



PO No. 020 /2019

1<sup>st</sup> April 2019

Re: Question and answers regarding issuance of new warrants to replace the existing one for the holders of the old warrants about to be expired and rights adjustment of the old warrants.

To: President  
Stock Exchange of Thailand

The International Engineering Public Company Limited ("The Company") has notified through the letter PO. No.002/2019 dated 8 January 2019 and PO. No.016/2019 dated 6 March 2019 in order to discuss with The Securities and Exchange Commission ("SEC") regarding the issuance of new warrants to purchase newly-issued shares to replace the existing ones that are about to be expired as per Notification of Capital Market Supervisory Board No. TorChor 34/2551 on the following two points: (1) Issuance and offering of warrants to purchase newly-issued ordinary shares no.3 ("IEC-W3") to replace the existing warrants to purchase newly-issued ordinary shares no.2 ("IEC-W2") that will be expiring on the upcoming 23 May 2019 and whether the Company is allowed to proceed. (2) IEC's securities have no market price due to being posted SP for more than 2 years and having no fair price due to the Company haven't submitted financial statements for over 2 years and therefore couldn't have market price nor fair price as per Notification of the Office of the Securities and Exchange Commission No. SorChor. 39/2551.

Subsequently after SEC's consideration, the Company was notified by SEC JorKor.722/2019 dated 22 March 2019 about the answers to the points of discussion raised by the Company as follow:

(1) Regarding the first point on issuance and offering of IEC-W3 to about 20,000 holders of IEC-W2 warrants, is deemed an action of public offering (PO). The Company must not have any pending financial statements. In addition, IEC-W2 is also deemed finished and therefore issuance of IEC-W3 will be deemed a new offering and may not be considered an extension or replacement of IEC-W2 warrants.

Therefore, it was concluded that the Company cannot issue and offer IEC-W3 to the IEC-W2 warrant holders.



(2) On the second point regarding the offering of ordinary shares to the existing shareholders via rights offering as per the resolutions of the EGM No.1/2017 dated 20 October 2017 amounting 203,591 million shares at 0.0125 baht each and whether it is lower than the fair price and whether it may result in the Company having to adjust the rights for IEC-W2. SEC asked the Company to consider that if it is unable to find a market price for the Company's ordinary shares due to no trading transaction in said period of time, the Company must make consideration on the fair price in order to consider if the offering price of said RO is lower than 90% of the fair price. If lower, the Company must adjust the price of exercising IEC-W2 to be in accordance with the conditions agreed by the Company and the warrant holders. To be useful to IEC-W2 warrant holders, SEC asked the Company to disclose the information for consideration regarding the RO whether the Company must make any rights adjustment for IEC-W2 warrant holders as agreed in the conditions or not.

Therefore, the Company would like to explain the offering of ordinary shares to the existing shareholders via rights offering as per the resolutions of the EGM No.1/2017 dated 20 October 2017 amounting 203,591 million shares at 0.0125 baht each and whether it is lower than the fair price and whether it may result in the Company having to adjust the rights for IEC-W2 as follow:

Firstly, the offering of 203,591 million ordinary shares at 0.0125 baht each is rights offering to every existing shareholder in proportion to each of their holding and not to a specific group or any outside party. Every existing shareholder has the same right and the offering price is reasonable. Due to the fact that since 16 August 2016, IEC's securities was posted SP and suspended to this day. (IEC's securities have the price at the market closing on 15 August 2016, which was the last day before SP was posted, at 0.02 baht each). Since 15 February 2017, the Stock Exchange also declared IEC's securities to be possible for delisting. Therefore, on 20 October 2017, whereby EGM No.1/2017 was held, IEC's securities were still being suspended and is still possible to be delisted, which would more or less affect the Company's stock price and may possibly fall under the par value. (The Company's share has the par value of 0.01 baht each.)

Secondly, when it came to offering of ordinary shares to the existing shareholders via RO, only 45,744 million shares were subscribed. There remained 157,847 million unsubscribed shares. This means that only 22% of all shares were subscribed. This is due to existing shareholders' disinterest in purchasing the share at said price due to them perceiving that the offering price was still high relative to the circumstance at the time.



Thirdly, on 29 March 2019, the Company has successfully submitted 2016 financial statements ending 31 December 2016 audited by CPA and the Company has disclosed said financial statements via ELCID. It appeared that IEC's book value in said financial statements has the value of 0.009 baht each which is lower than the price offered to the existing shareholders via RO at 0.0125 baht each. Therefore, it can be clearly seen that the RO price is no lower than the fair price in any way.

Due to the above rationales, the Company's issuance of warrants through a RO did not meet the criteria to adjust rights for IEC-W2 warrant holders in any way.

Please be informed accordingly.

Yours faithfully,

( Mr. Dumrong Putiput )  
Chief of Executive Officer