

Ref No : GENCO 027/2015

26 January 2015

To: President
The Stock Exchange of Thailand

Subject: Clarify the allotment of newly issued ordinary shares to specific persons by PP at a discount ([revision](#))

As SET would like General Environmental Conservation Public Company Limited (“GENCO”) to clarify about the detail of newly issued ordinary shares at the amount of 1,150,000,000 shares to specific persons by private placement, the Company would like to inform as follows:

1. Reasons and needs for the capital increase to specific persons by private placement, not offer to the existing shareholders (Rights Offering)

1.1 Criteria and reason for the allocation of newly issued ordinary share to specific person through Private Placement

- The Company issued common stocks to Private Placement investors in order to reach specific group of investors, new investors are experienced and familiar with the Company’s business. In addition, fund raising through Private Placement will expand the Company’s investor based and business partners which will support the company business and financial position.
- Furthermore, allocation of newly issued share through Private Placement provides less procedure, less time consuming, and minimize the Company’s expenses.
- Finally, fund raising via Private Placement is the efficient way due to its fastness and reliability. Since the Private Placement investors have potential and capability in terms of financial and experience while fund raising through rights offering is uncertain and unpredictable due to the existing investor might not be interested in subscribing the company newly issued shares.
- The Company believes that capital increase this time is relatively high comparing to the existing registered capital. The Company is uncertain whether fund raising through Rights Offering could be done effectively. In addition, the economic downturn and fluctuated domestic and international equity market raise uncertainty among existing shareholders. Due to the fact that existing shareholders may not want to subscribe new shares, the Company would not be able to raise the expected amount of fund within a given time, which could affect the Company’s future projects and financial position.

1.2 Expected fund raising amount

- Baht 2,300,000,000 is expected to be received through this Private Placement within one year from the shareholders' approval day
- The use of proceeds are as follow:
 - to repay (either in part or in whole) the Company's debts which will be due for payment in 2015 and to support the Company's general working capital, in the amount of Baht 300,000,000;
 - to accommodate a development of real estate development projects in which the Company has invested by itself and through its subsidiary (Asia Patana Land Co., Ltd.), in the amount of Baht 1,000,000,000 within one year from the shareholders' approval day; the amount of fund given be invested in new condominium project in Nonthaburi which is a low-rise condominium (8 floors) total of 5 building (700 units).
 - to accommodate an investment or joint venture in environmental management, waste-to-energy and renewable energy projects which have the potential to grow and generate high returns, thereby increasing income and profits for the Company⁷ in the future, in the amount of Baht 1,000,000,000. However, the negotiation is still ongoing and such projects have not yet been finalized. For the best interests of the Company, the Company reserves the right not to disclose any details or information until the negotiation is completed. The management team is in the process of evaluating the feasibility of the project and having a site visit in Japan, Once the project is finalized, the Company will notify shareholders via SET's website and if the Company decided to invest in this project the Company will notify shareholders and ask for approval.

1.3 Financial Statement of the company including Balance Sheet, Income Statement and Financial Status which compared for Quarter 3 of 2012, 2013, and 2014 respectively.

Financial Statement

Items	Quarter 3/2014 (30/09/2014)		Yearly/2013 (31/12/2012)		Yearly/2012 (31/12/2011)	
	'000 Baht	%Change	'000 Baht	%Change	'000 Baht	%Change
CASH AND CASH EQUIVALENTS	246,692.00	36.38	151,263.08	263.45	41,619.00	-30.49
TRADE ACCOUNTS AND OTHER RECEIVABLE	53,132.00	-10.54	54,900.98	9.55	50,114.00	64.13
OTHER PARTIES	-	-	-	-	56,608.00	52.08
LESS : ALLOWANCE FOR DOUBTFUL ACCOUNTS	-	-	-	-	6,494.00	-2.92
UNBILLED RECEIVABLES						
OTHER PARTIES						
ADVANCES AND SHORT-TERM LOANS						

Items	Quarter 3/2014 (30/09/2014)		Yearly/2013 (31/12/2012)		Yearly/2012 (31/12/2011)	
	'000 Baht	%Change	'000 Baht	%Change	'000 Baht	%Change
RELATED PARTIES						
INVENTORIES	587,035.00	83.44	294,682.20	-28.32	411,113.00	-8.56
REAL ESTATE DEVELOPMENT COSTS	583,830.00	84.34	291,417.61	-29.11	411,113.00	-8.56
RAW MATERIAL AND FACTORY SUPPLIES	3,205.00	-2.67	3,264.59	-	-	-
OTHER CURRENT ASSETS	-	-	-	-	3,232.00	-54.62
PREPAYMENTS	-	-	-	-	3,232.00	-37.29
OTHER CURRENT ASSETS - OTHERS						
TOTAL CURRENT ASSETS	886,859.00	58.29	500,846.26	-1.03	506,078.00	-10.58
CASH RESTRICTED OR PLEDGED	756	-	755.73	-16.49	905	-
INVESTMENT ACCOUNTED FOR USING COST METHOD	10,386.00	-72.55	38,470.68	37.71	27,936.00	-7.69
AVAILABLE-FOR-SALE INVESTMENTS	10,386.00	-72.55	38,470.68	37.71	27,936.00	-7.69
INVESTMENT PROPERTIES - NET	374,710.00	4.21	456,859.82	30.03	351,358.00	52.18
INVESTMENT PROPERTIES	374,710.00	4.21	456,859.82	30.03	351,358.00	52.18
NET OF CURRENT PORTION OF LONG- TERM LOANS	-	-	-	-	27,148.00	-27.95
OTHER PARTIES	-	-	-	-	27,148.00	-27.95
PROPERTY, PLANT AND EQUIPMENTS - NET	150,637.00	-4.88	160,429.66	-1.58	163,004.00	-11.15
PROPERTY, PLANT AND EQUIPMENTS	150,637.00	-4.88	160,429.66	-1.58	163,004.00	-11.15
INTANGIBLE ASSETS - NET	-	-	0.02	-99.58	4	-93.44
OTHER INTANGIBLE ASSETS	-	-	-	-	4	-93.44
DEFERRED TAX ASSETS	2,320.00	-10.11	2,472.77	-	-	-
OTHER NON-CURRENT ASSETS	10,073.00	124.44	4,118.29	-92.67	56,185.00	-33.43
OTHER NON-CURRENT ASSETS - OTHER	-	-	-	-	56,185.00	-33.43
TOTAL NON-CURRENT ASSETS	548,882.00	-7.2	663,106.97	5.84	626,540.00	10.38
TOTAL ASSETS	1,435,741.00	24.65	1,163,953.23	2.77	1,132,618.00	-0.08
TRADE ACCOUNTS AND OTHER PAYABLE	47,879.00	35	37,227.07	-14.24	43,408.00	152.31
OTHER PARTIES	44,466.00	26.96	36,760.74	-14.52	43,004.00	155.7
RELATED PARTIES	3,413.00	670.43	466.33	15.43	404	4.66
OTHER SHORT-TERM ACCOUNT PAYABLES - NET	-	-	-	-	1,129.00	-94.44
ADVANCES AND SHORT-TERM LOANS	-	-	-	-	1,129.00	-94.44
CURRENT PORTION OF LONG-TERM LIABILITIES	-	-	549.55	15.21	477	-96.54
LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS	-	-	549.55	15.21	477	-
OTHER CURRENT LIABILITIES	-	-	-	-	-	-

Items	Quarter 3/2014 (30/09/2014)		Yearly/2013 (31/12/2012)		Yearly/2012 (31/12/2011)	
	'000 Baht	%Change	'000 Baht	%Change	'000 Baht	%Change
CORPORATE INCOME TAX PAYABLE	-	-	-	-	-	-
OTHER CURRENT LIABILITIES - OTHERS	237,000.00	-	-	-	-	-
TOTAL CURRENT LIABILITIES	284,879.00	703.22	37,776.61	-16.08	45,014.00	-23.98
NET OF CURRENT PORTION OF POST EMPLOYEE BENEFIT OBLIGATIONS	1,092.00	-35.73	1,710.75	2.93	1,662.00	-52.26
OTHER NON-CURRENT LIABILITIES	34,000.00	-6.55	36,382.10	0	36,382.00	-9.91
OTHER NON-CURRENT LIABILITIES - OTHERS	34,000.00	-6.55	36,382.10	0	36,382.00	-9.91
TOTAL NON-CURRENT LIABILITIES	35,092.00	-7.85	38,092.85	0.13	38,044.00	-13.27
TOTAL LIABILITIES	319,971.00	335.05	75,869.47	-8.65	83,058.00	-19.42
AUTHORIZED SHARE CAPITAL	1,080,000.00	20	900,000.00	-	900,000.00	-
ORDINARY SHARES	1,080,000.00	20	900,000.00	-	900,000.00	-
ISSUED AND FULLY PAID-UP SHARE CAPITAL	900,000.00	-	900,000.00	-	900,000.00	-
ORDINARY SHARES	900,000.00	-	900,000.00	-	900,000.00	-
PREMIUM (DISCOUNT) ON SHARE CAPITAL	195,672.00	-	195,672.14	0	195,672.00	-
ORDINARY SHARES	195,672.00	-	195,672.14	0	195,672.00	-
RETAINED EARNINGS (DEFICIT)	33,946.00	-29.51	37,380.24	86.16	20,080.00	1,052.04
RETAINED EARNINGS - APPROPRIATED	7,615.00	7.48	7,615.00	7.48	7,085.00	7.35
LEGAL AND STATUTORY RESERVES	7,615.00	7.48	7,615.00	7.48	7,085.00	7.35
RETAINED EARNINGS (DEFICIT) - UNAPPROPRIATED	26,331.00	-35.89	29,765.24	129.05	12,995.00	-
OTHER COMPONENTS OF EQUITY	-13,848.00	-	-44,968.89	-	-66,192.00	-
OTHER SURPLUS (DEFICIT)	-	-	-	-	-66,192.00	-
SURPLUS (DEFICIT) FROM SHAREHOLDERS' EQUITY TRANSACTION OF SUBSIDIARIES AND/OR ASSOCIATES	-	-	-	-	-66,192.00	-
REVALUATION SURPLUS ON INVESTMENTS	-	-	-	-	-66,192.00	-
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	1,115,770.00	3.48	1,088,083.48	3.67	1,049,560.00	1.85
NON-CONTROLLING INTERESTS	-	-	0.28	-	-	-
TOTAL EQUITY	1,115,770.00	3.48	1,088,083.76	3.67	1,049,560.00	1.85

Income Statement

Items	Quarter 3/2014 (30/09/2014)		Yearly/2013 (31/12/2013)		Yearly/2012 (31/12/2012)	
	'000 Baht	%Change	'000 Baht	%Change	'000 Baht	%Change
Income Statement						
REVENUES FROM SALE OF GOODS AND RENDERING OF SERVICES	106,785.00	-7.32	429,029.90	47.17	291,515.00	35.97
REVENUES FROM SALES OF REAL ESTATE	40,378.00	-25.28	185,287.49	156.49	72,239.00	214.93
REVENUES FROM RENDERING OF SERVICES	66,407.00	8.56	243,742.42	11.16	219,276.00	14.53
OTHER INCOME	1,737.00	-9.25	6,854.03	-56.37	15,709.00	-40.67
DIVIDEND INCOME	-	-	-	-	596	-33.48
OTHER INCOMES - OTHERS	-	-	-	-	15,113.00	-31.9
TOTAL REVENUES	108,522.00	-7.35	435,883.94	41.88	307,224.00	27.54
COST OF SALE OF GOODS AND RENDERING OF SERVICES	71,186.00	-10.94	291,497.45	47.54	197,578.00	26.24
COST OF SALES OF PROPERTY	29,623.00	-27.75	135,924.48	168.47	50,630.00	232.81
COST OF RENDERING OF SERVICES	41,563.00	6.77	155,572.96	5.87	146,948.00	4
SELLING AND ADMINISTRATIVE EXPENSES	21,496.00	51.64	83,856.19	46.02	57,426.00	11.83
SELLING EXPENSES	5,125.00	214.42	15,775.45	185.53	5,525.00	174.6
ADMINISTRATIVE EXPENSES	16,371.00	30.49	68,080.74	31.17	51,901.00	5.19
OTHER EXPENSES	-	-	20,000.00	-	-	-
IMPAIRMENT LOSS OF INVESTMENTS	-	-	20,000.00	-	-	-
MANAGEMENT AND DIRECTORS' REMUNERATION	4,415.00	2.2	16,880.04	5.8	15,954.00	29.37
MANAGEMENTS' REMUNERATION	4,415.00	2.2	16,880.04	-	-	-
TOTAL EXPENSES	97,097.00	-1.35	412,233.68	52.14	270,958.00	23.06
PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX EXPENSES	11,425.00	-38.92	23,650.26	-34.79	36,266.00	75.28
FINANCE COSTS	3,330.00	83,150.00	20.64	-98.72	1,616.00	984.56
INCOME TAX EXPENSES	1,348.00	-64.27	12,461.19	70.4	7,313.00	-
NET PROFIT (LOSS)	6,747.00	-54.8	11,168.43	-59.15	27,337.00	33.09
PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	6,747.00	-54.8	11,168.43	-59.15	27,337.00	33.09
BASIC EARNINGS PER SHARE (UNIT : BAHT)	0.01	-54.79	0.01	-59.18	0.03	52
Other Comprehensive Income Statement						
NET PROFIT (LOSS)	6,747.00	-54.8	11,168.43	-59.15	27,337.00	33.09

Items	Quarter 3/2014 (30/09/2014)		Yearly/2013 (31/12/2013)		Yearly/2012 (31/12/2012)	
	'000 Baht	%Change	'000 Baht	%Change	'000 Baht	%Change
UNREALISED GAINS (LOSSES) ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	193	-90.02	24,374.85	-	-	-
ACTUARIAL GAINS (LOSSES) ON EMPLOYEE BENEFIT PLANS	-	-	-	-	3,152.00	-
GAINS (LOSSES) ON HEDGES OF A NET INVESTMENT IN FOREIGN OPERATIONS	11,244.00	-	-	-	-2,423.00	-
TOTAL OTHER COMPREHENSIVE INCOME	6,940.00	-58.84	35,543.29	26.64	28,066.00	101.58
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	6,940.00	-58.84	35,543.29	26.64	28,066.00	101.58

Financial ratio

ITEM		Quarter 3/2014**		Yearly 2013**		Yearly 2012**	
			% Chg		% Chg		% Chg
Liquidity Ratio							
Current Ratio	(Times)	3.11	-80.29	13.26	17.93	11.24	17.63
Quick Ratio	(Times)	1.05	-84.46	5.46	167.8	2.04	33.47
Leverage Ratio							
D/E Ratio	(Times)	0.29	320.41	0.07	-11.89	0.08	-20.88
Int. Coverage	(Times)	3.43	-99.93	1,146.01	5006.59	22.44	-83.84
Profitability Ratio							
Gross Profit Margin	(%)	33.34	8.85	32.06	-0.52	32.22	19.33
Net Profit Margin	(%)	6.22	-51.22	2.56	-71.2	8.9	4.35
Return on Asset +	(%)	-0.49	N.M.	2.06	-35.65	3.2	77.62
Return on Equity +	(%)	-1.3	N.M.	1.04	-60.25	2.63	31.16
Activity Ratio							
Accounts Receivable Turnover +	(Times)	7.53	-17.99	8.17	13.02	7.23	5.69
Average Collection Period +	(Days)	48.5	21.93	44.67	-11.52	50.49	-5.38
Fixed Asset Turnover +	(Times)	2.79	9.33	2.7	51.98	1.77	38.59
Inventory Turnover +	(Times)	0.63	-16.38	0.83	79.92	0.46	31.8
Average Sale Period +	(Days)	583.49	19.59	441.88	-44.42	795.02	-24.13
Total Asset Turnover +	(Times)	0.33	-7.68	0.38	40	0.27	29.25

1.3.1 Management Discussion and Analysis: MD&A

Summary of Market Condition for the third quarter of 2014

The economy suffered as a result of political unrest in the last quarter of 2013 continued to first quarter of 2014 has resulted weak domestic demand and falling exports, dragged on growth that led up to the military coup in May 2014. In presenting the stimulus package, Prime Minister General Prayuth Chan-Ocha gave a breakdown of how the funds will be distributed as one-off payments to farmers to support rice production. The rest of the funds will target public investment and job creation.

As for the third quarter of 2014, the Bank of Thailand stated that overall economic activity recovered at a slow pace in some industrial sectors. Private demand had a greater role to drive the economy but was partially restrained by low farm prices, elevated debt levels, however, some industries have increased its production capacity.

Only a small part of public investment outlays could be disbursed despite acceleration at the end of the quarter. The tourism sector recovered gradually. However, merchandise exports value declined as a result of weak global demand, particularly from European countries, Japan, and the Middle East. Overall manufacturing production was flat due mainly to precarious recovery of both domestic and external demand.

Company's performances for two business units were impacted from this political and economic issues, more or less. Problems of global economy, local economy, and local political are beyond control by the Company, but its affects the Company as a whole. As for industrial waste treatment business rely on the production volume of customers, declining productions also declining of industrial wastes for treatment. However, for the third quarter's revenues were better than previous year, same period of time. This will be credited for all employees involved. For real estate business, slow sales caused by sluggish economy, the low demand. Apart from that, the financial institutes normally banks were tightened it mortgage policy during this third quarter 2014.

Operating Results (Company and Subsidiaries)

Third Quarter 2014

Consolidated revenue in third quarter of year 2014 amounted 108.5 million baht compared with same period of year 2013 was amounted 117.1 million baht or lower than last year 8.6 million baht or 7.34 percent. Therefore end of third quarter the company has profit amount of 6.7 million baht compared same period of previous year was profitable 14.9 million baht. During this quarter, cost of goods for real estate business has increased from 70 percent in year 2013 to 73 percent in year 2014. Expenses of selling and administrative were increased 3.8 million baht due to real estate business's expenses such as advertising and promotion expenses amounted 3.5 million baht that consists of advertising and promotion amounted 2 million baht, transfer fee amount of 1 million and quality inspection fee 0.55 million baht. Finance costs was amounted 3.3 million baht compared year 2013 same period was amounted 4,000 baht.

Total comprehensive income for third quarter amounted 6.9 million baht compared with same period last year that was 16.9 million baht, lower than year 2013 amounted 8.2 million baht.

(1) Industrial Waste Treatment Business Income or Service Income (Disposal, landfill, and transportation)

Service income for the third quarter of 2014 amounted 66.4 million baht compared same period last year was 61.2 million baht, higher than last year 5.2 million baht or 8.50 percent.

Cost of service was 62.5 percent of income compared same period last year was 63.7 percent. Which an effectiveness of cost control.

(2) Real Estate Business Income.

Revenue from real estate business for the third quarter of 2014 was amounted 40.4 million baht compared with same period last year was 54 million baht or 25 percent lower than last year.

Cost of goods was 73.3 percent of income compared with last year was 69.4 percent. Higher cost of goods arrived from the improvement and renovation costs for The Plenary Condo Project.

(3) Other Income

Other income was amounted 1.7 million baht compared with same period last year was 1.9 million baht, decreased 0.2 million baht.

(4) Selling and Administrative Expenses

Selling and administrative expenses for the third quarter of year 2014 was amounted 21.5 million baht or 19.8 percent of income compared with same period last year was amounted 17.7 million baht or 15.1 percent of income. This year the expenses was increased from last year 3.8 million baht , or 21.47 percent which most came from real estate' s expenses such as advertising and sales promotion amounted 2 million baht (New projects that under construction and not on sale yet). Transfer fee amounted 1 million baht and inspection fee 0.55 million baht, while finance costs was amounted 3.3 million baht compared same period last year was 0.004 million baht.

Nine-month period Year 2014

For the nine-month period of 2014 consolidated revenue was amounted 323.6 million baht compared same period last year was 327.9 million baht, 4.3 million baht lower than last year, or 1.3 percent. Loss for the period of nine-month was 3.4 million baht compared with same period last year profit was 21.9 million baht profitable. This negative figure caused by the loss from impairment of investment in available-for-sale amounted 20.1 million baht. An extra 5.9 million baht expenses of advertising and sales promotion of real estate's projects which are under constructions and not post-sales yet compared last year same period was amounted 0.7 million baht. Finance costs amounted 3.3 million baht compared last year 0.017 million baht.

Total comprehensive income for the period of nine-month was amounted 27.7 million baht compared with 25.7 million baht same period last year. Higher than last year 2 million baht, or 7.78 percent.

(1) Industrial Waste Treatment Business Income or Service Income (Disposal, landfill, and transportation)

Service income for nine-month period of 2014 amounted 185.6 million baht compared same period last year was 178.6 million baht, higher than last year 7 million baht or 3.9 percent.

Cost of service was 63.29 percent of income compared same period last year was 62.98 percent. This year the cost of service was higher due to an addition cost of investment for projects accordingly to the contact agreement with Department of Industrial Works, Ministry of Industry amounted 36 million baht has been completed and booked as cost of service in this year onward till September 2016, but with an effectiveness of cost control, thus, cost of service was quite appreciated.

(2) Real Estate Business Income.

Revenue from real estate business for the nine-month of 2014 was amounted 131.6 million baht compared with same period last year was 144.2 million baht or 9.22 percent lower than last year.

Cost of goods was 75.3 percent of income compared with last year was 71.9 percent. Higher cost of goods arrived from the improvement and renovation costs for The Plenary Condo Project.

(3) Other Income

Other income was amounted 6.4 million baht compared with same period last year was 5.0 million baht, higher 1.4 million baht, or 28 percent.

(4) Selling and Administrative Expenses

Selling and administrative expenses for nine-month period of year 2014 was amounted 72.7 million baht or 22.46 percent of income compared with same period last year was amounted 68.1 million baht or 20.78 percent of income. This year the selling and administrative expenses was higher than last year amounted 4.6 million baht came from real estate's advertising and sales promotion expenses.

Financial Status (The Company and Subsidiaries)

(1) Total Assets

The company has total asset as at September 30, 2014 in the amount of 1,435.7 million baht compared to 1,163.9 million baht as at December 31, 2013. An increased 271.8 million baht or 23.35 percent.

As at September 30, 2014 the total assets consisted of:

1.1 Current assets amounted 886.8 million baht compared as at December 31, 2013 was amounted 500.8 million baht, an increased amounted 386 million baht or 77.08 percent.

1.2 Non-current assets amounted 548.9 million baht compared as at December 31, 2013 was amounted 663.1 million baht, an decreased of non-current assets amounted 114.2 million baht or 17.22 percent.

(2) Total Liabilities

The company has total liabilities as at September 30, 2014 amounted 320 million baht compared as at December 31, 2013 was amounted 75.9 million baht, increased 244.1 million baht or 321.61 percent.

As at September 30, 2014 the total liabilities consisted of:

1.1 Current liabilities in the amount of 284.9 million baht compared as at December 31, 2013 was amounted 37.8 million baht. An increased 247.1 million baht or 653.70 percent.

1.2 Non-current liabilities amounted 35.1 million baht compared as at December 31, 2013 amounted 38.1 million baht, a decreased 3 million baht or 7.87 percent.

2. Investors selection criterias

2.1 Investors selection criterias

- The Company issues new shares and allocate trough Private Placement in which not more than 50 people, with a minimum investment amount of THB 50,000,000. The Company selects the investors based on their financial position. The funding from investors will support the company financial position and business expansion. Moreover, the Company also considers investor know-how and experience as well as business connection in which will lead to the future investment opportunity for the company to expand its business and yield high return.

Private Placement details

Investor	Number of shares allocated	Percentage of the total number of shares allocated 1,150,000,000 shares	Percentage of the total number of shares issued after the capital increae 2,060,580,100 shares
1. Mrs. DaraneeAttanand	500,000,000	43.478	24.265
2. UOB Kay Hian Private Limited	250,000,000	21.743	12.132
3. Mrs. MaturoseLochaya	150,000,000	13.043	7.279
4. Mr. PuwassittChetudomlap	100,000,000	8.695	4.853
5. Mr. TasnaiSudasna Na Ayudhya	50,000,000	4.347	2.426
6. Mr. PirojSirirat	50,000,000	4.347	2.426
7. Ms. VeeravalSiengwong	50,000,000	4.347	2.426

2.2 Principle to specify the offering price and the reason for selecting

- For the range of offering price, the company calculated from the Company's financial position, operating performance, and market price before 21 January 2015as follow

market price of the Company's shares. Such market price is calculated based on the weighted average price of the Company's shares on the Stock Exchange of Thailand (the "SET") over 15 consecutive trading days (26 Dec 14 - 20 Jan 15) prior to the date of the Board of Directors' meeting No.1/2558 which was held on 21 January 2015	Equivalent to THB 4.17 per share
<u>Book Value per share</u> As of 30 September 2014 (THB 1,115.77 million/ 900 M.shares) As of 31 December 2013 (THB 1,088.08 million/ 900 M.shares)	Equivalent to THB 1.24 per share Equivalent to THB 1.21 per share
<u>Earning per share</u> For 9-month ended, 30 September 2014 (THB -3.43 million / 900 M.shares) For 12-month ended, 31 December 2013 (THB 11.17 million / 900 M.Shares)	Equivalent to THB (0.0038) per share Equivalent to THB 0.0124 per share
Offering Price	THB 2.00 per share

The determination of the offer price at Baht 2 per share (which is the price that resulted from the negotiation between the Company and the investors) is an appropriate offer price. This is because such offer price is 1.61 times higher than the Company's book value when compared to the Company's book value as appeared in the Company's financial statements for the period ended 30 September 2014 which equals to Baht 1.24 per share. As for the current market price of the Company's shares which is Baht 4.17 (market price means the weighted average price of the Company's shares on the SET over 15 consecutive trading days prior to the date of the Board of Directors' meeting), such market price cannot reflect the accurate turnover of the Company. Further, the said market price may be considered to be higher than the actual price of the Company's shares. This is because when considering the Company's aggregated turnover in respect of 3 quarters in 2014, the Company has a net loss in the amount of Baht 3.43 million. Based on the foregoing, the proceeds received from this offering will help decrease the Company's financial liabilities and costs of capital, as well as improve the Company's financial position and growth in the future. [Thus, the Company has appointed UOB Kayhian Securities \(Thailand\) PCL \("UOBKH"\) to be the Company's advisor regarding this offering. UOBKH will support the Company in term of advising offering process and document preparation.](#)

2.2.1 Private Placement benefit

- The offering of newly issued shares by way of private placement at a discount will give the Company access to targeted investors, as well as help expand the Company's investor base and business connections, including connecting the Company with investors in other business sectors. This will bring opportunities for the Company to engage in the new line of business which has the potential to generate returns for the Company in the future.

2.3 In case of the discounted market price is elaborated as follow:

2.3.1 Objective of the offering of newly issued shares at a discount

The objective of such offering is to use the proceeds received there from for the following purposes

1. to repay (either in part or in whole) the Company's debts which will be due for payment in 2015 and to support the Company's general working capital, in the amount of Baht 300,000,000;
2. to accommodate a development of real estate development projects in which the Company has invested by itself and through its subsidiary (Asia Patana Land Co., Ltd.), in the amount of Baht 1,000,000,000 within one year from the shareholders' approval day; the amount of fund given be invested in new condominium project in Nonthaburi which is a low-rise condominium (8 floors) total of 5 building (700 units).
3. to accommodate an investment or joint venture in environmental management, waste-to-energy and renewable energy projects which have the potential to grow and generate high returns, thereby increasing income and profits for the Company⁷ in the future, in the amount of Baht 1,000,000,000. However, the negotiation is still ongoing and such projects have not yet been finalized. For the best interests of the Company, the Company reserves the right not to disclose any details or information until the negotiation is completed. The management team is in the process of evaluating the feasibility of the project and having a site visit in Japan. Once the project is finalized, the Company will notify shareholders via SET's website and if the Company decided to invest in this project the Company will notify shareholders and ask for approval.

Offering price

- The offering price for Private Placement of THB 2 is a discounted price from market price (below 90 percent of market price) in which calculated from weighted average price of the Company's shares on the Stock Exchange of Thailand (the "SET") over 15 consecutive trading days (26 Dec 14 - 20 Jan 15) which equal to THB 4.17. The abovementioned offering of the Company's newly issued ordinary shares is considered as the offering of newly issued shares at a discount pursuant to the Capital Market Supervisory Board No. TorChor. 28/2551 entitled Application for and Approval of Offer for Sale of Newly Issued Shares and the Notification of the Office of the Securities and Exchange Commission No. SorChor. 39/2551 entitled Calculation of Offer Price of Securities and Determination of Market Price in case of an Offer for Sale of Newly Issued Shares at a Discount. This is because the offer price of such newly issued shares is lower than 90% of the market price of the Company's shares. As such, the offering of the Company's newly issued shares at a discount requires an approval from the shareholders' meeting with a vote of not less than three-fourths of the total votes of shareholders attending the shareholders' meeting and eligible to vote, and the shares

held by the shareholders who object the offering of the Company's newly issued shares at a discount shall not exceed 10% of the total votes of shareholders attending the shareholders' meeting.

Market price comparison and offering price calculation

- The Company using weighted average trading price over 15 consecutive trading days (26 Dec 14 - 20 Jan 15) prior to the Board meeting date. The calculation are shown as below

No.	Date/Month/Year	Close Price	Avg. Price	Number (shares)	Total (Baht)
1	20/01/2015	5.00	4.79	196,048,280	939,715,000
2	19/01/2015	4.40	4.35	96,952,586	422,053,020
3	16/01/2015	4.46	4.26	224,635,163	957,789,830
4	15/01/2015	3.88	3.89	170,711,583	663,695,510
5	14/01/2015	4.30	4.38	396,918,544	1,738,194,680
6	13/01/2015	5.30	4.98	109,034,806	542,654,010
7	12/1/2015	4.80	4.54	126,771,140	575,267,970
8	9/01/2015	4.20	4.14	185,346,385	767,394,010
9	8/01/2015	3.90	3.87	51,937,100	201,170,100
10	7/01/2015	3.90	3.73	172,803,200	643,851,340
11	6/01/2015	3.70	3.42	201,889,200	690,244,030
12	5/01/2015	3.18	3.13	33,744,401	105,467,190
13	30/12/2015	3.00	3.02	11,651,700	35,189,460
14	29/12/2015	2.98	3.01	15,288,550	46,083,190
15	26/12/2015	2.98	3.03	19,997,300	60,576,870
Total				2,013,729,938	8,389,346,210
Weighted average trading price (THB per share)					4.17
Offering price (THB per share)					2
Discount					51.99%

2.3.2 Right of shareholders to veto the offering of newly issued shares at a discount

The offering of newly issued shares by way of private placement at a discount requires an approval from the shareholders' meeting with a vote of not less than three-fourths of the total votes of shareholders attending the shareholders' meeting and eligible to vote, and the shares held by the shareholders who object the offering of the Company's newly

issued shares at a discount shall not exceed 10% of the total votes of shareholders attending the shareholders' meeting.

In light of the above, any shareholders holding altogether 10% of the total voting rights of the Company who attend the shareholders' meeting may cast their votes to object the said offering of newly issued shares at a discount.

2.3.3 The Board of Directors' opinion on the necessity of making the offering of newly issued shares at a discount

- The company's Board of Directors is of the opinion that the offering of newly issued shares at a discount will be beneficial to the Company given that the Company necessitates funds for the purposes of supporting the Company's general working capital, business expansion and investments in various projects. In effect, this offering will help strengthen the Company's financial position, thereby allowing the Company to be ready for new business opportunities in the future. The determination of the offer price at Baht 2 per share (which is the price that resulted from the negotiation between the Company and the investors) is an appropriate offer price. This is because such offer price is 1.61 times higher than the Company's book value when compared to the Company's book value as appeared in the Company's financial statements for the period ended 30 September 2014 which equals to Baht1.24 per share. As for the current market price of the Company's shares which is Baht 4.17 (market price means the weighted average price of the Company's shares on the SET over 15 consecutive trading days prior to the date of the Board of Directors' meeting), such market price cannot reflect the accurate turnover of the Company. Further, the said market price may be considered to be higher than the actual price of the Company's shares. This is because when considering the Company's aggregated turnover in respect of 3 quarters in 2014, the Company has a net loss in the amount of Baht 3.43 million. Based on the foregoing, the proceeds received from this offering will help decrease the Company's financial liabilities and costs of capital, as well as improve the Company's financial position and growth in the future.

In light of the foregoing, the Board of Directors therefore has considered and is of the opinion that the offer price of Baht 2 per share, which is considered as a discounted price, is an appropriate and reasonable, and will benefit the Company and its shareholders.

3. **The group of persons to be offered**

- See in APPENDIX A -

4. Impact of the offering of shares at a discount on the shareholders

The offering of the Company's shares at a discount as mentioned above will have an impact on the Company's shareholders as follows;

4.1. Price Dilution

$$\text{Price Dilution} = (\text{Po} - \text{PE}) / \text{Po}$$

Where

$$\text{PE} = (\text{PoQo} + \text{PeQe}) / (\text{Qo} + \text{Qe})$$

$$\text{Po} = \text{Market price (the weighted average price over 15 days prior to the Board of Directors' Meeting held on 21 January 2015) which is equivalent to Baht 4.17 per share}$$

$$\text{Pe} = \text{The offer price of the newly issued shares by way of private placement which is equivalent to Baht 2 per share}$$

$$\text{Qo} = \text{Number of existing issued shares which is equivalent to 910,580,100 shares}$$

$$\text{Qe} = \text{Number of shares offered by way of private placement which is equivalent to 1,150,000,000 shares}$$

$$\text{Price Dilution Effect} = [\text{Po} - ((\text{PoQo} + \text{PeQe}) / (\text{Qo} + \text{Qe}))] / \text{Po}$$

$$= [4.17 - ((4.17 * 910.58 \text{ million shares} + 2 * 1,150 \text{ million shares}) / (910.58 \text{ million shares} + 1,150 \text{ million shares}))] / 4.17$$

$$= 29.02\%$$

4.2 Control Dilution

$$\text{Control Dilution} = \text{Qe} / (\text{Qo} + \text{Qe})$$

Where

$$\text{Qo} = \text{Number of existing issued shares which is equivalent to 910,580,100 shares}$$

Qe = Number of shares offered by way of private placement which is equivalent to 1,150,000,000 shares

$$\text{Control Dilution Effect} = \frac{1,150,000,000}{(910,580,100 + 1,150,000,000)} = 55.81\%$$

5. The opinion of audit committee about increasing capital and allocate to Private Placement investors

- At Board Meeting as of 21 January 2015, Audit committee also attended and considered about the increasing capital and the Private Placement. The audit committees have comments no different from the other committees.

6. Conditions or agreements of the investor's shareholding duration.

- None -

7. Shareholder's Structure before and after, the increasing capital or Private Placement (PP)

Shareholder Structure	As of Book Closing date (9 May2014)		After Private Placement (PP)	
	Amount	%	Amount	%
1. Ministry if Industry Thailand	150,000,000	16.67%	150,000,000	7.28%
2. Mr.ItthiritWipoosiri	77,249,600	8.58%	77,249,600	3.75%
3. Mr.CharnwitWipoosiri	52,000,000	5.78%	52,000,000	2.52%
4. Miss NantakanThongprapan	35,020,000	3.89%	35,020,000	1.70%
5. Mr. VipasTanarukwong	34,971,500	3.89%	34,971,500	1.70%
6. Miss SomjitTharaamornrat	33,500,000	3.72%	33,500,000	1.63%
7. Phatra House and Property Public Company Limited	30,824,800	3.42%	30,824,800	1.50%
8. Mrs.PomtipArchakun	30,000,000	3.33%	30,000,000	1.46%
9. Miss WarapornSuwanthawarat	20,472,300	2.27%	20,472,300	0.99%
10. The Industrial Estate Authority of Thailand	15,000,000	1.67%	15,000,000	0.73%
11. Others	420,961,800	46.77%	431,541,900	20.94%
Private Placement Inestors PP (1,150,000,000 shares)				
1. Mrs. DaraneeAttanand	-	-	500,000,000	24.27%
2. UOB Kay Hian Private Limited	-	-	250,000,000	12.13%

Shareholder Structure	As of Book Closing date (9 May2014)		After Private Placement (PP)	
	Name	Amount	%	Amount
3. Mrs. MaturaseLochaya	-	-	150,000,000	7.28%
4. Mr. Puwassitt Chet-udomlap	-	-	100,000,000	4.85%
5. Mr. TasnaiSudasna Na Ayudhya	-	-	50,000,000	2.43%
6. Mr. PairojSirirat	-	-	50,000,000	2.43%
7. Ms. VeeravalSiengwong	-	-	50,000,000	2.43%
Total	900,000,000	100.00%	2,060,580,100	100.00%

**Note: There was a warrant exercise in the amount of 10,580,100 shares*

Therefore, the new investors mentioned above will not interfere the company's current management team and will not affect existing management structure.

Please be informed accordingly,

Yours Faithfully,

(Asst.Prof. RonnchaiTantragoon)

Name	Relationship with Director, Manager/ Shareholder of the company and its affiliate company	Shareholding in listed company which exceed 5 %	Occupancy	Period	Company	Business
1. Mrs. DaraneeAttanand	None	EVER – 20.20% SUPER – 6.73%	Director	present	Thai Refined Salt Co.,Ltd	Fined salt
2. UOB Kay Hian Private Limited	None	THIF – 10.69%	-	-	-	-
3. Mrs. MaturoseLochaya	None	None	Associate judge	present	-	-
4. Mr. Puwassitt Chet-udomlap	None	None	Director	present	Super Energy Group Ltd.	Renewal Energy
5. Mr. Puwassitt Chet-udomlap	None	None	Purchasing Manager	2012–present	DD Mart Holding Ltd.	Invest in Real Estate business (Holding)
			Director	2010–present	Rojanadej Supply & Services Ltd.	Mechanical and Electrical, Heating, Air-Conditioning Services
6. Mr. PairojSirirat	None	None	Director	2014	Rojanadej Supply & Services Ltd.	Mechanical and Electrical, Heating, Air-Conditioning Services
			Managing Director	2013–present	DD Mart Holding Ltd.	Invest in Real Estate business (Holding)
7. Ms. VeeravalSiengwong	None	None	Investor	-	-	-