

PO No 011/2016

11 March 2016

President

The Stock Exchange of Thailand

Re: Approval for Fuel-processing Front-end System Rental & Investment Budget

Following the proposition of the Board of Directors of IEC Green Energy Co., Ltd. (“IECG”), 100% subsidiary under The International Engineering Public Company Limited (“the Company”), offering fuel-processing front-end system rental plan to increase the efficiency of electricity generation for IEC Sra Kaew 1 Co., Ltd., as IECG is specialized in the front-end system development with certain records of application and installation of the system, capable of turning municipality solid wastes into a suitable form of fuel as been used in Gidec’s power plant in Hadyai. IECG’s system application then proves helping Gidec generate a consistent flow of 5.4 MW electricity into PEA’s grid.

The aforementioned system consists of major equipment, including Shredder, Bio-drying Plant, Rotary Dryer, Moving Floor and Screw Feeder, etc. (Details see Table 1 under Clause 4). Those of which will be installed at IEC Sra Kaew 1 Power Plant in Tambon Sala Lamduan, Ampur Muang Sra Kaew, in an attempt to ensure raw materials processed and achieve size and humidity suitable for electricity generation. Timeline for system installation is anticipated to start in June 2016 and to complete within August 2016.

The Board of Directors’ Meeting No. 2/2016 of The International Engineering Public Company Limited dated 11 March 2016 therefore approved IECG’s investment of front-end system equipment, in an amount of 73.9 million baht, by renting the system to IEC Sra Kaew 1 Co., Ltd at a monthly rental of 1.45 million baht along 6-year duration. In this regard, IECG projects a 17.06% IRR and 6-year payback period.

The transaction is regarded as an asset acquisition of front-end system investment for 6-year rent according to the Notification of Capital Market Supervisory Board Tor Jor 20/2551 Re: Criteria in Entering a Transaction of Asset Acquisition or Disposition (including the amendments), and 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 Acquisition and Disposition of Assets, B.E. 2547 (including the amendments) (“Acquisition or Disposition Notifications”). Under the Notifications’ basis of size calculation, the highest

transaction value is based on Total Value of Consideration, equaling 1.64% as compared to the consolidated financial statement of the Company for the period ended 31 December 2015. Upon six-month cumulative transactions, total size of transaction reaches 21.88% which is less than 50% of total assets pertaining to calculation basis, therefore classified as Class 3 transaction according to the Notifications.

1. Date of Transaction

The Board of Directors of the Company approved the investment budget on 11 March 2016.

2. Parties involved and relationship with the Company

Under the approved budget, purchases, deployments and agreements by IECG with relevant parties will be thereon executed.

Relationship: Contractual parties will be appropriately screened by IECG, adhering to their capability to comply with IECG's requirements.

3. General Information of the Transaction

Category: The transaction is categorized as Class 3 transaction according to 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 Acquisition and Disposition of Assets, B.E. 2547.

Considered basis: Total Value of Consideration Basis

Value of the transaction: According to Value of Consideration Basis is equivalent to 1.64 percent of total assets of the Company and subsidiaries as at 31 December 2015.

Considering the acquisition of assets during the past six months and the current acquisition, the total transactions of highest value is based on Total Value of Consideration Basis, which accounts for 21.88 percent of total assets of the Company and subsidiaries. The total value of the transaction is therefore classified as Class 3 transaction according to 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 Acquisition and Disposition of Assets, B.E. 2547.

4. Details of Investment Assets for Rent

Table 1 Details of Equipment for Rent

No.	Description	Unit	Price (THB)
1	EFB shredder (Bamboo)	1	2,000,000
2	Shredder (Lianda)	2	9,000,000
3	Hammer mills Shredder (used)	1	600,000
4	Rotary dryer	1	20,000,000
5	Bio Scrubber system	1	1,800,000
6	Moving Floor	1	5,000,000
7	Ventilation System	1	650,000
8	Main Power line and MDB	1	5,000,000
9	Belt Conveyor	1	5,000,000
10	Front-End SCADA & Instrument Control	1	4,000,000
11	Bio-drying Plant	1	850,000
12	Emission Control System	1	20,000,000
TOTAL			73,900,000

5. Value of Consideration

Total value of consideration is the total investment budget for purchases and deployments of front-end system, worth 73,900,000 (Seventy three million nine hundred thousand baht), those to be rented to IEC Sra Kaew 1 Co., Ltd. for a duration of 6 years.

6. Basis used in determining Value of Consideration

IECG determines value of consideration in purchases and procurements of machineries, equipment and engineering systems on market price basis, worth 73,900,000 (Seventy three million nine hundred thousand baht).

7. Expected Benefits to the Company

The project is regarded as a fuel-processing front-end system rental, with a projection of not less than 17.06% IRR and 6-year payback period.

8. Source of Capital

Proceeds from capital increase through low-priced private placements upon and after AGM's approval on 25 April 2016 will be used for the project.

9. Opinions of the Board of Directors on Transaction Entry

The Board of Directors reviewed and considered the transaction entry is appropriate with an expected acceptable IRR.

10. Opinions of the Board of Directors and/or Audit Committee different from those under Clause 9

- None -

11. Responsibility of the Board of Directors over the Information Memorandum

The Board of Directors is regarded the subject in responsible for the Information Memorandum as stated in this document, being prepared 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 Acquisition and Disposition of Assets, B.E. 2547. The information provided herein constitutes truth, sufficiency, transparency and usefulness for the shareholders.

It is hereby certified the Information Memorandum in this report is true and complete in all respects.

(Dr. Attawooth Laohapakdee)

Senior Executive Vice President

Operation Unit 2