

Ref No : GENCO 048/2015

20 February 2015

To: Director and President
The Stock Exchange of Thailand

Subject : Clarify the allotment of newly issued ordinary shares to specific persons by PP at a discount (Additional Clarification)

General Environmental Conservation Public Company Limited (“GENCO” or “Company”) would like to clarify the detail of newly issued ordinary shares at the amount of 1,150,000,000 shares to specific persons by private placement in which the details are as follow:

1. Participation of a Private Placement investors in management role

Name	Participation in Management Role
1. Ms. Daranee Attanand	- None -
2. UOB Kay Hian Private Limited ^{/1}	- None -
3. Ms. Maturose Lochaya	- None -
4. Mr. Puwassitt Chetudomlap	- None -
5. Mr. Tasanai Sudasna Na Ayudhya	- None -
6. Mr. Pairoj Sirirat	- None -
7. Ms. Veeraval Siengwong	- None -

^{/1} UOB Kay Hian Private Limited is a securities firm which is duly registered by the law of Singapore and has its head office in Singapore, it is an amalgamation of eight stock broking firms, namely, Kay Hian, UOB Securities, RHB-Cathay Securities, OUB Securities, Grand Orient Securities, J M Sassoon, Millennium Securities and the retail arm of Credit Suisse First Boston. UOB Kay Hian Private Limited keens on South East Asia investment. It is held 100% by UOB-Kay Hian Holding Limited in which a listed company in Singapore Exchange (“SGX”). UOB Kay Hian Private Limited decided to invest in a newly issued share of GENCO. In the past, UOB Kay Hian Private Limited has invested in many companies which are listed in the Stock Exchange of Thailand. Moreover, UOB Kay Hian Private Limited is interested in waste elimination businesses, currently; it holds professional waste technology (1999) PCL. Thus, the decision that UOB Kay Hian Private made to invest in GENCO is independent and transparent without any interference from UOB Kay Hian Securities (Thailand) and this transaction has no conflict of interest between UOB Kay Hian Private Limited and UOB Kay Hian Securities (Thailand) since UOB Kay Hian Securities (Thailand) act as an advisor for GENCO; only to assist GENCO on document preparation and capital increase process.

Nevertheless, from the discussion between new investors and the Company, the Company deems that the new investors will not take any management role in the Company and will not assign any representative to be director (no board seat).

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

- The Company will make an agreement with each investor, whom the Company has allotted newly issued shares, "Private Placement Investor." The agreement will not allow the investors to sell and/or transfer any allotted shares (whether wholly or partially). Currently the Company is in the process of discussing on terms and details of the lock-up of investors' shares including lock-up period, number of lock-up shares, and exceptions and the Company deems that the Private Placement investors will kindly cooperate. Once all conditions and agreements are concluded, the Company will inform all shareholders prior to shareholders' meeting No. 2/2558 on 5th March 2015.

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

- The reason for fund raising through private placement is the Company believes that capital increase this time is relatively high comparing to the existing registered capital (approximately 1 time more than existing registered capital), the Company has to ensure that the chosen way of fund raising must be able to raise the full amount of capital that the Company need.
- In addition, due to the economic downturn and fluctuated domestic and international equity market, it is uncertain that when the Company gives the right offering to the existing shareholders, they will fully subscribe new shares. The Company has discussed and consulted with a representative from ministry of industry who is a major shareholder of the Company, they informed that they might not be able to subscribe new shares due to the regulation that if the Ministry will invest in any project the budget need to be set in advance. Moreover, if the Company raise fund by offer to both existing shareholders (Rights offering (RO)) and to specific investors (Private placement (PP)), the process will spend more time than raising fund only by the way of private placement. Right offering process will be 1 month longer than Private Placement process and if there are any shares left from the RO it might take longer time to allot to other investors whether by RO or PP. If the Company would not be able to raise the expected amount of fund within a given time, it could affect the Company's future projects, business plan and opportunities, and financial position.
- Furthermore, the projects that the Company plans to invest needs a large amount of funds especially the environmental management, waste-to-energy and renewable energy projects. The company also need to show the partner and related parties the proof of fund to ensure that the company is capable in term

of financial position to invest in the project. Thus, the Company decided to raise fund via private placement due to less time consuming, efficient, and can secure full amount of fund for the Company.

- For the offering price, the Company has duly considered the benefit of minority shareholders, In fact that, during the negotiation (4th quarter of 2014) between the Company and the investors, the Company's shares price is traded around Baht 1.20-2.00 (October – Beginning of December) so the offering price is not considered as issued shares at a discount pursuant to the Capital Market Supervisory Board No. TorChor. 28/2551 entitled Application for and Approval of Offer for Sales 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 Sales of Newly Issued Shares at a Discount (“Related rules and regulation”). However, from mid of December, the price gradually increased till the date of Board of Director meeting which is 21st January 2015. Thus, it led to an increase in the average price for market price calculation and made this transaction considered as issued shares at a discount pursuant regarding the aforementioned regulation.
- In addition, 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:
 - Baht 300,000,000 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 (a part of repayment will be due in Q2 of 2015 approximately Baht 100,000,000);
 - Baht 1,000,000,000 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.), the investment will be occurred within one year from the shareholders' approval day; the amount of fund given will be invested in new condominium project in Nonthaburi “B-Live (phase2)” which is a low-rise condominium (8 floors) total of 5 buildings (700 units). The construction is expected to begin in 2nd quarter of 2015, currently the project is under an Environmental Impact Assessment (EIA).
 - Baht 1,000,000,000 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 Company in the future. The Company expects that the first payment for this project need will be due within 2nd quarter of 2015. However, the negotiation is still ongoing and such projects have not yet been finalized. For the best interests of the Company and to prevent the speculation of the Company's stock price, the Company reserves the right not to disclose any details and information of the projects until the negotiation is completed. Once the negotiation of the projects is finalized, the Company will notify shareholders via SET's website and if the Company decides to make any agreements related to these projects

the Company will notify shareholders and/or ask for approval pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 entitled Rules on Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand entitled Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004.

4. Conflict of Interest

- As of 17 March 2014 (book closing date), Mrs. Daranee Attanand held 436,044,173 shares or approximately 20.20% of total shares in Everland public company limited ("EVER"). EVER and its subsidiary(ies) engages in property development business in which could be divided into 3 categories: 1. House building for sales 2. Condominium and 3. Project Management. Condominium business is a main income for EVER in which most of the projects are located in a famous tourist attraction such as Chiang Mai province, Phetchaburi province, Prachuap Khiri Khan province (Hua-Hin). GENCO also engages in property development business, however, most of the projects that GENCO has developed are located nearby business district in Nonthaburi province and Pathumthani province. Thus, the target customers between the two companies are different. Due to all the aforementioned reasons, the Company believes that the Company's business and EVER's business do not considered as a direct competition. Furthermore, the amount of Company's shares held by Mrs. Daranee after a capital increase will be similar amount to the shares that Mrs. Daranee held in EVER, thus, there will be no persuasion for Mrs. Daranee to transfer interests between companies.

Please be informed accordingly,

Yours Faithfully,

(Asst.Prof. Ronnachai Tantragoon)
Managing Director