>	<b>1,229</b>
<b>Decrease (increase) in operating assets:</b>			
Trade and other accounts receivable	(21,032)	(54,209)	(32,706)
Inventories	(4,979)	4,177	(15,220)
Other current assets	4,865	73,284	-
Other non-current assets	(6,259)	(26,054)	(6,849)
<b>Increase (decrease) in operating liabilities:</b>			
Trade and other accounts payable	(21,002)	(86,548)	3,807
Accrued expenses	(929)	29,541	-
Advance received for share subscription	1,702,967	(40,000)	-
Other current liabilities	10,233	15,180	-
Other non-current liabilities	(475)	(30)	770
<b>Cash provided from (used in) operating activities</b>	<b>1,590,188</b>	<b>(84,659)</b>	<b>(50,198)</b>
Withholding tax refunded	14,555	5,448	6,394
Withholding tax paid	(2,219)	(2,472)	(2,658)
<b>Net cash provided from (used in) operating activities</b>	<b>1,602,524</b>	<b>183,512</b>	<b>(45,233)</b>

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**

	(Unit: thousand baht)		
	Consolidated F/S		
	2017	2016	2015
<b>Cash flows from investing activities</b>			
Purchase of investment in subsidiary	-	(100,000)	-
Increase in available for sale investment	-	(50,000)	-
Interest received	2,631	2,362	10,297
Increase in restricted deposits with banks	(5,543)	(37,090)	18,205
Purchase of investment property	-	(848)	(156,219)
Purchase of property, plant and equipment	(20,016)	(574,599)	(841,812)
Proceeds from disposal of property, plant and equipment	1,303	10,001	4,672
Increase in non-operating assets	(26,206)	-	-
Proceeds from disposal of leasehold rights	-	14,953	9,500
Purchase of intangible assets	(8)	(3,952)	(523)
Increase in short-term loans to subsidiary companies	(60,000)	-	-
Proceeds from short-term loans to subsidiary companies	-	-	16,770
Proceeds from return of advance payment for assets	-	-	20,000
Prepaid investment in subsidiary	-	-	(40,000)
Proceeds from deposit	-	-	50,000
Proceeds from claim of deposit for producing the original learning package	-	-	17,600
Proceeds from disposal of discontinued operations	-	291,530	-
<b>Net cash used in investing activities</b>	<b>(107,840)</b>	<b>(447,642)</b>	<b>(891,510)</b>

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**

	(Unit: thousand baht)		
	Consolidated F/S		
	2017	2016	2015
<b>Cash flows from financing activities</b>			
Interest paid	(38,853)	(39,927)	(63,139)
Increase (decrease) in bank overdrafts and short-term from financial institution	(12,789)	21,392	17,536
Proceeds from short-term loans from financial institutions	-	-	40,000
Repayment for short-term loans from financial institutions	-	-	(40,000)
Repayment of short-term loans from related parties	-	-	(25,620)
Proceeds from short-term loans from others	340,067	175,000	7,000
Repayment of short-term loans from others	(250,000)	(97,000)	(5,000)
Proceeds from long-term loans from financial institutions	48,830	708	142,000
Repayment of long-term loans from financial institutions	(105,701)	(97,459)	(57,823)
Payment for liabilities under finance lease agreements	(933)	(869)	(69)
Dividend received	37	36	-
Cash received from share capital increment	3,623	498,468	546,220
<b>Net cash provided from (used in) financing activities</b>	<b>(15,720)</b>	<b>460,348</b>	<b>561,105</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,478,965</b>	<b>196,218</b>	<b>(375,638)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>299,667</b>	<b>103,449</b>	<b>479,087</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,778,632</b>	<b>299,667</b>	<b>103,449</b>
<b>Supplemental cash flows information</b>			
<b>Non-cash transactions:</b>			
Accounts payable for construction in progress	-	-	61,676
Transfer of advance payment from warrants converted to common share	-	-	72,000
Purchase of equipment under financial lease agreements	-	-	3,930
Payables for purchase assets	10,486	21,584	48,194
Transfer from inventory to property, plant and equipment	541	-	-

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**31 DECEMBER 2017 AND 2016**

1. NATURE OF OPERATIONS

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 Group is principally engaged in trading of engineering products, installing and implementing information technology systems, the production and distribution of electricity from solar energy, from waste and biomass, and providing waste disposal services.

2. GENERAL INFORMATION

The Company has not been able to submit the reviewed and audited consolidated and separate financial statements to the Stock Exchange of Thailand and regulatory agencies since the second quarter of 2016 since the former management team and directors had resigned from their position from the accusation of members of the Executive Committee and certain Directors of the Company for committing fraud and the resignation of the former accounting manager. Besides, the Securities and Exchange Commission (SET) and the Department of Special Investigation (DSI) had formed the teams to investigate the fraud committed by the former executive team and directors. In addition, the Company also has file court cases against the former management team of the Company. The outcome of the investigation and the court claims have not been concluded.

However, the current Board of Directors of the Company has tried to prepare the up-to-date financial statements and appointed independent appraiser to re-appraise the major assets for which have impairment indication exist to reflect the adjustment for their fair values in the financial statements.

Whereas the Group and Company have continuously incurred operating losses with loss for the year ended 31 December 2017 of Baht 1,095.31 million and Baht 687.68 million, after including adjustments for impairment assets in consolidated and separate financial statements, respectively. These may affect its ability to repay its debts and obligation to the third parties. However, the Board of Directors has set up the plans trying to remedy such problem to enable the Group to continue as a going concern.

### 3. BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRINCIPLE OF CONSOLIDATION

#### 3.1 Statement of compliance

The accompanying financial statements have been officially prepared in accordance with the Accounting Act B.E. 2543 and Thai Financial Reporting Standards ("TFRS") issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These financial statements are officially prepared in the Thai language. The translation of these financial statements to another language must conform to the official report in Thai.

The Federation of Accounting Professions has issued new and revised TFRS, interpretations and guidance which adoption is effective for annual accounting periods beginning on or after 1 January 2017. The changes are to align with the corresponding International Financial Reporting Standards, which most of the changes are relating to the revision of wording and terminology, the provision of interpretations and accounting guidance to the users of the standards. The initial application of these new and revised TFRS has no material effect to the Group's financial statements.

In addition, the Federation of Accounting Professions has issued new and revised TFRS, interpretations and guidance, which will be effective on or after 1 January 2018. The changes are to align with the corresponding International Financial Reporting Standards which most changes are relating to the revision of wording and terminology, and the provision of interpretations and accounting guidance to users of the standards. The Group does not plan to early adopt these TFRS. The Company has made a preliminary assessment of the potential initial impact to the Group's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial adoption.

#### 3.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

### 3.3 Basis of consolidation

The consolidated financial statements include the financial statements of The International Engineering Public Company Limited and its direct and indirect subsidiaries which the Company can exercise control or holdings shares with voting right more than 50% as follows:

Subsidiaries	Country of	Percentage of shareholding		Type of business
	Incorporation	2017	2016	
Direct subsidiaries				
IEC Green Energy Co., Ltd.	Thailand	100	100	Providing consulting services for reseach and development, distributing technology products for environmental management, and development of all energy and alternative energy (active operations)
IEC Business Partners Co., Ltd.	Thailand	100	100	Investing in other business
NFS (2010) Co., Ltd.	Thailand	100	100	Sale of mobile phones (inactive operations)
E-Contech Management Pte. Ltd.	Singapore	100	100	Providing consulting service and enginerring technology research (active operations)
IEC Sakaeo 1 Co., Ltd.	Thailand	100	100	Production and distribution of electricity from biomass (active operations)
Indirect subsidiaries				
GIDEC Co., Ltd.	Thailand	50	50	Waste disposal and production of electricity from waste (active operations)
IEC Mae Tha Mae Taeng Co., Ltd.	Thailand	100	100	Production and distribution of electricity from solar energy (active operations)

Significant transactions and balances between the Company and subsidiaries have been eliminated in the consolidated financial statements.

The financial statements of foreign operations are prepared and presented in Thai Baht which is the functional currency of the Company.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

#### 4. SIGNIFICANTS ACCOUNTING POLICIES

##### 4.1 Revenue

###### *Engineering services income.*

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

###### *Sale of electricity*

Revenue from sales of electricity is recognized as income when electricity is transmitted to and accepted by customer, net of tax and discount.

###### *Revenue from waste disposal service*

Revenue from waste disposal service is recognized when the services are rendered under the service agreement.

###### *Government subsidies*

Government subsidies are recognized as revenue when the Company is convinced that it will be able to comply with the specified condition that ensure the collection. The Company chooses to present subsidy income as a separate item in the statement of comprehensive income.

Other income is recognized as services are provided.

Dividend income is recognized when the right to receive the dividends is established.

Interest income is recognized overtime – period on an accrued basis.

Other income is recognised on an accrual basis.

##### 4.2 Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.



#### 4.3 Trade and other receivables and allowance for doubtful accounts

Trade and other receivables are stated at the net realizable value. The Company's and subsidiaries' allowances for doubtful accounts are assessed primarily by the analysis of historical collection experiences and future expectations of customer payments. Bad debts are written off when incurred.

#### 4.4 Inventories

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

Cost is calculated using the weighted average cost for finished goods, work in process, fuel materials (represented wood bark, woodchips, plam tendon/fiber and bagasse) and chemical. Cost comprises all costs of purchase, cost of conversions and other costs incurred in bringing the inventories to the location and condition. In case of work in process, cost includes spare parts and supplies, labor cost including appropriate share of costs based on service to be provided.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale. Provision is made, where necessary, for slow moving and defective inventories based on the Company and subsidiaries experiences and the current information.

#### 4.5 Assets held for sales and discontinued operations

Assets or groups of assets that the Company and subsidiaries have set policy for disposition are classified as held-for-sale and discontinued operations if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the assets are not available for immediate sale at their present condition, subject only to terms that are common and customary for sales such assets. In this regard, management must be committed to the sale of the assets at reasonable prices closed to the fair values for which sales are processed as planned and sales are expected to be completed within one year from the date of classification. These classified assets or group of assets are measured at the lower of carrying amounts and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in the statement of profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

#### 4.6 Business combinations

Business combinations are accounted for using the acquisition method which cost of the acquisition is treated as the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the seller. For each business combination, the Company measures the non-controlling interest, in the acquiree either at fair value or at the proportionate share of the seller's identifiable net assets.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree's assets, less the net amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

#### 4.7 Investments

##### *Investments in subsidiaries*

Investments in subsidiaries in the separate financial statements is accounted for by cost method. The Company recognizes gain or loss on disposal in the statement of profit or loss in the period which sales of investment occurred. In case of impairment on investment, the Company will recognize loss on impairment of investment as expense in the statement of profit or loss. The Company recognized dividend income when the subsidiary declares the payment of its dividends.

##### *Investments in other equity securities*

Marketable equity securities other than those securities held for trading are classified as available for sale. Available for sale investments, subsequent to initial recognition, are stated at fair value, and changes therein, other than impairment losses are recognized in equity. Impairment losses are recognized in profit or loss. When these investments are disposed and recognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss.

Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment (if any).

The fair value of trading securities and available-for-sale securities are based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

##### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in profit or loss. If the Company and subsidiaries disposed part of its particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total investment.

#### 4.8 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company. They also include associated company and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing the Company's operations.

##### *Subsidiaries*

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### 4.9 Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-developed assets includes other costs directly attributable to bringing the investment property to a working condition or sell such as fee, provide and coordination expenses.

Depreciation is recording to profit or loss on straight-line basis over the estimated useful lives of each property. The estimated useful life for building and condominium are 20 years.

No depreciation is applied for land.

#### 4.10 Property, plant and equipment

##### *Recognition and measurement*

Property, plant and equipment are presented at cost less accumulated depreciation and allowance for impairment (if any). Cost is measured by the cash or cash equivalent price of obtaining the asset to bring it to the location and condition necessary for its intended use.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and subsidiaries, and its cost can be measured reliably.

*Depreciation*

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

Depreciation of plant and equipment is calculated using the straight-line basis over the estimated useful lives of each component of an item of plant and equipment when the component is significant and the difference of useful lives. The estimated useful lives are as follows:

	Years
Land improvement	25
Building and condominium	20
Leasehold building improvement	5
Solar energy power plant with equipment	25
Waste disposal plant and power plant from waste and biomass	10, 15, 20 and
with equipment	25
Machinery and equipment	5, 20
Tools and equipment	5
Furniture, fixtures and office equipment	5
Vehicles	5

No depreciation is applied for land and assets under construction.

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

Three subsidiaries classified properties of waste disposal plant and plant for electricity production from waste and solar energy in accordance with TAS 16 Property, Plant and Equipment. In addition, the Company considered 2 TFRICs as follows:

#### *TFRIC 4: Determining whether an Arrangement contains a Lease*

This TFRIC requires the Company to assess whether an arrangement is, a lease or partly contains lease or not, based on the substance of the arrangement. If the arrangement is, a lease or partly contains lease, the Company should separate payments for the lease from payments for other purpose. The subsidiaries assess and concludes that the arrangements do not fall under this TFRIC. since their assets are used for specific purpose and not for use for any other purpose.

#### *TFRIC 12: Service Concession Arrangement*

This interpretation gives guidance on the accounting for operators who obtains the concession in relation for the recognition and measurement of obligations and related right in public-to-private service concession arrangements. The operator shall recognize consideration received or receivable at fair value as the right in a financial asset or an intangible asset. The subsidiary considers and concludes that the term of service agreement to manage waste disposal system in community with Hatyai Municipality does not fall under the condition of this interpretation because the subsidiary's main business objective is producing electricity from waste procured by Hatyai Municipality and delivered to it for use as supplies for producing electricity under the agreement. The waste disposal plant is a process of preparation waste to be appropriate for producing electricity. If waste disposal plant would be constructed alone, it is not worthy for investment.

#### 4.11 Borrowing costs

The Company and subsidiaries capitalized borrowing costs for the factory construction and development of the machinery as part of the costs of construction in progress and will stop recording borrowing costs as assets costs when the construction is completed. Borrowing costs consist of interest and other expenses related to borrowing.

#### 4.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill were formerly impaired are reviewed for possible reversal of the impairment at each reporting date.

#### 4.13 Assets not used in operations

Assets not used in operations are presented at carrying amount at the date when the assets are no longer actively used, less allowance for impairment.

The difference between the net disposal proceeds and the carrying amount of the asset not used in operations is recognized in profit or loss in the period when the asset is derecognized.

#### 4.14 Leasehold rights

Leasehold rights with finite useful lives, are stated at cost less accumulated amortization and impairment losses. Leasehold rights are amortized in the statement of profit or loss by a straight-line basis over the estimated useful lives of 3 - 28 years.

#### 4.15 Goodwill

Goodwill from a business combination represents the excess of the acquisition cost over the fair value of the share of the identifiable net assets which the Company acquired. Goodwill is measured at cost less allowance for impairment. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

#### 4.16 Deferred rights to use transmission line

Deferred cost of rights to use electricity transmission system of the subsidiaries, which represent cost of transmission line system to link with the Electricity Authority's system for the distributing electricity purpose, are stated at cost less accumulated amortization. Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of asset of 25 years.

Amortization method and useful lives are reviewed annually and adjusted if appropriate.

#### 4.17 Intangible assets

Intangible assets with finite useful lives are stated at costs less accumulated amortization and allowance for impairment.

*Amortization*

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

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets, except goodwill. The estimated useful lives are as follows:

	5	-	years
Software licences	10		
Right of using the technology	25		years commencing the first day of commercial operations (11 December 2014)

Amortisation method, useful lives and residual values are reviewed at each fiscal year-end and adjusted, as appropriate.

#### 4.18 Lease – where the Company and subsidiaries are the lessees

Leases of equipment where the Company and subsidiaries assume substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the fair value of the leased assets or estimated present value of the underlying lease payments, whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. Lease payments, net of financial charges, are recognized as liabilities under finance lease agreements. The financial expense is charged to the statement of profit or loss over the lease period. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets.

Lease of asset for which the lessor effectively retains all the risk and benefit of ownership, is classified as operating lease. Payments made under operating lease are charged to the statement of profit or loss on the straight-line basis over the lease period. When an operating lease is terminated before expiry date of the lease period, any payment required by the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

#### 4.19 Lease – where the Company and subsidiaries are lessors

Assets leased out under operating leases are included in building and equipment in the statement of financial position. Depreciation is calculated over their estimated useful lives on a basis consistent with other similar assets. Rental income is recognized on a straight – line basis over the lease period.

#### 4.20 Employee benefits

##### *Short-term employment benefits*

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

##### *Post-employment benefits (Defined contribution plan)*

The Company and subsidiaries, and their employees have jointly established a provident fund plan whereby monthly contributions are made by employees and by the Company and subsidiaries. The fund's assets are held in a separate trustee fund from the Company and subsidiaries' assets. The Company's and subsidiaries' contribution to the fund are recognized as expenses when incurred.

##### *Post-employment benefits (Defined benefit plan)*

The Company and subsidiaries have obligation in respect of the severance payments they must make to employees upon retirement under the labour law. The Company and subsidiaries treat these severance payment obligations as defined benefit plan.

The obligations under the defined benefits plan are based on actuarial techniques, using the projected unit credit method determined by a professionally qualified independent actuary.

Actuarial gains or losses for the computation of post-employee benefits are recognized as other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation, fair value of plan assets and actuarial gains (losses).

#### 4.21 Income tax

Income tax expense for the year comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

##### *Current income tax*

Current income tax is the expected tax payable or tax benefit on the taxable profit or loss for the year, which is different from profit or loss in the financial statements, using income tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.



#### *Deferred tax*

Deferred taxes are calculated on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose. Deferred taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they reverse, using income tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that the related tax benefit will be realized.

#### 4.22 Provisions for liabilities and expenses and contingent assets

The Company and subsidiaries recognize provisions for liabilities and expenses in the financial statements when they have a present legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent assets will be recognized as separate assets only when the realization is virtually certain.

#### 4.23 Foreign currency transactions

Transactions in foreign currencies are recorded in Baht based on the rates prevailing at the transaction dates. Outstanding balances of assets and liabilities, denominated in foreign currencies at the reporting date, are translated into Baht at the exchange rates at that date. Translation gains or losses are credited or charged to operations for the year.

#### 4.24 Dividend payment

Dividend payment is recorded in the financial statements in the year in which they are approved by the Shareholders or Board of Directors.

#### 4.25 Basic earnings (loss) per share

Basic earnings (loss) per share are determined by dividing the profit (loss) for the year by the weighted average number of common shares outstanding during the year.

#### 4.26 Segment reporting

Segment results that are reported to the executive committee (chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### 4.27 Fair value measurement of financial instruments

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

### 5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT

The preparation of the financial statements in accordance with the Thai Financial Reporting Standards requires management to make estimates and assumption that affect the reporting amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities. The actual result may differ from those estimates.

5.1 Critical accounting estimates, assumption and judgments are as follow:

#### 5.1.1 Impairment of receivables

The Company and subsidiaries set allowances for doubtful accounts equal to the estimated collection losses that may incur in the collection of receivables. The estimated losses are based on uncertainty in the collection.

#### 5.1.2 Allowance for slow-moving and defective inventory

The Company and subsidiaries provides allowances for slow-moving and defective inventory to reflect impairment of inventories. The allowances are based on consideration of inventory turnovers and deterioration of each category.

#### 5.1.3 Impairment of investments

The Company and subsidiaries treats investments as impaired when there has been a significant or prolonged decline in their fair value. The determination of what is “significant” or “prolonged” requires management judgment.

#### 5.1.4 Impairment of goodwill

The Company and subsidiaries annually reviews goodwill from investments in subsidiary companies to determine whether it is impaired or not. The recoverable amounts of cash-generating units are determined based on value-in-use calculations.

#### 5.1.5 Property, plant and equipment, investment properties, and intangible assets

Management regularly determines the estimated useful lives and residual values for plant and equipment, investment properties, and intangible assets of the Company and subsidiaries. Management will revise the depreciation and amortization charge where useful lives and residual values previously estimated have changed or subject to be written off for their technical obsolescence or if they are no longer in use.

#### 5.1.6 Allowance for impairment of assets

The Company and subsidiaries regularly determined the impairment of assets when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value below its cost, the Company and subsidiaries, make an estimate of the asset recoverable amount and set up allowance for impairment to adjust the book value of asset to equal the recoverable amount.

#### 5.1.7 Post-employment benefits (defined benefit plans)

Obligation under defined benefit plan is determined based on actuarial technique. Inherent within this calculation is assumption as to discount rates, future salary increases, mortality rates and other demographic factor. Actual post-retirement costs may ultimately differ from this estimates.

#### 5.1.8 Deferred tax asset

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company and subsidiaries's future taxable income against which the deductible temporary differences can be utilised. In addition, management judgment is required in assessing the impact of any legal or economic limit or uncertainties in various tax jurisdictions.

#### 5.1.9 Estimated loss on liabilities of the subsidiaries

The management makes subjective judgements and estimates regarding loss on liabilities to other person based on ownership interest in those subsidiaries.

### 5.1.10 Litigation

The Company and subsidiaries normally have contingent liabilities as a result of disputes and litigation. Management uses judgment to assess the results of the disputes and litigation and recognizes reasonable provision for losses in the accounts at the reporting date. However, actual results could differ from the estimates.

## 6. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with related parties that are related to it through common shareholding and/or directorship. The consolidated and separate financial statements reflect the effects of those transactions on the basis agreed upon between the Company and its related parties, which basis might be different from the basis used for transactions with unrelated parties.

Relationships with related parties are as follows:

<u>Individual or related entities</u>	<u>Country of Incorporation</u>	<u>Relationship</u>
The M Group Plc.	Thailand	Related company by shareholding
Electricity Generating Plc.	Thailand	Related company, 50% shareholding in Gidec Co., Ltd.

Pricing policies for each transaction are described as follows:

<u>Transactions</u>	<u>Pricing policies</u>
Management fee income	Contract price
Interest income	8.5% per annum
Dividend income	At shareholder meeting resolution
Land rental expense	Contract price
Vehicle rental expense	Market price
Directors' and managements' remunerations, director bonus, meeting allowance, salary and others	Remuneration is approved by the Company's directors and shareholders

Significant transactions with related parties for the years ended 31 December 2017 and 2016 are as follows:

Transactions with related parties	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	For the year ended 31 December		For the year ended 31 December	
	2017	2016	2017	2016
<u>Management fee income</u>				
Subsidiary companies	-	-	2,610,000	13,105,100
Indirect subsidiary companies	-	-	2,776,000	8,135,800
Total	-	-	5,386,000	21,240,900
<u>Interest income</u>				
Subsidiary companies	-	-	104,300,839	106,106,544
<u>Dividend income</u>				
Subsidiary company	-	-	-	45,145,614
Related company	37,125	35,750	37,125	35,750
Total	37,125	35,750	37,125	45,181,364
<u>Rental and other service expenses</u>				
Subsidiary company	-	-	43,000	13,989
Indirect subsidiary company	-	-	-	22,904
Total	-	-	43,000	36,893
<u>Key management personnel compensation</u>				
Short-term employee benefits	46,382,140	62,512,172	43,290,900	56,631,013
Post-employment benefits	5,682,384	2,753,423	4,930,548	2,604,899
Total	46,382,140	65,265,595	43,290,900	59,235,912

Significant balances with related parties as at 31 December 2017 and 2016 are as follows:

			(Unit: Baht)	
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
<u>Other accounts receivable</u>				
Subsidiary companies	-	-	9,545,613	7,065,596
Indirect subsidiary companies	-	-	8,484,921	5,315,011
Related company	450,000,000	450,000,000	450,000,000	450,000,000
Total	450,000,000	450,000,000	468,030,534	462,380,607
<u>Less</u> Allowance for doubtful accounts	(450,000,000)	(450,000,000)	(467,364,424)	(452,318,244)
Net	-	-	666,110	10,062,363
<u>Short – term loans and accrued interest receivable</u>				
Subsidiary companies	-	-	1,857,609,829	1,645,986,283
Related company	65,000,000	5,000,000		
<u>Less</u> Allowance for doubtful accounts	(45,000,000)	(5,000,000)	(1,253,315,602)	(939,153,558)
Net	20,000,000	-	604,294,227	706,832,725

During the year 2017, the Company addition recognized an allowance for doubtful accounts against short – term loans and accrued interest receivable amounting Baht 315.02 million because management considered that such subsidiaries do not have ability to repay their debts.

Significant movements in short-term loans to subsidiaries and accrued interest receivable for the year ended 31 December 2017 and 2016 are as follows:

				(Unit: Baht)
	1 January	During the year		31 December
	2017	Increase	Decrease	2017
Short-term loans to subsidiaries and accrued interest	1,645,986,283	243,984,621	(32,361,075)	1,857,604,829
				(Unit: Baht)
	1 January	During the year		31 December
	2016	Increase	Decrease	2016
Short-term loans to subsidiaries and accrued interest	1,620,076,867	348,807,544	(322,898,128)	1,645,986,283

Significant movements in allowance for short-term loans to subsidiaries and accrued interest receivable for the years ended 31 December 2017 and 2016 are as follows:

	1 January	During the year		(Unit: Baht)
	2017	Increase	Decrease	31 December
				2017
Allowance for short-term loans	939,153,558	315,017,181	(855,137)	1,253,315,602

	1 January	During the year		(Unit: Baht)
	2016	Increase	Decrease	31 December
				2016
Allowance for short-term loans	213,394,598	725,758,960	-	939,153,558

	Consolidated F/S		Separate F/S		(Unit: Baht)
	2017	2016	2017	2016	
<u>Trade and other accounts payable</u>					
Subsidiary companies	-	-	56,989	13,989	
<u>Employee benefit obligations</u>					
Key management					
- Post-employment benefits	1,523,613	12,045,190	1,473,711	11,675,053	
<u>Advance received on sale of land</u>					
Related person	-	7,220,000	-	-	

### Directors' remunerations

The Ordinary General Meeting of Shareholders held on 22 May 2017 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 2017 in the amount not exceeding Baht 7.50 million.

### Significant agreements with related parties

On 1 April 2016, a subsidiary entered into a front-end machinery rental agreement with an indirect subsidiary for 5 years with monthly rent of Baht 1.50 million.

On 1 January 2017, the Company entered into management agreements with seven direct and indirect subsidiary companies to provide various management services (engineering, accounting, financing, human resource, administration, controlling, audit, legal, information and others). The agreements are for 12 months starting 1 January 2017 to 31 December 2017 with annual fees of Baht 278,200 to Baht 1,768,710 per subsidiary.

On 29 July 2016, the Company entered into a land rental agreement with an indirect subsidiary, located at Tha Chang, Hat Yai, Songkhla, for the construction of an office building. The lease is for 2 years starting 29 July 2016 to 28 July 2018 with annual rent of Baht 40,000. Both parties have an option to renew the agreement upon expiration.

### 7. CASH AND CASH EQUIVALENTS

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Cash on hand	801,000	1,143,000	419,000	701,000
Cash at bank – Saving accounts	59,472,506	286,798,008	23,770,288	253,095,034
Cash at bank – Current accounts	5,893,118	2,742,079	30,071	85,872
Cash at bank – Fixed accounts	9,656,207	8,984,017	9,631,502	8,959,463
Advance received for share subscription	1,702,808,952	-	1,702,808,952	-
Total	1,778,631,783	299,667,104	1,736,659,813	262,841,369

The Extraordinary Shareholders Meeting No.1/2017 on 20 October 2017, passed a resolution to approve the increase in share capital of 203,591,502,350 shares at the par value of Baht 0.01 for at the price Baht 0.0125 per share to current shareholder. On 6 December 2017, the Company received cash from allocation and increase in share capital to shareholders for amount of Baht 1,702.81 million. However, the Company cannot use such proceeds for operation because it was in process of registration with the registrar, Department of Business Development, Ministry of Commerce. (as explain in note 29).



8. TRADE AND OTHER ACCOUNTS RECEIVABLE

(Unit: Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Trade accounts receivable				
- general customers	109,045,235	68,606,936	16,639,921	22,719,886
Accrued income	10,416,242	24,545,512	10,416,242	7,585,980
Total	119,461,477	93,152,448	27,056,163	30,305,866
<u>Less</u> : Allowance for doubtful accounts	(8,649,423)	(6,876,518)	(8,449,214)	(6,876,518)
Trade accounts receivable and accrued income - net	110,812,054	86,275,930	18,606,949	23,429,348
Other receivable – general customers	68,248,590	73,525,217	44,927,219	50,498,935
Other receivable – related companies	450,000,000	450,000,000	468,030,534	462,380,607
Total	518,248,590	523,525,217	512,957,753	512,879,542
<u>Less</u> : Allowance for doubtful accounts	(517,482,308)	(517,682,517)	(512,092,078)	(497,045,899)
Other accounts receivable - net	766,282	5,842,700	865,675	15,833,643
Total trade and other accounts receivable - net	111,578,336	92,118,630	19,472,624	39,262,991

The aged of trade accounts receivable and accrued income as at 31 December 2017 and 2016 are as follows:

(Unit: Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
<u>Trade accounts receivable and accrued income</u>				
Not yet due	96,954,193	77,104,080	7,536,925	16,111,858
Overdue:				
Less than 3 months	7,802,152	12,317,241	5,023,495	10,462,881
3 – 6 months	42,425	-	33,245	-
More than 12 months	14,662,707	3,731,127	14,462,498	3,731,127
Total	119,461,477	93,152,448	27,056,163	30,305,866
<u>Less</u> Allowance for doubtful accounts	(8,649,423)	(6,876,518)	(8,449,214)	(6,876,518)
Net	110,812,054	86,275,930	18,606,949	23,429,348

The aged of other accounts receivable with related parties as at 31 December 2017 and 2016 are as follows:

			(Unit: Baht)	
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
<u>Other accounts receivable – Related parties</u>				
Not yet due	-	-	4,654,993	1,205,492
Overdue:				
Less than 3 months	-	-	280,750	2,342,016
3 – 6 months	-	-	280,750	4,196,611
6 – 12 months	-	-	467,917	4,636,488
More than 12 months	450,000,000	450,000,000	462,346,124	450,000,000
Total	450,000,000	450,000,000	468,030,534	462,380,607
<u>Less</u> Allowance for doubtful accounts	(450,000,000)	(450,000,000)	(467,364,424)	(452,318,244)
Net	-	-	666,110	10,062,363

During the years ended 31 December 2017 and 2016, the movements in allowance for doubtful accounts are as follows:

			(Unit: Baht)	
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Balance as at 1 January	524,559,035	493,809,581	503,922,417	493,394,719
<u>Add</u> Allowance for doubtful Accounts	1,584,784	31,049,054	16,618,875	10,827,298
<u>Less</u> Reversal of allowance for doubtful accounts	(12,088)	(299,600)	-	(299,600)
Balance as at 31 December	526,131,731	524,559,035	520,541,292	503,922,417

9. INVENTORIES

(Unit: Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Fuel	16,804,245	8,687,838	-	-
Work in process	-	1,706,491	-	-
Finished goods	1,798,773	4,401,970	1,073,852	2,073,134
Cost of installation work	4,203,655	3,572,160	4,203,655	3,572,160
Total	22,806,673	18,368,459	5,277,507	5,645,294
<u>Less</u> : Allowance for devaluation of inventories	(8,300,302)	(12,609,990)	(1,073,852)	(2,073,134)
Net	14,506,371	5,758,469	4,203,655	3,572,160

During the years 2017 and 2016, the movements of allowances for obsolete and declining value of inventories are as follows:

(Unit: Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Beginning balance	12,609,990	14,037,511	2,073,134	2,073,134
Decrease	(4,309,688)	(1,427,521)	(999,282)	-
Ending balance	8,300,302	12,609,990	1,073,852	2,073,134

The inventories recognized as an expense in cost of sales and services for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Cost of sales and services	311,061,560	363,026,740	33,816,596	41,027,917
Reversal of allowances	(2,603,198)	(1,427,521)	(999,282)	-
Net	308,458,362	361,599,219	32,817,314	41,027,917

10. OTHER CURRENT ASSETS

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Refundable value added tax	134,797,372	140,431,721	50,804,399	49,714,341
Withholding tax deducted at sources	4,510,855	16,847,175	3,178,974	16,098,726
Other advance payments	25,984	348,702	-	-
Undue input VAT	3,007,122	2,708,482	1,306,704	2,231,239
Prepaid expenses	6,498,745	5,088,004	1,998,780	2,896,730
Advance payments for development project	6,000,000	6,000,000	6,000,000	6,000,000
Accrued interest income	970,286	796,068	970,286	796,068
Others	2,434,603	3,544,601	1,153,850	2,344,307
Total	158,244,967	175,764,753	65,412,993	80,081,411
<u>Less</u> Allowance for doubtful accounts	(16,882,674)	(16,872,993)	(6,000,000)	(6,000,000)
Total other current assets	141,362,293	158,891,760	59,412,993	74,081,411

11. ASSETS HELD FOR SALES AND DISCONTINUED OPERATIONS

On 19 December 2016, the Board of Directors passed a resolution to approve the disposition of a 99.99% owned subsidiary (IEC Mae Ramad Co., Ltd.), to a non-related party, at the price of Baht 289.08 per share, totaling Baht 303.31 million to generate working capital and provide financial support for other investments. As a result, the Company lost control of such subsidiary. The Company recognized the gain on sale of investment in subsidiary under the equity method of Baht 40.75 million and under the cost method of Baht 77.53 million in statement of profit or loss in consolidated and separate financial statements, respectively. On 26 December 2016, the Company received Baht 291.53 million for such disposition. The Company received the remaining amount when the buyer can collect electricity sale revenue of November and December 2016 from the Provincial Electricity Authority. However, the Company received only Baht 6.78 million from the remaining amount. The Company therefore, set up allowance for doubtful debt for total remaining balance of Baht 5 million during the year 2016.

The financial position and operating results of IEC Mae Ramad Co., Ltd. which have been classified as discontinued operations are as follows:

	(Unit: Baht)	
	Consolidated F/S	
	2017	2016
<b>Operating results of discontinued operations</b>		
Total revenues	-	75,158,486
Total costs	-	(19,320,142)
Total other revenues	-	741,397
Total expenses	-	(33,926,390)
<b>Profit from discontinued operations</b>	-	22,653,351

At the meeting held on 27 April 2016, the Board of Directors passed a resolution to approve the acquisition of common shares of Nong Ree Power Plant Co., Ltd. from existing shareholders totaling 500,000 shares or 100% of total shares of Baht 100 each, for Baht 50 million. The Company entered into share purchase agreement on 29 April 2016 and paid for Baht 50 million on agreement date. Nong Ree Power Plant Co., Ltd. had a sale of electricity agreement with Provincial Electricity Authority for 3 megawatts while the construction of a biogas power plant was still in process with the budget cost of construction of approximately Baht 286 million.

The Company assessed and recorded the value of power sale agreements based on the acquisition amount as it is still uncertain about Nong Ree Power Plant Co., Ltd. to finish the construction of power plant before producing electricity for sale. The current management does not appraise the fair value of such assets since the Company cannot obtain project financing to support the power plant construction. The Company therefore, intended to disposal this investment to third party. The Company therefore, classified such investment as investment available-for-sale. The Company has sale investment in the year 2018 (as explain in note 48.1).

**12. RESTRICTED DEPOSIT WITH BANKS**

As at 31 December 2017 and 2016, restricted deposits with banks are used as collaterals for the followings:

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
For guarantee of construction contract and waste management plant	50,000,000	50,000,000	50,000,000	50,000,000
For guarantee of loans from banks	26,947,528	20,604,558	-	-
For guarantee the compliance with contract for television business	12,500,000	12,500,000	12,500,000	12,500,000
For guarantee of electricity usage	4,640,000	5,440,000	3,840,000	3,840,000
For guarantee of contract for network purchasing	1,178,000	1,178,000	1,178,000	1,178,000
<b>Total</b>	<b>95,265,528</b>	<b>89,722,558</b>	<b>67,518,000</b>	<b>67,518,000</b>

**13. OTHER INVESTMENTS****13.1 Available-for-sale investments**

Movements for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Baht)	
	Consolidated and Separate F/S	
	2017	2016
Balance as at 1 January	1,091,750	833,250
Valuation adjustment	90,750	258,500
<b>Balance as at 31 December</b>	<b>1,182,500</b>	<b>1,091,750</b>

	(Unit: Baht)					
	Consolidated and Separate F/S					
	Cost method		Unrealized gain from change in value of investments		Fair value	
	2017	2016	2017	2016	2017	2016
<b>Available-for-sale investment</b>						
Electricity Generating Plc.	125,000	125,000	1,057,500	966,750	1,182,500	1,091,750

## 13.2 Other long-term investments

Movements for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Baht)	
	Consolidated and Separate F/S	
	2017	2016
<u>General investments</u>		
Balance as at 1 January – cost method	9,195,000	9,395,000
<u>Less</u> Allowance for devaluation of investments	(8,995,000)	(8,995,000)
Loss from write-off of investment	-	(200,000)
Balance as at 31 December	200,000	200,000
Total other investments	1,382,500	1,291,750

14. ADVANCE PAYMENT FOR PURCHASE OF INVESTMENT

As at 31 December 2017 and 2016, advance payment for purchase of investment is shown below:

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Advance payment	40,000,000	40,000,000	40,000,000	40,000,000
<u>Less</u> Allowance for impairment	(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000)
Net	-	-	-	-

At a meeting on 23 March 2015, the Board of Directors approved to purchase 100% of 1,250,000 common shares of Tawon Energy (2013) Co., Ltd. ("TE") at a price of Baht 100 for total amount of Baht 125 million which is payable by 2 installments. The Company paid for the first installment of Baht 40 million on 2 April 2015 which was recorded as advance payment for purchase of investment. However, the acquisition has not been executed under contract. The Company therefore, took legal proceedings to refund of the advance payment and set up fully allowance of impairment of advance payment. Currently, Civil Court has adjudicated to win the case. However, the defendant appealed the case to Court of Appeal.

15. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2017 and 2016 investments in subsidiaries are as follow:

(Unit : Baht)

	Separate F/S							
	Paid-up capital		Percent of shareholding		Cost		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016
<u>Direct subsidiaries</u>								
IEC Green Energy Co., Ltd.	534,000,000	534,000,000	100	100	525,135,000	525,135,000	-	-
<u>Less</u> Allowance for impairment					(525,135,000)	(525,135,000)		
Net					-	-		
IEC Business Partners Co., Ltd.	560,600,000	560,600,000	100	100	560,600,000	560,600,000	-	-
<u>Less</u> Allowance for impairment					(560,600,000)	(560,600,000)		
Net					-	-		
NFS (2010) Co., Ltd.	16,000,000	16,000,000	100	100	16,000,000	16,000,000	-	-
<u>Less</u> Allowance for impairment					(16,000,000)	(16,000,000)		
Net					-	-		
E-Contech Management Pte. Ltd.	3,275,330	3,275,330	100	100	3,275,330	3,275,330	-	-
<u>Less</u> Allowance for impairment					(3,275,330)	(3,275,330)		
Net					-	-		
IEC Sakaeo 1 Co., Ltd.	400,000,000	400,000,000	100	100	445,000,000	445,000,000	-	-
<u>Less</u> Allowance for impairment					(445,000,000)	(353,068,177)		
Net					-	91,931,823		
Total					-	91,931,823	-	-
<u>Classified as discontinued operations</u>								
IEC Mae Ramad Co., Ltd.	-	-	-	-	-	-	-	45,145,614

During year 2017, the Company recorded an addition allowance for the impairment of an investment in subsidiary of Baht 91.93 million because management considered that it is unlikely to receive any return on such investments and the recoverable amount is lower than the carrying amount. The recoverable amount is based on a cash flow projection referring to an approved financial and business plan prepared by management as discussed in Note 21.

At meeting on 30 May 2016, the Board of Directors passed a resolution to approve an increase in the Company's investment in IEC Sakaeo 1 Co., Ltd. by acquiring common shares from the existing shareholders, of 1,000,000 shares or 25% of registered share capital, for Baht 100 million to increase the shareholding to 100%. The Company entered into a purchase agreement on 10 June 2016 and paid for share capital on the agreement date and recognized discount from change in proportion of subsidiary of Baht 46.93 million in shareholders' equity. However, such transaction under the allegations of fraud against the former executive team by the Securities and Exchange Commission (SET) and by the department of Special Investigation (DSI) which is still on going.



Movements for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Baht)	
	Separate F/S	
	2017	2016
Net book value as at beginning of the year	91,931,823	1,450,010,330
Acquisitions	-	100,000,000
Total	91,931,823	1,550,010,330
Less Impairment	(91,931,823)	(1,458,078,507)
Net book value as at ending of the year	-	91,931,823

#### 16. NON – CONTROLLING INTERESTS

Subsidiary with material non-controlling interests are as follows:

Company	(Unit: Baht)				
	Proportion of ownership interests held by the NCI(%)		Total comprehensive Income (loss) allocated to NCI		Accumulated NCI
	2017	2016	2017	2016	2017 2016
Gidec Co., Ltd.	50	50	(326,385,584)	(59,072,181)	(280,804,715) 45,580,870
IEC Sakaeo 1 Co., Ltd.	-	-	-	(10,784,785)	- -

Summarised financial information of subsidiaries before eliminations and other consolidation adjustments, are as follow:

	(Unit: Baht)			
	Gidec Co., Ltd.		IEC Sakaeo 1 Co., Ltd.	
	2017	2016	2017	2016
Current assets	115,818,414	99,751,917	-	-
Non – current assets	405,340,076	1,012,863,514	-	-
Total assets	521,158,490	1,112,615,431	-	-
Current liabilities	1,085,823,588	988,419,775	-	-
Non – current liabilities	34,944,830	71,395,311	-	-
Total liabilities	1,120,768,418	1,059,815,086	-	-

(Unit: Baht)

	Gidec Co., Ltd.		IEC Sakaeo 1 Co., Ltd.	
	2017	2016	2017	2016
Equity attributable to the Company's shareholders	599,609,928	52,800,345	-	-
Non-Controlling Interests	(280,804,714)	45,580,870	-	-
Revenue	149,220,810	160,659,484	-	178,749,555
Loss for the year attributable to the Company's shareholders	(326,385,584)	(59,072,181)	-	(361,606,012)
Loss for the year attributable to non-controlling interests	(326,385,584)	(59,072,181)	-	(10,784,785)
Loss for the year	(652,771,168)	(118,144,362)	-	(372,390,797)
Total comprehensive loss attributable to the Company's shareholders	(326,385,584)	(59,072,181)	-	(361,606,012)
Total comprehensive loss attributable to non-controlling interests	(326,385,584)	(59,072,181)	-	(10,784,785)
Total comprehensive loss for the year	(652,771,168)	(118,144,362)	-	(372,390,797)
Net cash provided from operating activities	21,870,767	32,432,021	-	103,504,081
Net cash used in investing activities	(11,345,779)	(56,028,657)	-	(29,085,659)
Net cash provided from (used in) financing activities	(2,806,711)	29,429,486	-	(71,824,668)
Net cash received	7,718,277	5,832,850	-	2,593,754

17. INVESTMENT PROPERTIES

(Unit: Baht)

	Consolidated F/S		
	Land	Condominium	Total
<b><u>Cost</u></b>			
1 January 2016	192,337,695	39,584,669	231,922,364
Increase	848,196	-	848,196
Write – off	(23,100,000)	-	(23,100,000)
Transfer in	25,906,028	-	25,906,028
<b>31 December 2016</b>	<b>195,991,919</b>	<b>39,584,669</b>	<b>235,576,588</b>
<b>31 December 2017</b>	<b>195,991,919</b>	<b>39,584,669</b>	<b>235,576,588</b>
<b><u>Accumulated depreciation</u></b>			
1 January 2016	-	11,039,691	11,039,691
Depreciation for the year	-	1,979,315	1,979,315
<b>31 December 2016</b>	<b>-</b>	<b>13,019,006</b>	<b>13,019,006</b>
Depreciation for the year	-	1,979,532	1,979,532
<b>31 December 2017</b>	<b>-</b>	<b>14,998,538</b>	<b>14,998,538</b>
<b><u>Allowance for impairment</u></b>			
1 January 2016	13,267,509	-	13,267,509
Impairment loss for the year	45,719,423	-	45,719,423
Reversal of impairment loss for the year	(13,267,509)	-	(13,267,509)
<b>31 December 2016</b>	<b>45,719,423</b>	<b>-</b>	<b>45,719,423</b>
Reversal of impairment loss for the year	(45,719,423)	-	(45,719,423)
<b>31 December 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Net book value</u></b>			
<b>31 December 2016</b>	<b>150,272,496</b>	<b>26,565,663</b>	<b>176,838,159</b>
<b>31 December 2017</b>	<b>195,991,919</b>	<b>24,586,131</b>	<b>220,578,050</b>
<b>Depreciation for the year 2016</b>			
Administrative expenses			1,979,315
<b>Depreciation for the year 2017</b>			
Administrative expenses			1,979,532

(Unit: Baht)

	Land	Separate F/S Condominium	Total
<b><u>Cost</u></b>			
1 January 2016	156,827,545	792,870	157,620,415
Write – off	(23,100,000)	-	(23,100,000)
Transfer in	25,906,028	-	25,906,028
<b>31 December 2016</b>	<b>159,633,573</b>	<b>792,870</b>	<b>160,426,443</b>
<b>31 December 2017</b>	<b>159,633,573</b>	<b>792,870</b>	<b>160,426,443</b>

**Accumulated depreciation**

1 January 2016	-	650,929	650,929
Depreciation for the year	-	39,725	39,725
<b>31 December 2016</b>	<b>-</b>	<b>690,654</b>	<b>690,654</b>
Depreciation for the year	-	39,942	39,942
<b>31 December 2017</b>	<b>-</b>	<b>730,596</b>	<b>730,596</b>

**Allowance for impairment**

1 January 2016	13,267,509	-	13,267,509
Impairment loss for the year	45,719,423	-	45,719,423
Reversal of impairment	(13,267,509)	-	(13,267,509)
<b>31 December 2016</b>	<b>45,719,423</b>	<b>-</b>	<b>45,719,423</b>
Reversal of impairment loss for the year	(45,719,423)	-	(45,719,423)
<b>31 December 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Net book value**

<b>31 December 2016</b>	<b>113,914,150</b>	<b>102,216</b>	<b>114,016,366</b>
<b>31 December 2017</b>	<b>159,633,573</b>	<b>62,274</b>	<b>159,695,847</b>

**Depreciation for the year 2016**

Administrative expenses	39,725
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**Depreciation for the year 2017**

Administrative expenses	39,942
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On 23 June 2016, an indirect subsidiary's Board of directors (Gidec Co., Ltd.) approved the transfer of land for 10 Rai to IEC Green Energy Co., Ltd., another subsidiary, in accordance with the Joint Venture Agreement dated 28 September 2012, without compensation. The IEC Green Energy Co., Ltd. has not determined future use of such land.

Subsidiary company (IEC Sakaeo 1 Co., Ltd.) have mortgaged land 64 Rai, as collateral for loans from bank totaling Baht 522 million.

On 31 March 2019, the Company and subsidiaries hired an independent appraiser to appraise the investment properties, by market approach and determined the net recoverable amount as at 31 December 2017 by using discount factor from the appraised report. As at 31 December 2017, The Company's and subsidiaries' investment properties has net recoverable amount exceeding their net book value of Baht 57.80 million. The Company and subsidiaries therefore, reversed the allowance for impairment at full amount in statement of profit or loss for the year ended 31 December 2017.

On 26 February 2007, the subsidiary was sued for invalid purchase of assets from International Gasohol Corporation Limited ("IGA") of Baht 181 million. The plaintiff requested the Court to order the registration of asset ownership back to IGA or order all defendants to pay the balance of the proceeds of Baht 181 million with interest at 7.5 % per annum, from the case filing date until fully settlement. On 26 October 2010, the Court sentenced that the plaintiff had no power to sue the subsidiary because the plaintiff is only one of IGA's shareholder, who is unable to file a petition to revoke the sale and purchase transaction by IGA and the subsidiary in accordance with the Law. And dismissed the claim of the plaintiff. The plaintiff then filed an appeal to the court. On 2 February 2015, the Appeal Court reversed the decision to revoke the sale and purchase asset and the transfer of land and building, machinery and equipment and ordered the subsidiary and the defendant to transfer the land and building, machinery and equipment to IGA. In case of non-transfer of the above assets, the subsidiary together with the defendant have to compensate the plaintiff for an amount of Bath 179.53 million with interest of 7.5% per annum, starting from filing date until fully settlement. On 28 May 2015, the subsidiary filed the final petition to the Supreme Court. On 24 October 2018, the Supreme Court sentenced to dismissed the claim of the plaintiff for the defendant 2, the defendant 3, and the defendant 5 (the subsidiary).

18. PROPERTY, PLANT AND EQUIPMENT

	Consolidated F/S											(Unit Baht)
	Waste											
	Land	Land improvement	Building and condominium	Leasehold building improvement	Solar energy power plant with equipment	disposal plant and power plant from waste and biomass with equipment	Machinery and equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
<b>Cost</b>												
1 January 2016	100,996,144	120,501,603	216,684,618	8,044,288	396,059,770	1,288,518,692	17,240,292	9,068,005	30,522,674	40,062,943	1,375,869,749	3,603,568,778
Increase	-	1,389,837	651,513	5,101,707	11,040	41,733,728	18,629,333	11,203,461	4,312,391	916,000	512,233,575	596,182,585
Decrease	-	-	-	-	-	(6,871,097)	-	-	(2,500)	(1,500,000)	-	(8,373,597)
Write-off	-	-	-	-	-	-	-	(969,125)	(5,575)	-	(53,866,015)	(54,840,715)
Transfer in (out)	(25,906,028)	436,842	32,629,678	2,515,360	-	27,814,139	85,363,600	611,903	410,080	934,000	(176,038,421)	(51,228,847)
Reclassify to non-operating assets	-	-	-	-	-	-	-	-	-	-	(1,041,230,111)	(1,041,230,111)
<b>31 December 2016</b>	<b>75,090,116</b>	<b>122,328,282</b>	<b>249,965,809</b>	<b>15,661,355</b>	<b>396,070,810</b>	<b>1,351,195,462</b>	<b>121,233,225</b>	<b>19,914,244</b>	<b>35,237,070</b>	<b>40,412,943</b>	<b>616,968,777</b>	<b>3,044,078,093</b>
Increase	-	-	-	443,646	-	2,853,107	-	630,934	661,031	-	25,913,628	30,502,346
Decrease	-	-	-	-	-	-	-	(76,828)	(4,563,733)	(6,349,626)	-	(10,990,187)
Write-off	-	-	-	(5,257,137)	-	(1,003,092)	-	(11,600)	(106,303)	-	(5,140,800)	(11,518,932)
Transfer in (out)	-	134,650	994,390	428,685	-	4,817,118	-	23,990	-	540,597	(6,398,833)	540,597
<b>31 December 2017</b>	<b>75,090,116</b>	<b>122,462,932</b>	<b>250,960,199</b>	<b>11,276,549</b>	<b>396,070,810</b>	<b>1,357,862,595</b>	<b>121,233,225</b>	<b>20,480,740</b>	<b>31,228,065</b>	<b>34,603,914</b>	<b>631,342,772</b>	<b>3,052,611,917</b>
<b>Accumulated depreciation</b>												
1 January 2016	-	1,545,196	21,346,754	3,099,850	33,985,366	109,128,757	895,002	2,768,019	22,540,529	13,220,079	-	208,529,552
Depreciation charge for the year	-	1,204,884	10,057,322	2,381,728	15,399,178	62,822,711	1,750,742	3,590,956	3,112,521	6,224,853	-	106,544,895
Decrease	-	-	-	-	-	(667,880)	-	-	(1,584)	(303,288)	-	(972,752)
Write-off	-	-	-	-	-	-	-	(290,510)	(3,176)	-	-	(293,686)
<b>31 December 2016</b>	<b>-</b>	<b>2,750,080</b>	<b>31,404,076</b>	<b>5,481,578</b>	<b>49,384,544</b>	<b>171,283,588</b>	<b>2,645,744</b>	<b>6,068,465</b>	<b>25,648,290</b>	<b>19,141,644</b>	<b>-</b>	<b>313,808,009</b>
Depreciation charge for the year	-	1,265,491	6,632,351	2,692,446	15,091,618	49,635,546	954,090	3,955,642	3,311,892	5,186,093	-	88,725,169
Decrease	-	-	-	-	-	-	-	(45,737)	(4,475,333)	(5,627,401)	-	(10,148,471)
Write-off	-	-	-	(3,894,054)	-	(125,348)	-	(2,274)	(81,708)	-	-	(4,103,384)
<b>31 December 2017</b>	<b>-</b>	<b>4,015,571</b>	<b>38,036,427</b>	<b>4,279,970</b>	<b>64,476,162</b>	<b>220,793,786</b>	<b>3,599,834</b>	<b>9,976,096</b>	<b>24,403,141</b>	<b>18,700,336</b>	<b>-</b>	<b>388,281,323</b>

	Consolidated F/S											(Unit Baht)
	Waste											
	Land	Land improvement	Building and condominium	Leasehold building improvement	Solar energy power plant with equipment	disposal plant and power plant from waste and biomass with equipment	Machinery and equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
<b>Allowance for impairment</b>												
1 January 2016	20,261,322	-	-	-	-	-	-	-	-	-	562,579,755	582,841,077
Impairment loss	20,475,419	91,050,631	55,144,453	21,589	130,616,536	159,363,260	14,120,000	-	-	263,507	39,656,137	510,711,532
<b>31 December 2016</b>	<b>40,736,741</b>	<b>91,050,631</b>	<b>55,144,453</b>	<b>21,589</b>	<b>130,616,536</b>	<b>159,363,260</b>	<b>14,120,000</b>	<b>-</b>	<b>-</b>	<b>263,507</b>	<b>602,235,892</b>	<b>1,093,552,609</b>
Impairment loss	-	16,464,351	114,683,502	5,652,433	-	501,378,048	13,004,114	419,893	1,041,968	4,653,141	22,496,860	679,794,310
Reversal of Impairment loss	(24,256,741)	-	-	-	-	-	-	-	-	(254,986)	(59,006,313)	(83,518,040)
Write-off	-	-	-	-	-	-	-	-	-	-	(5,140,800)	(5,140,800)
<b>31 December 2017</b>	<b>16,480,000</b>	<b>107,514,982</b>	<b>169,827,955</b>	<b>5,674,022</b>	<b>130,616,536</b>	<b>660,741,308</b>	<b>27,124,114</b>	<b>419,893</b>	<b>1,041,968</b>	<b>4,661,662</b>	<b>560,585,639</b>	<b>1,684,688,079</b>
<b>Net book value</b>												
31 December 2016	34,363,375	28,527,571	163,417,280	10,158,188	216,069,730	1,020,548,614	104,467,481	13,845,779	9,588,780	21,007,792	14,732,885	1,636,717,475
31 December 2017	58,610,116	10,932,379	43,085,817	1,322,557	200,978,112	476,327,501	90,509,277	10,084,751	5,782,956	11,241,916	70,757,133	979,642,515
<b>Depreciation for the year 2016</b>												
Cost of sales												91,131,315
Administrative expense												15,413,580
Total												106,544,895
<b>Depreciation for the year 2017</b>												
Cost of sales												59,216,654
Administrative expenses												29,508,515
Total												88,725,169

(Unit: Baht)

	Separate F/S											Total
	Waste											
	Land	Land improvement	Building and condominium	Leasehold building improvement	Solar energy power plant with equipment	disposal plant and power waste and biomass with equipment	Machinery and equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	
<b>Cost</b>												
1 January 2016	25,906,028	-	-	6,748,934	-	-	3,583,978	2,498,005	22,351,776	31,669,593	706,825,445	799,583,759
Increase	-	-	-	2,666,497	-	-	1,570,400	7,520,705	3,488,264	-	391,128,387	406,374,253
Disposals	-	-	-	-	-	-	-	-	(2,500)	-	-	(2,500)
Write-off	-	-	-	-	-	-	-	-	(5,575)	-	(53,866,015)	(53,871,590)
Transfer in (out)	(25,906,028)	-	-	63,360	-	-	-	-	410,080	-	(25,796,258)	(51,228,846)
Reclassify to non-operating assets	-	-	-	-	-	-	-	-	-	-	(881,883,756)	(881,883,756)
<b>31 December 2016</b>												
Increase	-	-	-	9,478,791	-	-	5,154,378	10,018,710	26,242,045	31,669,593	136,407,803	218,971,320
Disposals	-	-	-	35,500	-	-	-	177,642	421,088	-	30,000	664,230
Write-off	-	-	-	-	-	-	-	(39,352)	(4,502,070)	(6,349,626)	-	(10,891,048)
Transfer in (out)	-	-	-	(5,257,137)	-	-	-	(11,600)	(106,303)	-	-	(5,375,040)
Transfer in (out)	-	-	-	-	-	-	-	-	-	540,597	-	540,597
<b>31 December 2017</b>												
	-	-	-	4,257,154	-	-	5,154,378	10,145,400	22,054,760	25,860,564	136,437,803	203,910,059
<b>Accumulated depreciation</b>												
1 January 2016	-	-	-	2,611,535	-	-	37,958	1,266,072	17,053,814	7,328,219	-	28,297,598
Depreciation charge for the year	-	-	-	1,654,103	-	-	488,145	1,325,305	1,772,771	4,142,192	-	9,382,516
Disposals	-	-	-	-	-	-	-	-	(1,584)	-	-	(1,584)
Write-off	-	-	-	-	-	-	-	-	(3,176)	-	-	(3,176)
<b>31 December 2016</b>												
Depreciation charge for the year	-	-	-	1,644,875	-	-	526,103	1,782,774	18,821,825	11,470,411	-	37,675,354
Disposals	-	-	-	-	-	-	941,914	(30,522)	2,087,559	3,614,247	-	10,071,369
Write-off	-	-	-	(3,894,054)	-	-	-	(2,274)	(4,422,064)	(5,627,401)	-	(10,079,987)
Transfer in (out)	-	-	-	-	-	-	-	(81,708)	(81,708)	-	-	(3,978,036)
<b>31 December 2017</b>												
	-	-	-	2,016,459	-	-	1,468,017	4,341,355	16,405,612	9,457,257	-	33,688,700



(Unit: Baht)

	Separate F/S											Total
	Land	Land improvement	Building and condominium	Leasehold building improvement	Solar energy power plant with equipment	Waste disposal plant and power plant from waste and biomass with equipment	Machinery and equipment	Tools and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	
<b>Allowance for impairment</b>												
1 January 2016	-	-	-	-	-	-	-	-	-	-	113,584,404	113,584,404
Impairment loss	-	-	-	-	-	-	-	-	-	-	20,907,950	20,907,950
<b>31 December 2016</b>												
Impairment loss	-	-	-	-	-	-	-	-	-	-	134,492,354	134,492,354
<b>31 December 2017</b>												
Impairment loss	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	134,492,354	11,449,615
	-	-	-	-	-	-	-	-	-	-	134,492,354	145,941,969
<b>Net book value</b>												
31 December 2016	-	-	-	5,213,153	-	-	4,628,275	7,427,333	7,420,220	20,199,182	1,915,449	46,803,612
31 December 2017	-	-	-	-	-	-	-	5,661,041	4,769,059	11,903,841	1,945,449	24,279,390
<b>Depreciation for the year 2016</b>												
Administrative expenses												9,382,516
<b>Depreciation for the year 2017</b>												
Administrative expenses												10,071,369

During year 2017, the Group and the Company have machinery and equipment that management considered to be unusable or not generate economic benefit to the Company with the cost of Baht 0.6 million in consolidated financial statements. The current management therefore, set up loss for impairment of assets for the year 2017.

As at 31 December 2017 and 2016, certain assets of the Group and Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amount of Baht 26 million and Baht 33 million, respectively, (Separate financial statement: Baht 14 million and Baht 25 million, respectively).

On 31 March 2019, the Company and subsidiaries hired an independent appraiser to appraise the fair values of property, plant and equipment, by market approach, and determined the net recoverable amount as at 31 December 2017 by discounting the amounts from the fair values as appraised by independent appraiser as at 30 June 2019. As a result, the fair values of the Company's and subsidiaries' property, plant and equipment are less than their net book values of Baht 11.45 million and Baht 679.80 million, respectively. The Company and subsidiaries, therefore, recorded additional impairment loss in the statement of profit and loss for the year ended 31 December 2017.

As at 31 December 2017 and 2016, land and buildings, with future construction thereon of two subsidiaries, and the related transfer of right of claims, have been mortgaged as collaterals for bank loans of Baht 662 million.

As at 31 December 2017 and 2016, plant and equipment of the Company and subsidiaries had been constructed on the leased land of a subsidiary under the 5 lease agreements for a period of 2 years and 10 years, total value of Baht 353 million and Baht 879 million, respectively. All of the rights in construction, building and machinery of the Company and subsidiaries shall become the properties of the landlord once constructed.

On 26 February 2007, the subsidiary was sued for invalid purchase of assets from International Gasohol Corporation Limited ("IGA") of Baht 181 million. The plaintiff requested the Court to order the registration of asset ownership back to IGA or order all defendants to pay the balance of the proceeds of Baht 181 million with interest at 7.5 % per annum, from the case filing date until fully settlement. On 26 October 2010, the Court sentenced that the plaintiff had no power to sue the subsidiary because the plaintiff is only one of IGA's shareholder, who is unable to file a petition to revoke the sale and purchase transaction by IGA and the subsidiary in accordance with the Law. And dismissed the claim of the plaintiff. The plaintiff then filed an appeal to the court. On 2 February 2015, the Appeal Court reversed the decision to revoke the sale and purchase asset and the transfer of land and building, machinery and equipment and ordered the subsidiary and the defendant to transfer the land and building, machinery and equipment to IGA. In case of non-transfer of the above assets, the subsidiary together with the defendant have to compensate the plaintiff for an amount of Bath 179.53 million with interest of 7.5% per annum, starting from filing date until fully settlement. On 28 May 2015, the subsidiary filed the final petition to the Supreme Court. On 24 October 2018, the Supreme Court sentenced to dismissed the claim of the plaintiff for the defendant 2, the defendant 3, and the defendant 5 (the subsidiary).

## Property, plant and equipment under construction

The Company and subsidiaries have projects under construction as follows:

- *Project of Digital Mobile TV*

The Company has concession for a portable digital television project via a UHF frequency, Channel 58, with a total budgeted cost of Baht 250 million. Up to 31 December 2017 and 2016, a total cost of Baht 155 million has already been spent, (recorded in construction in progress of Baht 114 million, intangible assets of Baht 35 million and other expense of Baht 6 million). At present, the Company is still waiting for MCOT Public Company Limited ("MCOT") to obtain permission for the importation of radio communication equipment from the Office of the National Broadcasting and Telecommunications Commission ("NBTC"). This causes the delay of the project and the non-compliance with the law for allocation of frequency of MCOT. Under the conservative approach, during the years 2012 and 2013, the Company set up an allowance for impairment of the related project costs for the full amount. At the meeting held on 12 November 2014, the Board of Directors passed a resolution to approve the termination of the agreement and sue MCOT. On 7 September 2015, the Company notified the termination to MCOT and claimed for MCOT to pay for damage within 30 days from the date of the notification. Subsequently, on 22 April 2016, the Company filed a lawsuit against MCOT to the Civil Court (Black Case No. 1830/2559) claiming for compensation, with interest, totaling Baht 244.77 million. The Court has scheduled the hearing of the plaintiff's witness on 4 July 2016. Subsequently, on 3 February 2017, MCOT filed a petition to the Civil Court to dismiss the case and to transfer the case to the Central Administrative Court. The Company filed an objection to the Central Administrative Court on 21 June 2017. Currently, the Company is still waiting for the Court to set the date for the hearing.

- *Ethanol Producing plant at Rayong*

A subsidiary company (IEC Business Partners Co., Ltd.) has property, plant and equipment as at 31 December 2017 with a total cost of Baht 469 million (land of Baht 20 million, construction in progress of Baht 449 million) with full allowance for impairment recorded during the years 2008 - 2010. Such assets had been related dispute under the purchase from International Gasohol Corporation Limited. However, the Supreme Court has issued a verdict in October 2018 in favor of the Company that the purchase of such assets was undertaken legally. However, as at 31 March 2019, the subsidiary company hired an independent appraiser to re-appraise the value of remaining assets as at 31 December 2017 and derived at the fair value of Baht 79.11 million is higher than the net book value. The subsidiary, therefore, reversed the allowance for impairment in statement of profit or loss for the year ended 31 December 2017.

19. NON-OPERATING ASSETS

The Company has machinery and equipment of Baht 161.32 million acquired for plastic beads producing project which plant was under construction at Rayong. Currently, these machinery and equipment have not been installed in the production line because the plant is on a leased land with limited space. The current management have relocated such machine to other site and has not decided whether to pursue the project or not. The cost of such machine and equipment and provision for impairment are as follow:

	(Unit: Baht) Consolidated F/S
<b><u>Cost</u></b>	
1 January 2016	-
Transfer in	1,041,230,111
<b>31 December 2016</b>	<u>1,041,230,111</u>
Transfer in	26,206,087
Disposal	(10,062,100)
<b>31 December 2017</b>	<u>1,057,374,098</u>
<b><u>Allowance for impairment</u></b>	
1 January 2016	-
Loss from impairment for the year	669,316,431
<b>31 December 2016</b>	<u>669,316,431</u>
Loss from impairment for the year	236,108,667
Reversal allowance for impairment for the year	(9,370,905)
<b>31 December 2017</b>	<u>896,054,193</u>
<b><u>Net book value</u></b>	
<b>31 December 2016</b>	<u>371,913,680</u>
<b>31 December 2017</b>	<u>161,319,905</u>

(Unit: Baht)  
Separate F/S**Cost**

1 January 2016	-
Transfer in	881,883,756
<b>31 December 2016</b>	<b>881,883,756</b>
Transfer in	19,185,397
Disposal	(10,062,100)
<b>31 December 2017</b>	<b>891,007,053</b>

**Allowance for impairment**

1 January 2016	-
Loss from impairment for the year	509,970,076
<b>31 December 2016</b>	<b>509,970,076</b>
Loss from impairment for the year	229,087,977
<b>31 December 2017</b>	<b>739,058,053</b>

**Net book value**

<b>31 December 2016</b>	<b>371,913,680</b>
<b>31 December 2017</b>	<b>151,949,000</b>

On 31 March 2019, the Company and subsidiary hired an independent appraiser to appraise non-operating assets, by market approach, and discounted the value as at 31 December 2017 and noted that the fair values at that date were less than net book values for amount of Baht 229 million and Baht 236 million, respectively.

In addition, some part of assets of Baht 7.93 million was considered to have no economic benefit in the future. The Company and subsidiary therefore, recorded loss for impairment of assets of Baht 7.93 million in statement of profit and loss for the year ended 31 December 2017.

20. LEASEHOLD RIGHTS

	(Unit: Baht)
	Consolidated and Separated F/S
<b><u>Cost</u></b>	
1 January 2016	27,791,927
Decrease	(14,245,684)
<b>31 December 2016</b>	<b>13,546,243</b>
<b>31 December 2017</b>	<b>13,546,243</b>
<b><u>Accumulated amortization</u></b>	
1 January 2016	13,865,218
Amortization for the year	1,170,097
Decrease	(10,530,585)
<b>31 December 2016</b>	<b>4,504,730</b>
Amortization for the year	899,960
<b>31 December 2017</b>	<b>5,404,690</b>
<b><u>Net book value</u></b>	
31 December 2016	9,041,513
31 December 2017	8,141,553
<b>Amortization for the year 2016</b>	
Administrative expenses	1,170,097
<b>Amortization for the year 2017</b>	
Administrative expenses	899,960

21. GOODWILL

	(Unit: Baht)	
	Consolidated F/S	
	2017	2016
Net book value as at 1 January	2,904,534	239,322,329
Allowance of impairment	(2,904,534)	(236,417,795)
Net book value as at 31 December	-	2,904,534

A segment-level summary of the goodwill allocation is presented below:

	(Unit: Baht)		
	Consolidated F/S		
	Production and distribution of electricity from biomass	Waste disposal and production of electricity from waste	Production and distribution of electricity from solar energy
Goodwill allocation	102,588,145	110,701,348	26,032,836
Impairment	(102,588,145)	(110,701,348)	(26,032,836)
Net	-	-	-

*Impairment testing*

For the purpose of annual impairment testing, management calculated the recoverable amount of production and distribution of electricity business and noted that the recoverable amount based on cash flows projection for the group of business referring to an approved financial and bussiness plan set by management based on a 13 - 23 years, are less than the investment amounts. The group therefore, set up full provision for the impairment of goodwill in the accounts.

22. DEFERRED COST OF RIGHTS TO USE ELECTRICITY TRANSMISSION SYSTEM

	(Unit: Baht)
	Consolidated F/S
<b><u>Cost</u></b>	
1 January 2016 and 31 December 2016 and 2017	46,441,230
<b><u>Accumulated amortization</u></b>	
1 January 2016	2,167,827
Amortization charge for the year	1,858,307
<b>31 December 2016</b>	4,026,134
Amortization charge for the year	1,858,318
<b>31 December 2017</b>	5,884,452
<b><u>Allowance for impairment</u></b>	
1 January 2016	-
Loss from impairment for the year	1,450,424
<b>31 December 2016</b>	1,450,424
Reversal of allowance for impairment for the year	(66,759)
<b>31 December 2017</b>	1,383,665
<b><u>Net book value</u></b>	
<b>At 31 December 2016</b>	40,964,671
<b>At 31 December 2017</b>	39,173,113
<b>Amortization for the year 2016</b>	
Cost of sales	1,858,307
<b>Amortization for the year 2017</b>	
Cost of sales	1,858,318

During the years 2016, the Company recorded allowance for impairment of assets of Baht 1.45 million as the recoverable amount is lower than carrying amount.



23. INTANGIBLE ASSETS

(Unit: Baht)

	Consolidated F/S			Total
	Right of use of technology	Computer software	Television broadcasting's right	
<b><u>Cost</u></b>				
1 January 2016	80,000,000	22,996,526	35,000,000	137,996,526
Increase	-	3,952,013	-	3,952,013
<b>31 December 201</b>	<b>80,000,000</b>	<b>26,948,539</b>	<b>35,000,000</b>	<b>141,948,539</b>
Increase	-	8,000	-	8,000
Write off	-	(1,981,277)	-	(1,981,277)
<b>31 December 2017</b>	<b>80,000,000</b>	<b>24,975,262</b>	<b>35,000,000</b>	<b>139,975,262</b>
<b><u>Accumulated amortization</u></b>				
1 January 2016	3,384,110	12,209,323	-	15,593,433
Amortization for the year	3,200,000	1,178,996	-	4,378,996
<b>31 December 2016</b>	<b>6,584,110</b>	<b>13,388,319</b>	<b>-</b>	<b>19,972,429</b>
Amortization for the year	3,200,000	1,664,884	-	4,864,884
Write off	-	(1,981,263)	-	(1,981,263)
<b>31 December 2017</b>	<b>9,784,110</b>	<b>13,071,940</b>	<b>-</b>	<b>22,856,050</b>
<b><u>Allowance for impairment</u></b>				
1 January 2016	-	-	35,000,000	35,000,000
Loss from impairment for the year	-	6,910,102	-	6,910,102
<b>31 December 2016</b>	<b>-</b>	<b>6,910,102</b>	<b>35,000,000</b>	<b>41,910,102</b>
Loss from impairment for the year	70,215,890	4,777,730	-	74,993,620
<b>31 December 2017</b>	<b>70,215,890</b>	<b>11,687,832</b>	<b>35,000,000</b>	<b>116,903,722</b>
<b><u>Net book value</u></b>				
<b>31 December 2016</b>	<b>73,415,890</b>	<b>6,650,118</b>	<b>-</b>	<b>80,066,008</b>
<b>31 December 2017</b>	<b>-</b>	<b>215,490</b>	<b>-</b>	<b>215,490</b>
<b><u>Amortization for the year 2016</u></b>				
Cost of sales				2,763,503
Administrative expense				1,615,493
Total				<b>4,378,996</b>
<b><u>Amortization for the year 2017</u></b>				
Cost of sales				3,278,275
Administrative expenses				1,586,609
Total				<b>4,864,884</b>

(Unit: Baht)

	Separate F/S		
	Computer software	Television broadcasting's right	Total
<b><u>Cost</u></b>			
1 January 2016	18,889,057	35,000,000	53,889,057
Increase	3,927,013	-	3,927,013
<b>31 December 2016</b>	<b>22,816,070</b>	<b>35,000,000</b>	<b>57,816,070</b>
Write-off	(1,981,277)	-	(1,981,277)
<b>At 31 December 2017</b>	<b>20,834,793</b>	<b>35,000,000</b>	<b>55,834,793</b>
<b><u>Accumulated amortization</u></b>			
1 January 2016	10,973,460	-	10,973,460
Amortization for the year	899,274	-	899,274
<b>31 December 2016</b>	<b>11,872,734</b>	<b>-</b>	<b>11,872,734</b>
Amortization for the year	873,017	-	873,017
Write-off	(1,981,263)	-	(1,981,263)
<b>31 December 2017</b>	<b>10,764,488</b>	<b>-</b>	<b>10,764,488</b>
<b><u>Allowance for impairment</u></b>			
1 January 2016	-	35,000,000	35,000,000
Loss from impairment for the year	6,910,102	-	6,910,102
<b>31 December 2016</b>	<b>6,910,102</b>	<b>35,000,000</b>	<b>41,910,102</b>
Loss from impairment for the year	1,255,247	-	1,255,247
<b>31 December 2017</b>	<b>8,165,349</b>	<b>35,000,000</b>	<b>43,165,349</b>
<b><u>Net book value</u></b>			
31 December 2016	4,033,234	-	4,033,234
31 December 2017	1,904,956	-	1,904,956
<b>Amortization for the year 2016</b>			
Administrative expenses			899,274
<b>Amortization for the year 2017</b>			
Administrative expenses			873,017

### **Right in use of technology**

In 2010, indirect subsidiary (Gidec Co., Ltd.) entered into an agreement with a local company to acquired Ash Melting Gasification technology for waste disposal and power plant for electricity production from waste. This Company was appointed as a consultant for project to operate waste disposal and power plant project size 6 MW for Hat Yai Municipal, Songkhla. Under this agreement, the indirect subsidiary agrees to pay roalty fee for the use of technology for Baht 80 million. On 31 March 2019, the Company and subsidiary received the reappraised value of machinery and right to use of technology from the independent appraiser, and realized that the values of these asset should have been included as part of the machine costs which fair values are less than total costs. The Company therefore, recorded impairment loss for machinery (as explained in Note 18) and right to use of technology of Baht 70 million.

### **Television broadcasting's right**

On 1 July 2011, the Company entered into an agreement with a local company to produce and broadcast on television under the channel name "BIG 1", via the channel in Digital Mobile TV System. The television broadcast right for a period of 3 years with a fee of Baht 35 million from 1 July 2011 to 30 June 2014 which will be amortized as expense when the Company commences its commercial operations. However, the project was not materialized. The Company therefore recognized loss on impairment for the total amount of Baht 35 million.

## 24. DEFERRED TAX

### 24.1 Income tax expense

Income tax expenses for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Current income tax expense	-	854,838	-	-
Deferred tax	-	-	-	-
Income tax expense (benefit)	-	854,838	-	-
Reconciliation of income tax as follows:				
Accounting (loss) before income tax	(1,095,281,448)	(1,767,333,238)	(687,682,940)	(2,254,856,736)
Tax rate ( <i>percentage</i> )	20	20	20	20
Tax multiplied by applicable tax rate	(219,056,290)	(353,466,648)	(137,536,588)	(450,971,347)
Tax effect :-				
Non-deductible expenses	161,535,165	334,687,398	127,329,531	453,719,117
Taxable income	3,364,486	2,523,365	-	-
Exempted income and additional expenses	(23,566,352)	(94,627,094)	(5,583)	(8,629,047)
Loss carry forward not exceed 5 years	77,722,991	111,737,817	10,212,640	5,881,277
Income tax expense (benefit)	-	854,838	-	-

### 24.2 Deferred tax

Deferred tax assets and liabilities are analyzed as follows:

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Deferred tax assets	-	-	-	-
Total	-	-	-	-

The movements in deferred tax assets and liabilities are as follows:

(Unit: Baht)

	Consolidated F/S		
	Recognized as income (expense)		
	1 January 2016	Profit or loss	Shareholders' equity
			31 December 2016
<b>Deferred tax assets from:</b>			
Loss carry forward	854,838	(854,838)	-
Total	854,838	(854,838)	-

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognized in the financial statement are as follows:

(Unit: Million Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Temporary differences	7,111,796,354	4,946,609,720	4,360,045,097	2,730,041,846
Unused loss carried forward	1,109,927,514	1,007,424,510	273,467,978	472,579,784
Net	8,221,723,868	5,954,034,230	4,633,513,075	3,202,621,630

The tax losses will expire within 2021. The deductible temporary differences do not expire under current tax legislation. The Company and subsidiaries have not recognised deferred tax assets in respect of these items because management cannot ascertain that there will be future taxable profit available to utilize the benefits.

25. OTHER NON-CURRENT ASSETS

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Deposit for construction and service management of waste disposal system at Hat Yai City Municipality	32,500,000	32,500,000	-	-
Other deposits	15,067,350	7,286,268	9,311,107	4,279,923
Deposit for purchase of waste segregation from organic fertilizer	5,000,000	5,000,000	5,000,000	5,000,000
Refundable import tax	4,817,716	4,813,142	-	-
Retention for land rental under lease agreement from Hat Yai City Municipality	-	1,526,275	-	-
Total	57,385,066	51,125,685	14,311,107	9,279,923
<u>Less</u> Allowance for impairment	(1,782,862)	(1,782,862)	(589,476)	(589,476)
Net	55,602,204	49,342,823	13,721,631	8,690,447

26. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Bank overdrafts	11,396,630	14,505,301	552,165	9,567,995
Promissory note	20,000,000	20,000,000	-	-
Short-term loan	16,899,723	26,580,000	-	-
Total	48,296,353	61,085,301	552,165	9,567,995

As at 31 December 2017 and 2016, the Group and Company had unutilized credit facilities with financial institutions amount of Baht 9 million.

The Company and subsidiaries have bank overdraft facilities with a local bank which bear interest rate of MOR and MOR + 0.75 per annum. Subsidiary company has issued promissory notes to a local bank which bear interest rate of 15 per annum for three months. These are collateralized by the mortgages of land and electric power plant of the subsidiary company (See Note 18).

During the year 2017, the subsidiary has short term loan facility with a local bank which bear interest rate of MLR-1 per annum. This is collateralized by the mortgages of land and building of the subsidiary company and the Company.

27. TRADE AND OTHER ACCOUNTS PAYBLE

			(Unit: Baht)	
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Trade accounts payable	32,322,492	29,730,931	3,502,733	3,214,208
Other payables				
Payables for purchase assets	14,434,184	21,584,083	3,947,793	3,950,830
Other	21,580,772	27,538,383	20,730,884	27,793,731
Total trade and other accounts payable	68,337,448	78,853,397	28,181,410	34,958,769

28. SHORT-TERM LOANS FROM INDIVIDUAL PERSONS

During the years ended 31 December 2017 and 2016, the movements in short-term loans from individual persons are as follow:

			(Unit: Baht)	
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Balance as at 1 January	80,000,000	2,000,000	80,000,000	-
<u>Add</u> Additional borrowing	340,067,123	175,000,000	310,000,000	175,000,000
<u>Less</u> Repayment	(250,000,000)	(97,000,000)	(250,000,000)	(95,000,000)
Balance as at 31 December	170,067,123	80,000,000	140,000,000	80,000,000

As at 31 December 2017, the Company has short - term loans from individual persons which are covered by promissory notes repayable in August 2017 to September 2018. These bear interest rate of 5.00% – 6.50% per annum.

29. BUYER'S DEPOSIT FOR PURCHASE OF SUBSIDIARY

	(Unit: Baht)	
	Consolidated and Separate F/S	
	2017	2016
Buyer's deposit for purchase of subsidiary	10,000,000	10,000,000
Advances received from shareholders	1,702,967,375	-
Total	1,712,967,375	10,000,000

*Buyer's deposit for purchase of subsidiary*

On 11 September 2015, the Board of Directors passed a resolution to allow another company to perform a due diligence review of a subsidiary company (IEC Mae Ramad Co., Ltd.) that the Company intended to sell. On 18 September 2015, the Company received a deposit of Baht 50 million which would be considered as part of the share purchase payment if the purchased was finalized within 90 days from the date of the memorandum. On 28 December 2015, the Company extended the period of the due diligence review to 16 May 2016. However, the deal was not successfully executed. The Company therefore, refunded the deposit to such company of Baht 40 million in December 2016. The remaining amount of Baht 10 million will pay in the future.

*Advances received from shareholders*

The Extraordinary Shareholders Meeting No.1/2017 on 20 October 2016, the shareholders passed a resolution to approve to increase in share capital of 203,591,502,350 shares at the par value of Baht 0.01 per share, at the price Baht 0.0125 per share. On 6 December 2017, the Company received cash from increase in share capital to shareholders of Baht 1,702.81 million.

However, on 21 May 2018, the Company received letter from registrar rejecting the registration of capital decrease and capital increase from the dispute file by certain shareholders. The Company, therefore, had to payback all of advances received from shareholders included interest at the fixed-deposit rate of 1.40% computing from 15 December 2017 until 20 May 2018. The Company paid back all of advances received from shareholders on 25 May 2018 and 8 June 2018 of Baht 1,365.48 million and Baht 345.35 million, respectively.

However, the Company appeal the rejection of registration., and on 3 August 2018, the Company were informed the appeal dismissed the cancellation of the rejection of registrar. The Company therefore, proceeded with the capital increase by offering to existing shareholders during 8 - 12 October 2018. The Company received cash from increase in share capital of 45,744,275,772 shares of Baht 571.80 million and registered capital increase with the Department of Business Development on 22 October 2018.



30. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS AND ACCRUED INTEREST

	(Unit: Baht)	
	Consolidated F/S	
	2017	2016
Long-term loans	560,840,951	617,712,694
<u>Less</u> Current portion	(459,536,951)	(475,848,694)
Net	101,304,000	141,864,000

Significant movements of long-term loans from financial institutions and accrued interest for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Baht)	
	Consolidated F/S	
	2017	2016
Balance as at 1 January	617,712,694	714,464,207
<u>Add</u> : Additional borrowing	48,829,708	707,790
<u>Less</u> : Repayment	(105,701,451)	(97,459,303)
Balance as at 31 December	560,840,951	617,712,694

**IEC Mae Tha Mae Taeng Co., Ltd.**

The subsidiary entered into an agreement with financial institution. Under the term of the agreement, the subsidiary is required to repay the principal amount within 8 years. Interest is payable on a monthly basis at the rate of MLR and MLR – 0.05 to 1.50 per month.

Such loans are guaranteed by:

- Title deeds, ownership of subsidiary company
- Solar cell and equipment used in electricity generation under the ownership of subsidiary company
- Right to receive bank deposits
- IEC Green Energy Co., Ltd. (Major shareholder) and the Company
- Share certificates of subsidiary company
- Right of Claim the receipt of payment under electricity sale agreement
- Personal guarantee of 3 directors of subsidiary

**IEC Sakaeo 1 Co., Ltd.**

The subsidiary company entered into agreements to obtain loans from a financial institution for construct of biomass power plant. Interest is payable on a monthly basis at the rate of MLR, MLR – 0.05 to 1.50 per month.

Such loans are guaranteed by:

- All of subsidiary's lands and buildings, with future construction thereon
- Subsidiary's machinery
- Kaeolumduan Group Co., Ltd (related party)
- Directors of subsidiary
- Common share of 2 shareholders
- 2,250,500 common shares of the subsidiary company held by the Company
- 400,000 common shares of the subsidiary company held by the Company

A subsidiary company (IEC Sakaeo 1 Co., Ltd.) has not been able to maintain some financial ratios as stipulated in the loan agreements with a bank. As a result, the subsidiary company has presented the balance of such loan as current liabilities in the statement of financial position as at 31 December 2017 and 2016.

As at 31 December 2017, the Company has commitment from guarantee of loan from a local bank of a subsidiary company (IEC Mae Tha Mae Taeng Co., Ltd.) totaling Baht 282 million.

**31. LIABILITIES UNDER FINANCE LEASE AGREEMENTS**

	(Unit: Baht)	
	Consolidated and Separate F/S	
	2017	2016
Due within one year	1,159,368	1,159,368
Due over 1 year but not over 5 years	1,062,754	2,222,122
Total	2,222,122	3,381,490
<u>Less</u> Deferred interest	(164,038)	(390,026)
Net	2,058,084	2,991,464
<u>Less</u> Current portion	(1,035,644)	(944,861)
Liabilities under finance lease agreements - net	1,022,440	2,046,603

Financial lease agreements represent 4 hire purchase agreements for purchase of vehicles. The payments are made by 48 installments of Baht 13,054 - Baht 35,253.

32. EMPLOYEE BENEFIT OBLIGATIONS

			(Unit : Baht)	
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
<b>Statement of financial position</b>				
Employee benefit obligations	7,186,582	20,552,781	6,572,405	18,726,207
<b>Statement of profit or loss and other comprehensive income</b>				
<i>Recognised in profit or loss</i>				
Post – employee benefits	7,267,216	5,834,605	6,363,484	5,063,748
<i>Recognised in other comprehensive income</i>				
Defined benefit plan actuarial gain during the year	20,633,415	-	18,517,286	-

Movements in employee benefit obligations for the years ended 31 December 2017 and 2016 are as follows:

			(Unit: Baht)	
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Balance as at 1 January	20,552,781	15,908,489	18,726,207	13,662,459
Current service cost	6,778,808	4,277,332	5,942,220	3,545,555
Interest expense	488,408	366,960	421,264	327,880
<u>Less</u> Decrease from transfer employees	-	(1,190,313)	-	-
Remeasurement – actuarial gain	(20,633,415)	-	(18,517,286)	-
<u>Add</u> Transfer from subsidiaries	-	1,190,313	-	1,190,313
Balance as at 31 December	7,186,582	20,552,781	6,572,405	18,726,207

Principal actuarial assumptions at the reporting date for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Discount rate (% per annum)	2.24 – 3.16	1.52 – 4.01	2.42	2.40
Future salary expense incremental rate (% per annum)	3	3 – 10	3	3
Normal retirement age (years)	60	60	60	60
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2008	Thai Mortality Table 2017	Thai Mortality Table 2008

#### *Employee benefit obligations expenses*

Amounts recognised in profit or loss related to the employee benefit obligations are as follows:

			(Unit: Baht)	
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Current service cost	6,778,808	4,277,332	5,941,769	3,545,555
Interest expense	488,408	366,960	421,715	327,880
Transfer from subsidiaries	-	1,190,313	-	1,190,313
Total expenses recognized in profit or loss	<u>7,267,216</u>	<u>5,834,605</u>	<u>6,363,484</u>	<u>5,063,748</u>

The current service cost and interest expense are included in employee benefits expense.

Amount recognized in other comprehensive income related to the employee benefit obligations are as follows:

			(Unit :Baht)	
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Actuarial gain from changes in demographic assumptions	(20,633,415)	-	(18,517,286)	-
Total gain recognized in other comprehensive income	<u>(20,633,415)</u>	<u>-</u>	<u>(18,517,286)</u>	<u>-</u>

All expenses summarized above are included within item that will not be reclassified subsequently to profit or loss.

*Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

			(Unit: Baht)	
	Consolidated F/S		Separate F/S	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
<b>Post – employee benefits</b>				
Discount rate				
Increase (decrease) in the employee benefits obligation	(649,595)	748,154	(587,010)	671,427
Salary increment rate				
Increase (decrease) in the employee benefits obligation	769,916	(680,186)	684,995	(609,232)
Employee turnover				
Increase (decrease) in the employee benefits obligation	(696,048)	248,009	(628,911)	205,083

As at 31 December 2017, expected maturity of post - employee benefits before discount are as follows:

	(Unit: Baht)	
	Consolidated F/S	Separate F/S
Less than 1 year	27,450	-
Between 2 - 5 years	2,356,779	2,356,779
Between 6 - 10 years	3,511,056	3,256,246
Between 11 - 15 years	1,888,510	1,888,510

33. RESERVE FOR LIABILITIES

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
<b>Current:</b>				
Reserve for loss from lawsuit	3,840,810	24,568,550	3,840,810	24,568,550
Reserve for delay penalty under the contract	8,226,285	25,517,767	8,226,285	7,708,672
	<u>12,067,095</u>	<u>50,086,317</u>	<u>12,067,095</u>	<u>32,277,222</u>
<b>Non – current:</b>				
Reserve for liabilities from lawsuit	4,022,732	-	4,022,732	-
Reserve for liabilities under guaranty of subsidiary	87,837,688	77,941,443	77,941,443	77,941,443
	<u>91,860,420</u>	<u>77,941,443</u>	<u>81,964,175</u>	<u>77,941,443</u>
<b>Total</b>	<u>103,927,515</u>	<u>128,027,760</u>	<u>94,031,270</u>	<u>110,218,665</u>

Reserve for delay penalty under the contracts

Reserve represents an accepted penalty under the contracts from installation and implementation of information technology system for the state enterprise.

Reserve for loss from lawsuit of the Company and subsidiaries**The International Engineering Public Company Limited**

- On 4 August 2017, the Company was sued by Bangkok Advance Product Limited Partnership relating to breach of the sale and purchase agreement of Baht 1.80 million. As of 5 April 2017, the plaintiff prefers compromise agreement to the Court. The Court sentence to agree with the compromise agreement by payment of Baht 1.66 million within 2 years started from 5 May 2017. At present, the Company is in the process for repayment.
- On 18 August 2017, the Company was sued from former employee relating to breach of unfair termination of Baht 1.32 million. On 26 March 2019, Judgment was given for the plaintiffs of Baht 1.32 million with interest at 7.5% per annum started from the suing date. The debt was deducted by bank account for paid accordingly.

- On 23 August 2017, the Company was sued from former employee relating to breach of unfair termination of Baht 2.64 million. On 25 December 2017, the Court sentence to payment by cause of action. On 25 December 2018 Judgment was given for the plaintiffs of Baht 2.49 million. The debt was paid accordingly.
- On 17 October 2017, the Company was sued by one of payables relating to the breach of the hire of work agreement of Baht 0.99 million. On 25 October 2018, Judgment was given for the plaintiffs of Baht 0.99 million. The debt was paid accordingly compromise agreement for amount of Baht 0.80 million.

#### **IEC Sakaeo 1 Company Limited**

- On 31 July 2017, the subsidiary was sued by Thai Capital Corporation Company Limited and TCC Energy Company Limited relating to the breach of sale and purchase agreement of Baht 2.33 million. On 25 July 2018, Judgment was given for the plaintiffs of Baht 2.33 million with interest at 7.5% per annum after the suing date. The debt was paid accordingly.
- On 1 August 2017, the subsidiary was sued by Sombat Paiboon Supply Company Limited relating to breach of rental agreement of Baht 0.98 million. On 5 March 2018, Judgment was given for the plaintiffs of Baht 0.71 million with interest at 7.5% per annum started from the suing date. The debt was paid accordingly.
- On 11 August 2017, the subsidiary was sued by one of payables relating to the breach of sale and purchase agreement of Baht 0.91 million. On 5 March 2018, Judgment was given for the plaintiffs of Baht 0.66 million with interest at 7.5% per annum started from the suing date. The debt was paid accordingly.
- On 24 August 2017, the subsidiary was sued by S.E.E Enterprise Engineering Limited Partnership relating to breach of the hire of work agreement of Baht 1.31 million. On 5 June 2018, the subsidiary consent to payment for the plaintiff within 1 year of Baht 0.11 million. The plaintiff was withdrawn an action.
- On 1 September 2017, the subsidiary was sued by Thai Industech Company Limited relating to breach of sale and purchase agreement of Baht 0.16 million. On 5 March 2018, the subsidiary agreed to pay following compromise agreement for amount of Baht 0.03 million started from 5 April 2018 for 6 months, totalling, amount of Baht 0.13 million.
- On 7 September 2017, the subsidiary was sued by Taweessuckkittiya Company Limited relating to the breach of sale and purchase agreement of Baht 0.95 million. On 2 March 2018, Judgment was given for the plaintiffs of Baht 0.9 million with interest at 7.5% per annum after the suing date. The subsidiary agreed to pay following monthly installment plan for amount of Baht 0.04 million started from 5 May 2018 for 2 years, totalling amount of Baht 1.05 million.

**IEC Business Partners Company Limited**

On 22 January 2009, a subsidiary was sued from International Gasohol Corporation Limited in relation to the breach of sale and purchase agreement with comprises the outstanding debt a lawyer fee of Baht 1 million, and claim due to default under sale and purchase of assets agreement of Baht 77.21 million with bear interest rate of 7.5% per annum totaling Baht 82.54 million. However, the subsidiary recorded payable for purchase of assets and provision for liabilities amounted to Baht 69 million and Baht 8 million, respectively. At present, this case is still in the process of consideration of the Court.

**34. SHARE CAPITAL**

Movements in registered share capital and issued and fully paid-up share capital for the year ended 31 December 2017 and 2016 are as follow:

		Consolidated and Separate F/S			
		(Share / Baht)			
(Unit: Baht)		2017		2016	
Par value		Number of shares	Amount	Number of shares	Amount
<u>Registered share capital</u>					
Common share					
Balance as at the beginning					
of year	0.01	244,074,505,500	2,440,745,055	204,824,585,000	2,048,245,850
Decrease share capital	0.01	-	-	(1,429,163,750)	(14,291,638)
Increase share capital	0.01	-	-	40,679,084,250	406,790,843
Balance as at the end of year	0.01	244,074,505,500	2,440,745,055	244,074,505,500	2,440,745,055
		Consolidated and Separate F/S			
		(Share / Baht)			
(Unit: Baht)		2017		2016	
Par value		Number of shares	Amount	Number of shares	Amount
<u>Issued and fully paid-up share capital</u>					
Common share					
Balance as at the beginning	0.01	203,446,598,767	2,034,465,988		1,807,959,300
of year				180,795,930,000	
Increase share capital	0.01	144,903,583	1,449,036	22,650,668,767	226,506,688
Balance as at the end of year	0.01	203,591,502,350	2,035,915,024	203,446,598,767	2,034,465,988



**For the year ended 31 December 2017**

On 11 January 2017, warrant holders exercised the rights to converting of warrant (IEC-W2), for purchase common shares at the price of Baht 0.025 per share for amount of 4,640,884 shares, totaling of Baht 116,022.

On 10 April 2017, warrant holders exercised the rights to converting of warrant (IEC-W2), for purchase common shares at the price of Baht 0.025 per share for amount of 140,262,699 shares, totaling of Baht 3,506,568.

**For the year ended 31 December 2016**

In February 2016, the Company received cash from allocation and increase in share capital of 22,599,491,250 shares from the existing shareholders at the price of Baht 0.022 per share, totaling of Baht 497,188,808 and of 51,177,517 shares at the price of Baht 0.025, totaling of Baht 1,279,437. The Company registered the share capital increment with Ministry of Commerce on 15 February 2016. This made the issued and fully paid-up share capital to be Baht 226,506,688 with share premium of Baht 271,961,557.

The Annual General Meeting of Shareholders for the year 2016 on 25 April 2016 passed a resolution as follows:

- To decrease the registered share capital from Baht 2,048,245,580 to Baht 2,033,954,212 divided into 203,395,421,250 shares at the par value of Baht 0.01 by cancelling common share which were not issue of 1,429,163,750 shares.
- To increase the registered share capital by Baht 406,790,843 by issuing new common shares by 40,679,084,250 shares at the par value of Baht 0.01 to reserve for the converting of warrant (IEC-W2).

On 14 June 2016, the Company registered the issuance of new 40,670,703,826 warrants (IEC-W2) for converting to common shares of the Company, for the existing shareholders at the book closing of Share Register on 10 May 2016. The converting of warrant is at the ratio of 5 common shares to 1 warrant which will be valid for 3 years from 23 May 2016 and conversion ratio is 1 :1 at the price of Bath 0.025.

During the year ended 31 December 2017, the number of warrants to purchase common shares of the Company has changed as follows:

	Number of warrants (units)
Balance at 1 January 2017	40,619,526,309
<u>Less</u> Exercise of warrants	(144,903,583)
Balance at 31 December 2017	40,474,622,726

35. LEGAL RESERVE

Under the Public Company Act. B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of its net income for the year, net of deficit (if any), until the reserve reaches 10 percent of the registered capital. This reserve shall not be distributable for dividends.

36. ADDERS SUBSIDY FROM SALE OF ELECTRICITY

Adders subsidy are received from the Provincial Electricity Authority for producing electricity from solar energy, waste and biomass at Baht 6.50, Baht 3.50, and Baht 0.30 per kilowatt-hours, respectively, for a period of 5 years commencing from the first date of commercial sale of electricity with renewal of 5 year in every period.

37. OTHER INCOME

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Consulting income	1,567,000	3,028,500	6,953,000	21,240,900
Rental income and utilities	5,472,595	4,583,119	5,472,595	4,592,034
Gain on disposal of equipment and leasehold rights	461,011	13,838,327	449,142	11,238,255
Other income	25,464,658	23,349,118	8,028,068	12,581,310
Total	32,965,264	44,799,064	20,902,805	49,652,499

38. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Purchase of finished goods and cost of rendering services	203,469,643	221,913,085	25,349,369	31,893,555
Management benefit expenses	6,820,500	23,786,300	2,152,500	7,485,000
Employee expense	157,864,394	190,116,390	121,189,787	143,342,585
Depreciation and amortization expenses	98,327,862	116,443,264	11,884,287	11,494,612
Consulting fee	4,852,724	15,344,535	3,660,194	14,290,376

39. SEGMENT INFORMATION

The Company and subsidiaries' business operations are classified into 2 principal segments: (1) Telecommunication and installation and development of information technology (2) Generating and Distributing of Electricity from renewable energy. These businesses are operated in Thailand and are measured based on the segment revenues and gross margin. The following are the revenues and gross profit (loss) of the Company and subsidiaries in the consolidated financial statements for the year ended 31 December 2017 and 2016.

(Unit : Thousand Baht)

	Consolidated F/S							
	For the year ended 31 December							
	Telecommunication		and installation and		Generating and		Distributing of	
	development of		information		Electricity from		renewable energy	
	technology		Elimination		Consolidated F/S			
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Revenues from sales and services:</b>								
Revenue from external customers – net	56,915	65,857	329,600	396,888	-	-	386,515	462,745
Segment operating gross profit	1,009	1,791	39,826	98,020	37,222	1,335	78,057	101,146
Other revenue							32,965	44,799
Loss from impairment of assets							(990,936)	(1,220,840)
Depreciation and amortization							(98,328)	(116,443)
Finance costs							(38,687)	(42,314)
Property, plant and equipment							979,643	1,636,717
Other assets							2,697,757	1,428,522
<b>Total assets</b>							3,677,400	3,065,239
<b>Total Liabilities</b>							2,765,868	1,082,748

Major Customer

For the year ended 31 December 2017 and 2016, the Company and subsidiaries derived revenues from 2 Government agencies amounting to Baht 386 million and Baht 432 million, respectively.

40. PROVIDENT FUND

The Company and subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company, and subsidiaries, contributed to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by "Sawadikan Munkong Provident Fund" and "K Master pooled fund Provident Fund". This will be paid to employees upon termination in accordance with the fund rules. During the years 2017 and 2016, the Company and its subsidiaries contributed of Baht 2.71 million and Baht 3.61 million, respectively, to the fund (Separate F/S : Baht 1.92 million and Baht 2.64 million, respectively).

41. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the years ended 31 December 2017 and 2016 are calculated by dividing the profit (loss) attributable to shareholders of the Company by the weighted average number of common shares outstanding during the year:

	Consolidated F/S		(Unit: Baht/Share) Separate F/S	
	2017	2016	2017	2016
<b>Loss for the year attributable to common shareholders of the Company</b>	<b>(768,921,156)</b>	<b>(1,686,605,203)</b>	<b>(687,682,941)</b>	<b>(2,254,856,736)</b>
Number of common shares issued on				
1 January	203,446,598,767	180,795,930,000	203,446,598,767	180,795,930,000
Impact of shares issued	106,732,580	19,838,020,499	106,732,580	19,838,020,499
Weighted average number of common shares (basic)	203,553,331,347	200,633,950,499	203,553,331,347	200,633,950,499
Loss per share (Basic) (Baht)	(0.0038)	(0.0084)	(0.0034)	(0.0112)

## 42. PROMOTIONAL PRIVILEGES

The subsidiaries has obtained privileges from the Board of Investment under the Promotion of Investment Act B.E. 2520, as follows:

Certificate No.	Certificate's date	The promoted business	Date of first earning operating income
2556(2)/2555	11 January 2011	Waste disposal and production of electricity from waste	11 December 2014
2591(1)/2554	19 October 2010	Production and distribution of electricity from solar energy	23 September 2013
2075(1)/2556	25 March 2013	Production and distribution of electricity from solar energy	30 June 2014
2076(1)/2556	25 March 2013	Production and distribution of electricity from solar energy	30 June 2014
2011(1)/2556	19 March 2013	Production and distribution of electricity from solar energy	26 December 2013
1372(1)/2555	23 March 2012	Production and distribution of electricity from biomass	April 2013

Subject to certain imposed conditions, the privileges granted include the following:

- exemption from payment of import duty on machinery;
- exemption from payment of income tax from the promoted business for a period of eight years from the date on which the income is first derived from such business;
- exemption of dividends received from the promoted business in the computation of taxable income throughout privilege from exemption income tax period;
- a 50% reduction in the normal income tax rate on the net profit derived from promoted business for producing electricity from waste for a period of five years, commencing from the expiry date of exemption from income tax;
- 2 folds deduction for costs of transportation, electricity and water supply for a period of ten years from the date on which the income is first derived from producing electricity from waste;
- additional 25 % deduction of the cost of installation or construction of facilities beyond normally depreciation.

Under the announcement of the Board of Investment no. Por 14/1998, dated 30 December 1998, regarding revenue reporting of a promoted industry, the Company is required to report its revenues in the financial statements separately for promoted and the non – promoted businesses for the years ended 31 December 2017 and 2016 as follows:

(Unit : Baht)

	Consolidated F/S					
	2017			2016		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
<b>Revenue</b>						
Revenues from sales						
goods or rendering						
services	16,892,685	40,022,800	56,915,485	269,747,133	52,630,170	322,377,303
Revenues subsidy for						
adders	329,599,535	-	329,599,535	140,367,730	-	140,367,730
Other revenue	-	174,778,354	174,778,354	-	88,308,557	88,308,557
Total	<u>346,492,220</u>	<u>214,801,154</u>	<u>561,293,374</u>	<u>410,114,863</u>	<u>140,938,727</u>	<u>551,053,590</u>

#### 43. FINANCIAL INSTRUMENTS

##### Financial risk management

The Company and subsidiaries have exposure to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company and subsidiaries do not hold or issue derivative financial instruments for speculative or trading purposes.

##### Interest rate risk

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

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

(Unit: Baht)

	Consolidated F/S			
	2017			
	Floating rate	Fixed rate	Non-interest	Total
<u>Financial assets</u>				
Cash and cash equivalents	1,777,830,783	-	801,000	1,778,631,783
Trade and other accounts receivable	-	-	111,578,336	111,578,336
Restricted deposit with bank	73,044,293	68,318,000	-	141,362,293
Total	<u>1,850,875,076</u>	<u>68,318,000</u>	<u>112,379,336</u>	<u>2,031,572,412</u>
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institutions	-	48,296,353	-	48,296,353
Trade and other accounts payable	-	-	68,337,448	68,337,448
Short-term loans from other	-	170,067,123	-	170,067,123
Long-term loans from financial institutions and accrued interest	-	560,840,951	-	560,840,951
Liabilities under finance lease agreement	-	2,058,084	-	2,058,084
Total	<u>-</u>	<u>781,262,511</u>	<u>68,337,448</u>	<u>849,599,959</u>

(Unit: Baht)

	Consolidated F/S			
	2016			
	Floating rate	Fixed rate	Non-interest	Total
<u>Financial assets</u>				
Cash and cash equivalents	278,817,666	8,984,017	11,865,421	299,667,104
Trade and other accounts receivable	-	-	92,118,630	92,118,630
Restricted deposit with bank	22,204,558	67,518,000	-	89,722,558
Total	<u>301,022,224</u>	<u>76,502,017</u>	<u>103,984,051</u>	<u>481,508,292</u>
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institutions	-	61,085,301	-	61,085,301
Trade and other accounts payable	-	-	78,853,397	78,853,397
Short-term loans from other	-	80,000,000	-	80,000,000
Long-term loans from financial institutions and accrued interest	-	617,712,694	-	617,712,694
Liabilities under finance lease agreement	-	2,991,464	-	2,991,464
Total	<u>-</u>	<u>761,789,459</u>	<u>78,853,397</u>	<u>840,642,856</u>

(Unit: Baht)

	Separate F/S			
	2017			
	Floating rate	Fixed rate	Non-interest	Total
<u>Financial assets</u>				
Cash and cash equivalents	1,726,579,240	9,631,502	449,071	1,736,659,813
Trade and other accounts receivable	-	-	19,472,624	19,472,624
Short-term loans to subsidiary companies	-	604,294,227	-	604,294,227
Restricted deposit with bank	-	67,518,000	-	67,518,000
Total	1,726,579,240	681,443,729	19,921,695	2,427,944,664
<u>Financial liabilities</u>				
Bank overdrafts and short – term loans from financial institutions	-	552,165	-	552,165
Trade and other accounts payable	-	-	28,181,410	28,181,410
Short-term loans from other	-	140,000,000	-	140,000,000
Liabilities under finance lease agreement	-	2,058,084	-	2,058,084
Total	-	142,610,249	28,181,410	170,791,659

(Unit: Baht)

	Separate F/S			
	2016			
	Floating rate	Fixed rate	Non-interest	Total
<u>Financial assets</u>				
Cash and cash equivalents	253,095,034	8,959,463	786,872	262,841,369
Trade and other accounts receivable	-	-	39,262,991	39,262,991
Short-term loans to subsidiary companies	-	706,832,725	-	706,832,725
Restricted deposit with bank	-	67,518,000	-	67,518,000
Total	253,095,034	783,310,188	40,049,863	1,076,455,085
<u>Financial liabilities</u>				
Bank overdrafts and short – term loans from financial institutions	-	9,567,995	-	9,567,995
Trade and other accounts payable	-	-	34,958,769	34,958,769
Short-term loans from other	-	80,000,000	-	80,000,000
Liabilities under finance lease agreement	-	2,991,464	-	2,991,464
Total	-	92,559,459	34,958,769	127,518,228



Financial instruments as of 31 December 2017 and 2016 with fixed interest rates, and the periods of time from the statement of financial position date to their maturity dates are as follows:

(Unit: Baht)

	Consolidated F/S				
	2017				
	At call	With in 1 year	Over 1 year	Total	Interest rate (%)
<b>Financial assets</b>					
Cash and cash equivalents	1,768,975,575	9,656,208	-	1,778,631,783	0.125 – 0.90
Trade and other accounts receivable	111,578,336	-	-	111,578,336	-
Restricted deposit with banks	26,947,528	68,318,000	-	95,265,528	0.40 – 0.90
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	48,296,353	-	-	48,296,353	MOR – MOR + 0.75
Trade and other accounts payable	68,337,448	-	-	68,337,448	-
Short-term loans from other	170,067,123	-	-	170,067,123	5.00 – 6.50
Long-term loans from financial institutions and accrued interest	-	459,356,951	101,304,000	560,840,951	MLR – MLR - 0.05 - 1.50
Liabilities under finance lease agreement	-	1,035,644	1,022,440	2,058,084	4.50

(Unit: Baht)

	Consolidated F/S				
	2016				
	At call	With in 1 year	Over 1 year	Total	Interest rate (%)
<b>Financial assets</b>					
Cash and cash equivalents	290,683,087	8,984,017	-	299,667,104	0.125 – 0.90
Trade and other accounts receivable	92,118,630	-	-	92,118,630	-
Restricted deposit with banks	22,204,558	67,518,000	-	89,722,558	0.40 – 0.90
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	61,085,301	-	-	61,085,301	MOR – MOR + 0.75
Trade and other accounts payable	78,853,397	-	-	78,853,397	-
Short-term loans from other	80,000,000	-	-	80,000,000	5.00 – 6.25
Long-term loans from financial institutions and accrued interest	-	475,848,694	141,864,000	617,712,694	MLR – MLR - 0.05 - 1.50
Liabilities under finance lease agreement	-	944,861	2,046,603	2,991,464	4.50

(Unit: Baht)

	Separate F/S				
	2017				
	At call	With in 1 year	Over 1 year	Total	Interest rate (%)
<u>Financial assets</u>					
Cash and cash equivalents	1,727,028,311	9,631,502	-	1,736,659,813	0.25 – 0.90
Trade and other accounts receivable	19,472,264	-	-	19,472,264	-
Short-term loans and interest receivable – related companies	604,294,227	-	-	604,294,227	0.72 – 0.85
Restricted deposit with bank	-	67,518,000	-	67,518,000	0.80 – 0.90
<u>Financial liabilities</u>					
Bank overdrafts and short-term loans from financial institutions	552,165	-	-	552,165	MOR – MOR + 0.75
Trade and other accounts payable	28,181,410	-	-	28,181,410	-
Short-term loans from other	140,000,000	-	-	140,000,000	5.00 – 6.25
Liabilities under finance lease agreement	-	1,035,644	1,022,440	2,058,084	4.50

(Unit: Baht)

	Separate F/S				
	2016				
	At call	With in 1 year	Over 1 year	Total	Interest rate (%)
<u>Financial assets</u>					
Cash and cash equivalents	253,881,906	8,959,463	-	262,841,369	0.25 – 0.90
Trade and other accounts receivable	39,262,991	-	-	39,262,991	-
Short-term loans and interest Accrued – related companies	706,832,725	-	-	706,832,725	0.72 – 0.85
Restricted deposit with bank	-	67,518,000	-	67,518,000	0.80 - 0.90
<u>Financial liabilities</u>					
Bank overdrafts and short-term loans from financial institutions	9,567,995	-	-	9,567,995	MOR – MOR + 0.75
Trade and other accounts payable	34,958,769	-	-	34,958,769	-
Short-term loans from other	80,000,000	-	-	80,000,000	5.00 – 6.25
Liabilities under finance lease agreement	-	944,861	2,046,603	2,991,464	4.50

The Company and subsidiaries do not use any derivative financial instruments to hedge risks.

#### Foreign currency risk

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

#### Credit risk

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

The subsidiaries focuses on sales of electricity to Government Enterprise. Management also has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date, there are a credit risk as mentioned in Note 8 to the financial statements. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the reporting date. Management does not anticipate material losses from its debt collection.

#### Liquidity risk

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

#### 44. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The following table present financial asset that are measured at fair value as at 31 December 2017:

(Unit: Baht)

	Consolidated and Separate F/S			
	Level 1	Level 2	Level 3	Total
<u>Financial asset</u>				
Available - for - sale investment	1,182,500	-	-	1,182,500

The following table present financial asset that are measured at fair value as at 31 December 2016:

(Unit: Baht)

	Consolidated and Separate F/S			
	Level 1	Level 2	Level 3	Total
<u>Financial asset</u>				
Available - for - sale investment	1,091,750	-	-	1,091,750

#### 45. COMMITMENTS

45.1. The Group companies have commitments as at 31 December 2017 are as follows:

(Unit: Baht)

Consolidated and  
Separate F/S

##### **Long-term lease and service commitments**

Within one year	27,579,854
Over 1 year not more than 5 years	12,948,062
Total	40,527,916

As at 31 December 2017, the Company and subsidiaries have commitments are as follows:

- Indirect subsidiary (Gidec Co., Ltd.) has constructed a waste treatment plant and the power plant from the waste on land under land lease agreement with the government of Songkhla province. The total budget cost of Baht 979 million (including technology license) has been incurred up to 31 December 2017 of Baht 946.97 million (including technology license of Baht 80 million). This construction contract contains certain penalty clause for the construction delays where the subsidiary incurred penalty charge for the delay construction totaling Baht 32.19 million. As at 31 December 2017, the remaining balance of Baht 9.36 million is shown under "other current liabilities" on consolidated statement of financial position".

- On 8 April 2015, the Company (the "Buyer") entered into an agreement to purchase the waste from the segregation of organic fertilizer with another company ("Seller") to be used as a raw material in the production of recycled plastic. The purchasing price is fixed at Baht 225 per metric ton for 10 years from the contract date.

45.2. The company has commitment under letter of guarantee issued by banks of Baht 17.52 million to guarantee contract for maintenance and repair customer data base, contract for network purchasing and electricity usage.

#### 46. CAPITAL RISK MANAGEMENT

The Company's and subsidiaries' objectives in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company and subsidiaries may adjust policy for distribution dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

#### 47. SIGNIFICANT AGREEMENTS

- On 11 April 2009, the indirect subsidiary (IEC Mae Tha Mae Taeng Co., Ltd.) entered into two power sale/purchase agreements with the Provincial Electricity Authority ("PEA") for project's Lumpoon 1 and Lumpoon 2. whereby the indirect subsidiary agreed to sell electricity to PEA within 1 March 2011 while the agreement has been in effect since 11 April 2009 for a period of five years which is automatically renewable for a period of five years each. These agreements shall be in effect until terminated by the indirect subsidiary with written notice or when either party fails to comply with the condition of the agreement. The payment of the electricity purchase shall be binded by terms prescribed in the regulations for the purchase of electricity of PEA. The indirect subsidiary had obtained approval from PEA to extend the trasmission of electricity and has transmitted electricity to Provincial Electricity Authority on 23 September 2013 and 30 June 2014. Currently, the indirec subsidiary has started selling electricity to PEA.
- On 23 June 2010, the indirect subsidiary (Gidec Co., Ltd.) entered into a construction and services agreements for waste disposal management for the community. whereby the municipal authority agreed to let the indirect subsidiary to construct the waste disposal system in community and to install the pollution treatment system on land owned by the municipal authority. The indirect subsidiary has the right to manage such system for a period of 25 years from the date of signing the contract. The significant details are as follows.
  - Pay land rental to the municipal authority at Baht 500,000 per year.
  - Provided the property insurance coverage and determined the municipal authority as the beneficiary.

- Pay compensation to the municipal authority at a rate 10% of revenue from waste disposal. The municipal authority shall deduct compensation from waste disposal expenses to be withdraw by the indirect subsidiary each month.
- Pay a consulting fee to the municipal authority for procuring work during construction period at the actual amount but not exceeding Baht 4,000,000.
- The municipal authority agreed to pay a waste disposal to the indirect subsidiary at a rate of Baht 290 per ton for a period of 10 years and after the eleventh year to twenty-fifth year, a waste disposal rate will be revised every 5 years and the indirect subsidiary has right to increase a waste disposal rate according to inflation rate but not more than 10% in every 5 years.
- Constructions, building, machineries and other equipments under the agreement will become the properties of the municipal authority after the end of the agreement or the date of termination.
- On 4 January 2011, the indirect subsidiary (Gidec Co., Ltd.) entered into a power purchase agreements with the Provincial Electricity Authority ("PEA"). The subsidiary agrees to sell electricity to PEA within 22 August 2011, the agreement has been in effect since 4 January 2011 for a period of five years and continuously renewable for a period of five years each. The agreement shall be in effect until the subsidiary terminates the agreement with written notice or when either party fails to comply with the condition of the agreement. The payment for the purchase of electricity by the PEA shall be made in accordance with the conditions prescribed in the regulations of the PEA. The indirect subsidiary has obtained the approval from the PEA to extend to transmission of electricity and has transmitted the electricity to Provincial Electricity Authority on 11 December 2014.
- On 29 April 2011, the indirect subsidiary (Gidec Co., Ltd.) entered into an agreement to lease part of land (Nor Sor 3 Kor) located at Khuanlang Province at Songkhla District for a period from 25 June 2010 to 25 June 2035 in order to construction and manage waste disposal system in community, sizing not less than 250 tons per day, with a total lease rental of Baht 15.26 million, annually payable on 25 June of following year at Baht 500,000 to Baht 732,050 per year. Under this agreement dated 1 December 2010, the indirect subsidiary is required to pay a guaranty deposit of Baht 1,526,275 with a conditions that the assets shall become the properties of the lessor.
- On 22 August 2012, the subsidiary ("IEC Sakaeo1 Co., Ltd.") entered into a power sale/purchase agreement with the Provincial Electricity Authority ("PEA") whereby the subsidiary agreed to sell electricity to PEA within 31 May 2013, while the agreement has been in effect since 22 August 2012 for a period of five years which shall be automatically renewal for a period of five years each. This agreement shall be in effect until terminated by the subsidiary with written notice or when either party fails to comply with the condition of the agreement. The payment for the purchase of electricity by the PEA shall be made in accordance with the conditions prescribed in the regulations of the PEA. The subsidiary has transmitted the electricity to Provincial Electricity Authority since April 2013.
- The subsidiary ("IEC Sakaeo1 Co., Ltd.") entered into three machinery rental agreements with two outsiders and another company to rent three excavators for a period of 4 months - 2 years with monthly rental of Baht 430,000 million.

#### 48. EVENTS AFTER THE REPORTING PERIOD

48.1 On 26 February 2018, the Board of Directors passes resolutions as follows:

- To approve IEC Green Energy Co., Ltd. to acquire 2,000,000 shares, another 50 % of share capital of GIDEC Co., Ltd. ("GIDEC"), a subsidiary of IEC Green Energy Co., Ltd. from Electricity Generating Public Company Limited ("EGCO"), a joint venture partner of IEC Green Energy Co., Ltd. for Baht 24,583,971.18 or of Baht 12.29 per share by monthly installment repayments for 9 months. Such payments have been completed on 15 March 2018.
- To approve the Company to sell 500,000 common shares or 100% of share capital of Nong Ree Power Plant Co., Ltd. ("NR") to STRR Engineering Co., Ltd. ("STRR") at the selling price of Baht 100 per share totaling of Baht 50,000,000.

48.2 On 8 March 2018, the Board of Directors approved to liquidate NFS (2010) Co., Ltd. as it does not have any operations.

48.3 On 13 February 2019, the Board of Directors approved to sell other investment, common shares of The Auto-Info Company Limited for 20,000 shares at the book value price of Baht 58 per shares, totaling amount of Baht 1.18 million to board of director of The Auto-Info Company Limited.

48.4 Capital increase of subsidiaries

##### IEC Business Partners Company Limited

- On 21 November 2018, the Extraordinary General Meeting of Shareholders No.2/2018 approved the increase of the subsidiary company's registered capital by issuance of 20,000,000 new common shares with a par value of Baht 10 totaling Baht 200,000,000. The subsidiary company registered the capital increase with the Department of Business Development on 22 November 2018.

##### IEC Green Energy Company Limited

- On 10 April 2018, the Extraordinary General Meeting of Shareholders No.1/2018 approved the increase of the subsidiary company's registered capital by issuance of 600,000 new common shares with a par value of Baht 10, totaling Baht 6,000,000. The subsidiary company registered the capital increase with the Department of Business Development on 11 April 2018.
- On 12 November 2018, the Extraordinary General Meeting of Shareholders No.3/2018 to approved the increase of the subsidiary company's registered capital by issuance of 50,000,000 new common shares with a par value of Baht 10, totaling Baht 500,000,000. The subsidiary company registered the capital increase with the Department of Business Development on 14 November 2018.

Gidec Company Limited

- On 28 February 2018, the Meeting of Board of Directors No.2/2018 approved the purchasing common stock by IEC Green Energy Company Limited have purchase common stock of Gidec Company Limited from Electricity Generating Public Company Limited for 2 million shares at the price of Baht 12.29 per shares, totaling amount of Baht 24.58 million. Therefore, percentage of shareholding by IEC Green Energy Company Limited changed from 50% to 100% and have registered the transferring with Ministry of Commerce on 15 March 2018.
- On 12 November 2018, the Extraordinary General Meeting of Shareholders No.4/2018 approved the increase of the indirect subsidiary company's registered capital by issuance of 5,000,000 new common shares with a par value of Baht 100, totaling Baht 500,000,000. The indirect subsidiary company registered the capital increase with the Department of Business Development on 15 November 2018.

IEC Sakaeo 1 Company Limited

- On 19 November 2018, the Extraordinary General Meeting of Shareholders No.2/2018 approved the increase of the subsidiary company's registered capital by issuance of 1,000,000 new common shares with a par value of Baht 100 totaling Baht 100,000,000. The subsidiary company registered the capital increase with the Department of Business Development on 29 November 2018.
- On 21 December 2018, the Extraordinary General Meeting of Shareholders No.4/2018 approved the increase of the subsidiary company's registered capital by issuance of 1,300,000 new common shares with a par value of Baht 100 totaling Baht 130,000,000. The subsidiary company registered the capital increase with the Department of Business Development on 26 December 2018.

48.5 Litigation

The International Engineering Public Company Limited

- On 28 May 2018, the Company was sued by BP Autotech Engineering Company Limited relating to the breach of the hire of work agreement of Baht 3.69 million. At present, this is still in the process of fixing the day to take evidence.
- On 31 October 2018, the Company was sued by Rouamdee Engineering & Transport Company Limited relating to breach of the lease agreement of Baht 2.38 million. At present, this is still in the process of fixing the day to take evidence.



IEC Sakaeo 1 Company Limited

- On 23 August 2018, the subsidiary was sued by Asko Equipment Company Limited relating to breach of the sale and purchase agreement of Baht 1.50 million. On 26 December 2018, the subsidiary consent to payment for the plaintiff of Baht 1.37 million. The plaintiff was withdrawn an action on 16 January 2019.
- On 16 February 2019, the subsidiary was sued by Eastern Pearl Company Limited relating to breach of the sale and purchase agreement of Baht 2.40 million. On 13 May 2019, the subsidiary agreed to pay following compromise agreement for amount of Baht 0.38 million starting on 31 May 2019 for 6 months, totally, amount of Baht 2.41 million.

IEC Mae Tha Mae Taeng Company Limited

- On 26 February 2018, the subsidiary was sued by Mr. Somchai relating to breach of damage. The plaintiff was sued from case of give false evidence and conceal for purchase the line conditioners system to install at Mae Tha 1, Mae Tha 2 power plants of Baht 50 million. At present, this is still in the process of fixing the day to take evidence.

48.6 Delisted

- On 20 June 2019, SET has announced delist shares of the Company from being listed securities due to the Company is unable to eliminate the grounds for delisting or to repossess the qualifications in order to resume trading within specified deadline which cause their shares subject to possible delisting under SET's regulation. SET allow trading on the securities of the company for 7 business days before the effective date of delisting, during 1 – 9 July 2019. At the end of trading period, SET will delist the shares of the Company from listed securities, effective from 10 July 2019 onwards. However, the management is processing to eliminate the grounds for delisting.

49. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 5 July 2019.

## Management Discussion and Analysis

The performance of International Engineering Public Company Limited and its subsidiaries for the year ended 31 December 2017 has a loss of 768.92 million baht, compared to a loss of 1,686.61 million baht last year. The loss decreased by 917.69 million baht with the following details:

1. The Company and its subsidiaries' have revenue from sales or services to 386.52 million Baht, comparing to the last year to 462.75 million Baht, was decreased of 76.23 million Baht or 16.47%
2. The Company and its subsidiaries' other revenue decreased by 11.83 million Baht or 26.41 %, comparing to the last year.
3. The Company and its subsidiaries have sales and administrative expenses including impairment of assets decreased by 615.95 million Baht or 32% comparing to the last year.
4. The Company and its subsidiaries' finance costs decreased by 3.64 million Baht or 8.60% when comparing to the last year.

As for the operating results of The International Engineering Public Company Limited for the year ended on December 31<sup>st</sup>, 2017. The amount of the Company's loss was 687.68 million Baht, which comparing to the last year to 2,254.86 million Baht loss, and let the result to the loss decrease for 1,567.18 million Baht. The details are as follow:

1. The Company has revenue from sales or services for 2017 of 39.99 million Baht, comparing to the last year to 52.38 million Baht, was decrease of 12.39 million Baht or 23.65% due to decrease in revenue from IT business in 2017.
2. The Company's other revenue for 2017 was decreased by 28.75 million Baht or 57.91%, comparing to the last year.
3. The Company's sales and administrative expenses including impairment of assets for 2017 decreased by 1,675.90 million Baht or 65.89%, comparing to the last year, due to decrease from assets impairment, investment and inter-loan.

## Company General Information

### Company Profile

Company Name :	The International Engineering Public Company Limited
Initial :	IEC
Company Registration :	0107536000323 (Formerly Bor Mor Jor No. 106)
Nature of Business :	The Company provides information technology solutions and unified Communications, including business operation of solar power plants, MSW power plant and Biomass Energy.
Registered Capital :	4,476,576,274.26 Baht (as of 31 December 2019)
Paid Up Capital :	2,493,455,386.69 Baht (as of 31 December 2019)
All Sold Ordinary Shares :	249,345,538,669 units
Preferred Shares :	-None-
Headquarter :	408/37 Phaholyothin Place 9th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel: 0 2619 0199 Fax: 0 2619 0019 Website: <a href="http://www.iec.co.th">http://www.iec.co.th</a>

## Other References

**The Securities Registrar:** Thailand Securities Depository Company Limited  
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Ratchadaphisek Road, Din Daeng District, Bangkok 10400  
Tel. (0) 2009 9999 Fax.(0) 2009 9991

**Auditor's Information:** Mr. Somkid Taitragul, Certified Public Accountant, Registration No. 2785  
Miss. Kanyanat Sriratchatchaval, Certified Public Accountant, Registration No. 6549  
Mr. Teerasak Chuasrisakul, Certified Public Accountant, Registration No. 6624  
Ms. Sansanee Poolsawat, Certified Public Accountant, Registration No. 6977  
Mr. Narin Churamongkol, Certified Public Accountant, Registration No. 8593  
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Tel (0) 2641 3800  
Fax (0) 2641 3801

Investors can learn more about the company issuing securities  
from the annual registration statement (Form 56-1)  
of the company, listed on [www.sec.or.th](http://www.sec.or.th)  
or at the company's website [www.iec.co.th](http://www.iec.co.th)

**THE INTERNATIONAL ENGINEERING PUBLIC COMPANY LIMITED**

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