



PO No. 025/2018

March 15, 2018

Re: Subsidiary's re-acquisition of GIDEC's common stocks from EGCO ([Additional Edition](#))Attn: President
Stock Exchange of Thailand

The Board of Directors' Meeting No. 4/2561/2018 of IEC Green Energy Co., Ltd. ("IECG") dated 15 March 2018 which is the subsidiary of the International Engineering Public Company Limited under the resolution of the Board of Directors' Meeting No.2/2018 dated February 26, 2018, resolved to have IECG acquire 2,000,000 common stocks or 50% of the registered and paid-up capital of GIDEC Co., Ltd ("GIDEC"), which is IECG's subsidiary, from Electricity Generating Public Company Limited ("EGCO") who is the co-investor of IECG at the price of THB 24,583,971.18. (Twenty-four million five hundred eighty-three thousand nine hundred seventy-one Baht Eighteen Satang). After the re-acquisition of the stocks, IECG will have 100% holding in GIDEC.

The acquisition of GIDEC's common stocks will have the total value of consideration to be paid of approximately THB 24,583,971.18. The basis with the highest value which is to be used is the total value of consideration basis, the volume of the transaction is 0.496 % of *the Company and its subsidiaries' total assets* (in reference to the Company's consolidated financial statements as of March 31, 2016) which is classified as Class 3 transaction as per 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 Disposal of Assets B.E. 2547 (2004) and [Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets](#). Because of the size of the transaction, it was not required to disclose the information according [Notification Re: to Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets](#). This transaction is not classified as connected transaction according to the Notification of Capital Market Supervisory Board TorChor 21/2551, Re: Rules on Connected Transactions. The details of transactions are as follow:

1. Transaction Date

IEC and EGCO has entered into the share purchase agreement on March 15, 2018. [Upon fulfillment of precedent conditions](#) by both parties, the total amount of shares agreed by both parties were transferred on the closing date of March 15, 2018.

**2. Related Parties and Their Relationship with the Company**

Buyer: IEC Green Energy Co., Ltd. (“IECG”)

Seller: Electricity Generating Public Company Limited (“EGCO”)

Relation: The Company and IECG has no relationship in any way with EGCO.

Shareholding in GIDEC (Before shares re-acquisition)

| No. | Shareholder | Holding (Shares) | Holding (%) |
|-----|-----------------------------|------------------|---------------|
| 1 | IEC Green Energy Co., Ltd. | 2,000,000 | 50.00 |
| 2 | Electricity Generating Plc. | 2,000,000 | 50.00 |
| | Total | 4,000,000 | 100.00 |

Shareholding in GIDEC (After shares re-acquisition)

| No. | Shareholder | Holding (Shares) | Holding (%) |
|-----|----------------------------|------------------|---------------|
| 1 | IEC Green Energy Co., Ltd. | 4,000,000 | 100.00 |
| | Total | 4,000,000 | 100.00 |

3. Nature of the Transaction

Transaction Type: [This transaction of this size did not require disclosure of information](#) 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 (2004) [and Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets.](#)

Criteria used for Calculation: Value of the net tangible assets (*NTA: Calculated from the value of the disposed common stocks compared to the net total asset value of the Company and its subsidiaries*) Not applicable for calculation.

Total value of consideration (*Calculated from the total value of consideration compared to the net total asset value of the Company and its subsidiaries*) = 0.496 %

Net operating profit (*Calculated from net operating profit of the disposed business compared to the Company and its subsidiaries' net profit*) Not applicable for calculation.



Highest calculated value of the transaction: The total value of consideration which is 0.496% of the Company and its subsidiaries' net profit.

(in reference to the Company's consolidated financial statements as of March 31, 2016)

By calculating all the transactions happening in the past 6 months until the date entering into the transaction, the basis with the highest value which is to be used is the total value of consideration basis, the volume of the transaction is 0.496. % of the Company and its subsidiaries' net total assets (in reference to the Company's consolidated financial statements as of March 31, 2016). [This transaction of this size did not require disclosure of information 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 Disposal of Assets B.E. 2547 \(2004\) and Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets.](#)

4. Details of Assets to be Acquired

| | | |
|-----|------------------------------------|--|
| 4.1 | Type of Asset | Common stocks of GIDEC |
| 4.2 | Business' Name & Address | GIDEC Co., Ltd. 408/37 Phahonyothin Place Bldg. 9th Floor, Phahonyothin road, Samsen Nai, Phaya Thai, Bangkok |
| 4.3 | Type of business | Provides municipality wastes disposal and management services for electricity generation at Hat Yai, Songkhla Province |
| 4.4 | Registered & paid-up capital | THB 400,000,000 divided into 4,000,000 common stocks |
| 4.5 | Par value | THB 100 |
| 4.6 | Book Value (Common stock) | THB -1.17 each (Unofficial GIDEC's internal trial balance information as of December 31, 2017) |
| 4.7 | Holding in IECG Before Acquisition | 50% of the registered and paid-up capital |
| 4.8 | Holding in IECG After Acquisition | 100% of the registered and paid-up capital |



Summary of GIDEC's Financial Statements (Unit Thousand Baht: as of December 31, 2017,
which is an unofficial internal trial balance)

| | |
|----------------------|-----------|
| Total assets | 1,070,115 |
| Intangible assets | 111,129 |
| Total liabilities | 1,074,796 |
| Shareholders' equity | (4,681) |
| Total revenue | 149,739 |
| Total expense | 234,310 |
| Net profit (loss) | (84,571) |
| Book value / share | (0.00117) |

After the re-acquisition, the Directors of GIDEC will 100% consist of representatives from IECG.

5. Total Value of Consideration

The total value of consideration to be paid by IECG in this acquisition of GIDEC's common stocks is THB 24,583,971.18.

The details are as follow:

| | | |
|------------------------------|---|---|
| Price per share | : | THB 12.29 each as proposed by EGCO and both parties mutually deemed as the appropriate price. |
| GIDEC shares to be acquired | : | 2,000,000 common stocks |
| Total value of consideration | : | THB 24,583,971.18 |

The THB 24,583,971.18 payment for re-acquisition of assets was agreed by both parties to be concluded within 2018. The share purchase agreement between IECG and EGCO stipulated precedent conditions that each party must fulfill prior to the completion date such as obtaining approval from the meeting of the Board of Directors of IECG, EGCO and GIDEC.

6. Criteria for Determining the Value of Consideration

IECG will acquire 2,000,000 of GIDEC's common stocks from EGCO at the selling price of 24,583,971.18+ which is the price mutually agreed and deemed appropriate by the buyer and the seller. The acquisition of GIDEC's common stocks will also in IECG becoming 100% holding parent company of GIDEC.



7. Expected Benefits from Entering into Transaction

The Company's Board of Directors agreed that entering into transaction to acquire such assets is appropriate. It is expected that such IECG's transaction will benefit both IECG and the Company in long term. The wastes-to-energy power plant has maximum production capacity of 7.0 MW and has commercial production capacity for the Provincial Electricity Authority (P.E.A) of 6.5 MW (Adder price THB 3.50/Unit for 7 years) as agreed in the power purchase agreement. The agreement was effective from the day it was signed for 5 years and will be renewed every 5 years automatically. The Company's Board agreed that the revenue from production and distribution of electricity can generate continual stream of revenue for GIDEC and IECG will be able to have and recognize revenue from municipality wastes disposal and management services and revenue from electricity generation and distribution from 100% shareholding. Moreover, to ensure that GIDEC's internal management is not affected, there was an agreement whereby GIDEC is prohibited from selling and transferring its GIDEC stocks to a third party for 5 years from the day the agreement between EGCO and IECG's shareholders dated September 28, 2012 was signed. After that, should EGCO wish to sell their stocks to other party, EGCO must first offer their stocks to IECG. Since the prohibition period is over, EGCO therefore expressed their wish to sell the stocks to IECG.

8. Sources of Finance for Acquisition

The Company will use its working capital and/or cash acquired from its capital increase as the source of finance for re-acquisition of GIDEC's common stocks from EGCO.

9. Benefits or Connected Transaction between the Company and directors, management and shareholders directly or indirectly exceeding 10% and expected benefits from entering into the transaction

- None -

Please be informed accordingly.

Yours faithfully,

(Mr. Pongkawin Jungrungruangkit)

Chairman / Chief of Executive Officer