



PO No. 052 / 2016

20 July 2016

Subject: Notification of the Court's Absolute Receivership Order against the Subsidiary Company
(Amendment)

To: President
The Stock Exchange of Thailand

[Attachment: Revenue breakdown summary of the Company Group](#)

As International Engineering Public Company Limited (the "Company") would like to notify the Stock Exchange of Thailand regarding the case of IEC Sakaeo 1 Company Limited ("SK1"), which is the 100% owned subsidiary of the Company, that the Central Bankruptcy Court has granted absolute receivership order against the said subsidiary in the bankruptcy case, Black Case No. Lor.3152/2557, Red Case No. Lor.1245/2559, which is the case between KS Distribution (Thailand) Company Limited ("KS"), the creditor whom is also the Plaintiff, and IEC Sakaeo 1 Company Limited, the debtor, in which the court has granted the absolute receivership order against the debtor, commencing from 11th May 2016 onwards. However, as SK1 is under the management of the Company, since the Company has purchased and received the shares transferred from the group of Mr. Suthin Jaithum (which includes Mr. Suthin Jaithum and Miss Charuwan Phusanaphibankhup) whom were the previous group of shareholders held 75% of the shares, on 29th October 2014 until now, SK1 and the Company had never have knowledges before that Kaewlumduan Power Supply Company Limited (the previous name of SK1) under the management of the said previous group of shareholders has been sued by KS in the bankruptcy case at the Central Bankruptcy Court on 31st October 2014 and that the Court has granted absolute receivership order on 11th May 2016 as has been mentioned above. As Mr. Suthin Jaithum and others have concealed the accounting information in which they did not record KS Distribution (Thailand) Company Limited, the creditor, in the financial statement of SK1 at the time when the Company has examined the status of SK1 prior to purchasing of the said 75% of shares. Thereafter, they have thoroughly concealed the information of this legal proceeding against SK1. On 6th March 2015, Mr. Suthin Jaithum and Miss Charuwan Phusanaphibankhup, both of whom were listed as one of the directors of the board of directors even though both of them did not have authorisation to jointly affix the signature for



it to have a binding legal effect on SK1, have forged the Power of Attorney under the name of Kaewlumduan Power Supply Company Limited, which at that time has already changed its name to IEC Sakaeo 1 Company Limited, without bona fide and have used the forged documents and affixed the company seal of Kaewlumduan Power Supply Company Limited which was the seal under the previous name of SK1 that has already been cancelled which was deemed as false company seal, and they have asserted those to the court. They intentionally concealed such information for their sole beneficial in order to conceal the facts to be proceeded in the trial proceeding which has caused damages to SK1 as the court has granted the above-mentioned absolute receivership order against SK1.

Around the end of June 2016, the Plaintiff's Lawyer notify to SK1 that the court has granted absolute receivership order against SK1. On the preliminary stage, the management team of SK1 has tried to search for all the facts that have happened in order to obtain the accurate information. They asked Mr. Suthin Jaithum and he confirmed that everything is true but he has concealed it. They thus contacted with the Plaintiff's lawyer as well again and he also insisted that the accusation is true. He explained more that after the court has granted absolute receivership order; SK1 KS has received the total repay from Mr. Suthin Jaithum and Miss Charuwan Phusanaphibankhup. Nowadays, SK1 has no liabilities with KS. SK1 thus has assigned the lawyers to examine the case file in which it was appeared that the facts are in accordance with the said order of the Central Bankruptcy Court immediately that this case was commenced when SK1 did not pay for the machinery and equipment which were amounted to approximately 3 Million Baht prior to the time that Mr. Suthin Jaithum and others have sold the shares to the company which caused the creditor to file the civil litigation case to the Civil Court and the Civil Court has ordered SK1 to repay such debts; however, the order was ignored and therefore, the creditor has filed this case as the bankruptcy case to the Central Bankruptcy Court. Therefore, on 1st July 2016, the management team of SK1 has filed motion to the Central Bankruptcy Court for a retrial and to revoke such legal proceeding as SK1 is still operating its business in producing and distributing electric current as usual and still having good financial status and liquidity in which the value of assets is a lot higher than the value of debts; hence, the absolute receivership order should not be granted against SK1. The creditor whom is the Plaintiff has also filed the motion at the Central Bankruptcy Court on 1st July 2016 that the Plaintiff did not object to the SK1's motion for the retrial as the creditor has already received the full payment from the debtor. As such, the court has made an appointment for the hearing of SK1's motion of retrial on 4th October 2016 at 9.00 a.m.



Nevertheless, the management team of SK1 did not be at ease on this issue and hence, has prepared for a motion for emergency investigation request to the court in order to reappointment for the motion for investigation to proceed with retrial and to revoke the absolute receivership order prior to the previous appointed date of hearing which was on 4th October 2016 as mentioned above. The management team of SK1 had considered that if the Central Bankruptcy Court has exercised fair judgment together, plus SK1 has no any liabilities with KS, and the facts that the current power business status of SK1 and its finance and liquidity is good as usual; hence, the management team of SK1 believes that the Central Bankruptcy Court will allow SK1 to have the emergency investigation and would make an order to revoke the absolute receivership order in a short time. The Company will notify the Stock Exchange of Thailand if there is any update on this.

Nevertheless, the acts of Mr. Suthin Jaithum and Miss Charuwan Phusanaphibankhup, and others were unlawful acts which caused damage to SK1 and the Company. Moreover, Mr. Suthin Jaithum and Miss Charuwan Phusanaphibankhup, and others have also breached the sale and purchase of shares agreement that they have entered with the Company. Thus, the Company had assigned the lawyer to prepare relevant information, facts, and documents to proceed with the legal proceedings in civil case, criminal case, and case involves offences under the Securities and Exchange Act B.E. 2535 against Mr. Suthin Jaithum and Miss Charuwan Phusanaphibankhup, and others until the final judgment can be obtained.

Nevertheless, in case of such the Court's Absolute Receivership Order against the Subsidiary Company above, the latter has not received any notification letter from the Receiver in relation to the Court's Absolute Receivership Order from the Central Bankruptcy Court. Thus, the Company is of opinion that such Subsidiary Company is still able to run its normal operation of power generation sale to the Provincial Electricity Authority as usual. Moreover, the Company was already registered under the Energy and Utilities sector on SET, resulting in a major revenue contribution from the 7 existing power plants, namely 5 solar power plants, 1 MSW power plant and 1 Biomass power plant (SK 1). According to the latest consolidated financial statements of the Company group (as of 31 March 2016), even though SK 1 had the revenue contribution to the Company group at 29% and total asset contribution to the Company group at 18%, SK 1 posted loss of THB 22 million due to the recent plant shut down for efficiency improvement. In view of this, such the Court's Absolute Receivership had no the overall impact on the profitability of the Company group (see attached table of revenue breakdown summary of the Company Group).



In conclusion, the Company is confident that the Central Bankruptcy Court should grant a kind mercy to the Subsidiary Company in relation to a possibility of revoking such Absolute Receivership Order very soon, thanks to the recent payment in full of such debt and no Plaintiff's intention of proceeding the legal case further. Moreover, SK 1 has not been aware of such legal case proceeding before due to the concealing of debt and legal proceeding by the previous shareholders. Should there be any further progress of this legal case, the Company will keep the SET in due course.

Please be informed accordingly.

Yours Faithfully,

(Dr. Bhusana Premanode)

Group President



Appendix

Summary of revenue breakdown of the Company Group		
Quarter 1/2016	Operation Revenues	%
ICT Group		
IEC	0.67	1%
Energy Business Group		
Gidec Co., Ltd.	41.71	32%
IEC SAKAEO 1 Co., Ltd.	38.60	29%
IEC MAE RAMAT Co., Ltd.	22.57	17%
IEC MAE THA MAE TAENG Co., Ltd.	20.00	15%
Total Energy Business Group	122.88	93%
Consulting and R&D Group		
E-contech Management Pte.Ltd.	-	0%
IEC Green Energy Co., Ltd.	-	0%
IEC Business Partner Co., Ltd.	-	0%
NFS (2010) Co., Ltd.	-	0%
Total Consulting and R&D Group	-	0%
Other income	8.35	6%
Total revenues	131.90	100%