



PO. No. 080 / 2016

10 October 2016

Subject : Progress Report of Changing Auditor of International Engineering Public Company Limited.

To: : President

The Stock Exchange of Thailand

The International Engineering Public Company Limited (IEC) has proposed to change the auditor from NPS Siam Audit Limited to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd (Deloitte) whereby the rationale is as follows :

1. IEC has been recategorized, since 4<sup>th</sup> of July 2016, from the Information & Communication Technology sector to the Energy and Utilities one on which both local and foreign investors are currently emphasizing its investment.
2. NPS Siam Audit Limited is a local audit firm when compared to Deloitte which is an international one in the big-four global league. Thus, this sector change would pay a way for IEC to become an international player and ready for any upcoming road shows in overseas whereby the foreign investors put a high trust and have more confidence in such big-four league.

In addition, the cooperation between IEC Accounting Department and auditors at NPS Siam Audit Limited has not been gearing to develop IEC accounting system well suited in the global business.

IEC Audit Committee Meeting # 7 / 2016 on the 11<sup>th</sup> of August 2016 considered and approved a termination of NPS Siam Audit Limited's service effectively from the third quarter of 2016 onwards. The Committee also concurred on hiring Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd as IEC's auditor for its third quarter of 2016 accounting review and 2016 accounting audit of both IEC's financial statements and its consolidated ones at the audit fee of THB 5,415,000 , which was subject to further consideration by the Board of Directors.

IEC Board of Directors Meeting # 11 / 2016, on the 11<sup>th</sup> of August 2016, considered and unanimously approved a termination of NPS Siam Audit Limited's audit services for IEC's financial statements and its consolidated ones effectively from the third quarter of 2016 onwards. The Board also concurred on appointing Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as IEC's auditor for accounting review in the third quarter of 2016 and 2016 accounting audit for its financial statements and its consolidated ones at the audit fee not exceeding THB 5,415,000 whereby it needs to be tabled for further appointing Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as IEC's auditor for accounting review in the third quarter 3 of 2016 and 2016 accounting audit for its financial statements and the consolidated ones at audit fee not exceeding Baht 5,415,000 as soon as possible by the



shareholders in the upcoming Extraordinary General Meeting of Shareholders # 1 / 2016 . In this connection, IEC already reported to The Stock Exchange of Thailand (SET) via IEC letter # PO 066 / 2016 dated the 11<sup>th</sup> of August 2016, to the President of the Stock Exchange of Thailand regarding an Appointment of New Members of the Board of Directors, Change of Auditor and Audit Fee Determination.

IEC is in the process of changing auditor for the accounting review in the third quarter of 2016 as detailed above whereas NPS Siam Audit Limited has sent a letter to IEC Audit Committee requesting for a Special Audit.

IEC Audit Committee already reported to The Stock Exchange Commission of Thailand (SEC) of this request for such Special Audit from NPS Siam Audit Limited and also sought advices from SEC regarding such Special Audit procedure. IEC Audit Committee appointed five experts as members of Special Audit Committee with a view to performing audit works in accordance with every suspicious issue raised by the auditor of NPS Siam Audit Limited. Such Special Audit was completed and IEC then reported the result to SEC, SET, NPS Siam Audit Limited, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. and other related persons. Details as per what IEC has previously informed accordingly.

The Special Audit request by NPS Siam Audit Limited took place during the period of changing auditor from NPS Siam Audit Limited to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. The auditor changing process was discontinued since Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd had requested IEC to finish its Special Audit work first.

To date, such Special Audit was completed. It is now in the process of consideration by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. whether they will accept to engage themselves as an auditor of IEC and its subsidiaries for the third quarter of 2016 and 2016 financial statements.

Whenever IEC receives such response from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., we will report the progress of changing auditor of IEC and its subsidiaries for the third quarter of 2016 and 2016 financial statements to SET soonest.

Please be informed accordingly

Yours sincerely,

(Dr. Bhusana Premanode)

Group President