

22 April 2016

President

The Stock Exchange of Thailand

Re: GIDEC Solid Waste (MSW) Power Plant's Machine Improvement Project Investment Budget

Reference is made to the Board of Directors' Meeting No. 2/2016 of The GIDEC Co. Ltd. ("Company"), which is the subsidiary (50%) of The IEC Green Energy Co., Ltd. ("IECGE"), held on 21 April 2016 Re: GIDEC Solid Waste (MSW) Power Plant's Machine Improvement Project Investment Budget, with the net budget of THB 34,250,000 (thirty-four million, two hundred and fifty thousand Baht).

The GIDEC Co., Ltd., Manager of the project on managing and converting the community's waste into electricity, Hat Yai City Municipal, has obtained the Power Purchase Agreement (PPA) from Provincial Electricity Authority (PEA) at 6.7 Megawatts (MWs), having started commercially generating electricity into system on 11 December 2014. Until now, the power plant is able to produce electricity for generation only at 5.4 MWs since the machines used in the production process have not functioned continually and effectively. This is because the fuels sent into the incinerator system having not been up to standard set in design value, both in size and humidity. Moreover, complaints have been filed by villagers in the surrounding areas about bad smells caused by burning as well as garbage smells, including the plant's environmental management system not being good enough.

Therefore, for the 2016 budget, the Company's Board of Directors had approved the project on improvement and increase of electricity productive capacity which is divided into 3 parts, as follows:

1. Improving machines to increase the Power Plant's productive capacity
2. Improving fuel production process and reducing fuel humidity
3. Improving air treatment system caused by burning

Return anticipated from the said budget investment is that the machines producing electricity are able to function continually and effectively at 6.5 MWs. This is done by putting higher quality fuels, with humidity of lower than 35 percent, into the incinerator system. Moreover, Thailand-standardized air pollution reduction system must be set up. In order to achieve the said objectives, additional improvement of machines must be essentially made with the following details:

1. Improving machines to increase the Power Plant's productive capacity, for ex:

- Pipe trapping air from electrostatic precipitators into bag filters
- Blower sucking hot air from smokestack
- Valve bringing air into incinerator
- Thermal camera

2. Improving fuel production process and reducing fuel humidity

- System for transporting fuels (reserve)
- System for cleaning heat exchanger tube

- Cooling system for fuels-transporting chimney
- Odor tube and electricity system for fuel storage (Bio Dry)
- Fuel storage (Bio Dry) walls
- Room for controlling fuel-preparation machine
- System for bringing hot air from smokestack into baking fuel
- Electricity system for fuel-preparation machine
- Sensor detecting fuel humidity
- Sensor measuring fuel weight

3. Improving air treatment system caused by burning

- Test and control system for gasification incinerator
- Electrostatic precipitators improvement system
- System for controlling and filtering pollution from smoke

From the above-mentioned technical problems, the Board of Directors of GIDEC Co., Ltd. had thus made the resolution at the Meeting no. 2/2016, held on 21 April 2016 to approve the Company's budget increase for improving machines in order to increase the Power Plant's productive capacity, for improving fuel production process and reduce fuel humidity, and for improving air treatment system caused by burning, with the net budget of THB 34,250,000 (thirty-four million, two hundred and fifty thousand Baht).

The transaction is regarded as an asset acquisition 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"). However, transaction size calculation at this time is made as net transaction size for increasing the budget on solid waste (MSW) GIDEC power plant improvement, equaling 0.76%.

Therefore, when combining transaction sizes occurred during the past 6 months, the combined sizes are equivalent to 23.15 percent, being 15 percent higher but still lower than 50 percent of total assets, and is categorized as Class 2 transaction according to the above-mentioned Notification.

1. Date of Transaction

The Board of Directors of the Company had approved the investment budget on 21 April 2016.

2. Parties involved and relationship with the Company

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

Relationship: Contractual parties will be **appropriately** screened by the Company, adhering to their capability to comply with GIDEC's requirements. And they must not be relevant to each other or connected persons.

3. General Information of the Transaction

Category: The transaction is categorized as Class 2 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, being equivalent to 0.76 percent of total assets of the Company and subsidiaries as at 31 December 2015.

Considering the acquisition of assets during the past 6 months and the current acquisition, the total transactions of highest value is based on Total Value of Consideration Basis, which accounts for 23.15 percent of total assets of the Company and subsidiaries. The total value of the transaction is therefore classified as Class 2 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 Acquired Assets

| No. | List of Acquired Assets | Budget used (Baht) |
|---------------------------|---|-----------------------|
| 1 | Pipe trapping air from electrostatic precipitators into bag filters | 1,200,000 |
| 2 | System for bringing hot air from smokestack to baking fuel | 3,100,000 |
| 3 | Blower sucking hot air from smokestack | 2,000,000 |
| 4 | System for controlling and filtering pollution from smoke | 2,750,000 |
| 5 | Valve bringing air into incinerator | 500,000 |
| 7 | Thermal camera | 1,000,000 |
| 8 | System for transporting fuels (reserve) | 700,000 |
| 9 | System for cleaning heat exchanger tube | 5,000,000 |
| 10 | Cooling system for fuels-transporting chimney | 2,000,000 |
| 11 | Odor tube and electricity system for fuel storage (Bio Dry) | 2,500,000 |
| 12 | Fuel storage (Bio Dry) walls | 2,500,000 |
| 13 | Room for controlling fuel-preparation machine | 1,000,000 |
| 14 | Electricity system for fuel-preparation machine | 1,500,000 |
| 15 | Sensor detecting fuel humidity | 1,500,000 |
| 16 | Sensor measuring fuel weight | 1,000,000 |
| 17 | Test and control system for gasification incinerator | 2,500,000 |
| 18 | Electrostatic precipitators improvement system | 3,500,000 |
| Grand Total (Baht) | | 34,250,000 |

5. Value of Consideration

Total value of consideration is the budget for improving the machines in order to increase the power plant's productive capacity, improving fuel production process and reducing fuel humidity, and improving air treatment system caused by burning, equaling the net budget of THB 34,250,000 (thirty-four million, two hundred and fifty thousand Baht).

6. Basis used in determining Value of Consideration

The Company determines value of consideration in purchases and procurements of machineries, equipment, and engineering systems on market price basis. This is done by considering, selecting, and comparing the prices quoted by various bidders in order to get the most suitable price in procurement process.

7. Expected Benefits to the Company

The machines producing electricity is able to function continually and effectively at 6.5 MWs. This is done by putting higher quality fuels, with humidity of lower than 35 percent, into the incinerator system. And Thailand-standardized air pollution reduction system must be set up.

8. Source of Capital

The said additional investment money in the amount of THB 34,250,000 (thirty-four million, two hundred and fifty thousand Baht) will be derived from loans of The IEC Green Energy Co., Ltd.

9. Opinions of the Board of Directors on Transaction Entry

The Board of Directors reviewed and considered the transaction entry is appropriate, yielding an acceptable project 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 2