

Ref.: GENCO 071/2016

March 15, 2016

Subject: Invitation to the Annual General Shareholders Meeting for 2016

To: Shareholders

- Attachment:
- 1) Copy of the Minute of the Annual General Shareholders Meeting for 2015
  - 2) Annual Report of 2015, including Financial Statement for the fiscal year ending December 31, 2015
  - 3) Name list and records of directors proposed for election
  - 4) Name list of auditors and details of audit fee
  - 5) Capital Increase Report Form (F53-4)
  - 6) Information relating to capital increase
  - 7) Articles of Association of the Company relating to the shareholders meeting
  - 8) Proxy Form
  - 9) Guidelines for proxy appointment, registration and identification documents required to attend in the meeting
  - 10) Detail of independent directors who serves as proxy for shareholders
  - 11) Map of the meeting location

The General Environmental Conservation Public Company Limited (GENCO) would like to invite all shareholders to attend the Annual General Shareholders Meeting for 2016 on Friday, April 29, 2016 at 15.00 hours, at the Venus room, 3<sup>rd</sup> Floor of the Miracle Grand Convention Hotel, 99 Vibhavadi-Rangsit Road, Laksi, Don Muang, Bangkok 10210. The meeting agendas are as follows:

**Agenda Item 1 To approve the Minute of the Annual General Shareholders Meeting for 2015.**

**Background Information** The Annual General Shareholders Meeting for 2015 was held on April 29, 2015. The draft minutes of said meeting is attached herewith (Attachment 1).

**Opinion of the Board** It is considered appropriate for the Meeting of Shareholders to approve the minutes of the Annual General Shareholders Meeting for 2015 on April 29, 2015.

**Agenda Item 2 To acknowledge the result of the Company's performance for the Year 2015.**

**Background Information** The report of the results of business operation of the Company for the Year 2015 is shown in the Annual Report of 2015, which has been already sent to the shareholders together with this Invitation (Attachment 2).

**Opinion of the Board** It is considered appropriate to report the results of the Company's performance for the Year 2015 to the Shareholders for their acknowledgement.

**Agenda Item 3 To approve the Balance Sheet and Profit and Loss Account of the Fiscal Year ending December 31, 2015.**

**Background Information** The Balance Sheet and Profit and Loss Account of the Fiscal Year ending December 31, 2015 were audited by the Audit Committee and the Certified Public Accountant. The detail which appear in the section of Financial Statements of the Annual Report of 2015, are sent to the Shareholders with this invitation (Attachment 2).

**Opinion of the Board** It is considered appropriate for the Meeting of Shareholders to approve the Balance Sheet and Profit and Loss Account of the Fiscal Year ending December 31, 2015 which were audited by the Auditor Committee and the Certified Public Accountant.

**Agenda Item 4 To approve the appropriation of profit as legal reserve and the omission of dividend payment.**

**Background Information** In order to be in compliance with the Public Company Limited Act and the Articles 36 of Association of the Company, which has determined that the Company must make allocation of certain amount the annual profit to be reserve not less than 5% of the annual net profit less the amount of accumulated loss carried over (if any) until the reserve has reached an amount not less than 10% of the of the registered capital and in compliance with the dividend payment policy of the Company which has determined that the Company must make payment of the dividend to the shareholders at the rate of approximately 50% of the net profit of the Company Statement after taxes if there is no any other necessity and which must not have any effect upon the normal operation of the business of the Company in essential matters.

For 2015 operating result, the Company recorded a net profit of Company Statement after taxes in amount of 5,714,858 Baht and had no accumulated loss.

**Opinion of the Board** It is considered appropriate for the Meeting of Shareholders to approve the appropriation of profit as legal reserve 285,743 Baht and the omission of dividend payment for the business operation 2015 due to the Company has the little profit.

**Agenda Item 5 To approve the election of directors to replace the directors who must leave the office according to the office term.**

**Background Information** In order to be in compliance with the Public Limited Companies Act and the Articles 13 of Association of the Company, which has determined that one-third (1/3) of the total number of the Directors must leave the office. If the divided number is not exactly one-third, a number of the Directors nearest to one-third must leave the office. In the Annual General Shareholders Meeting for 2016, the Directors who must leave the Office this year include;

- |     |                       |  |
|-----|-----------------------|--|
| (1) | Mr.Angkhani Vorasaph  | Independent Director and Chairman of Audit Committee |
| (2) | Ms.Nawarat Anomasiri  | Independent Director and Member of Audit Committee   |
| (3) | Mr. Jakkarat Lertopas | Independent Director                                 |

**Opinion of the Board** The Board of Directors, exclusive of the Directors whose names are proposed for re-election, has given its approval of the proposal of the Remuneration Selection and Determination Committee that Mr.Angkhani Vorasaph, Ms.Nawarat Anomasiri and Mr. Jakkarat Lertopas are fully qualified under the Public Limited Companies Act and having the knowledge, skills and experience in the business related to the Company business who can help in the development of the company. It is therefore appropriate to make a proposal to the Shareholder's Meeting to grant an approval in the appointment of said three persons who must leave the office according to the office term in order to return to hold the position of directorship of the company again for another term (their records appeared in the Attachment 3).

**Agenda Item 6 To approve the appointment of Auditor and fix the Auditor fee for 2016.**

**Background Information** In order to be in compliance with the Public Limited Companies Act, which has determined that the Annual General Shareholders Meeting must make an appointment of the auditor and must determine the remuneration for the auditor of the company every year.

**Opinion of the Board** The Board of Directors has given its approval of the proposal of the Audit Board in making a proposal to the Shareholder's Meeting for an approval in the appointment of Mr.Boonlert Kaewphanpurk, the Certified Public Accountant No.4165 and/or Miss Piyanuch Kasemsupakorn, the Certified Public Accountant No.6303 and/or Miss Roongtawan Boonsakchalerm, the Certified Public Accountant No.6031 of BPR Audit and Advisory Co.,Ltd. and/or Ms. Maliwan Phahuwattanakorn, the Certified Public Accountant No.4701 of NPS Siam Audit Limited to be the auditors of the company and 2 subsidiary companies for 2016.

Since it was found that such auditors has the qualifications determined by the Office of the Securities and Exchange Commission. They do not have any relationship or interest with the company, its subsidiary companies, executives, major shareholders or related persons in a way that may impact their performing task independently. In addition, the Company and subsidiary companies have expanded the scope of work, so the proposed audit fee at the rate 1,650,000 Baht are reasonable. Thus it is considered appropriate for the Meeting of Shareholders to approve the appointment of the Auditors and fix the Auditor fee for 2016 at the rate of 1,650,000 Baht as proposed above. (the list of the auditor and details of audit fee appeared in Attachment 4).

**Agenda Item 7 To approve the remuneration for Directors.**

**Background Information** In order to be in compliance with Public Limited Companies Act, which has determined that an approval of the remunerations to the Directors shall be in conformity the resolution of the shareholders. Furthermore, the remuneration to Directors should be suitable with the duty and responsibility of the Directors.

**Opinion of the Board** The Board of Directors has given its approval of the proposal of the Remuneration Selection and Determination Committee who has made a careful screening and consideration with regards to the different aspects of suitability by making a comparison with the references from the same industry which were found suitable to make a proposal to the Shareholder's Meeting to make an approval of the remuneration to the Directors in form of a meeting allowance at the same rate of the year 2015 as follows :

- (1) The meeting allowance of the Board of Directors shall be paid on a monthly  
The Chairman of the Board 30,000 Baht per month  
The Director per person 25,000 Baht per month
- (2) The meeting allowance of the Audit Committee shall be paid per time  
The Chairman of the Audit Committee 25,000 Baht per time  
The Audit Director per person 20,000 Baht per time
- (3) The meeting allowance of the Executive Committee shall be paid per time  
The Chairman of the Executive Committee 25,000 Baht per time  
The Executive Director per person 20,000 Baht per time
- (4) The meeting allowance of the Advisors to the Board of Directors shall be paid per time  
The Chairman of the Advisor 25,000 Baht per time  
The Advisor per person 20,000 Baht per time

The scope of duty of the Board of Directors and the sub-committee has details appearing in the management section of the Annual Report of 2015 which has been already sent to the shareholders together with this Invitation.

**Agenda Item 8 To approve the decrease of the Company's registered capital.**

**Background Information** Reference is made to the Extraordinary General Meeting of the Shareholders of Company No.1/2015 held on March 5, 2015. The Meeting resolved that the Company has offered 1,150,000,000 the newly issued ordinary shares at par value of 1 Baht per share to private placement at the offering price of 2 Baht per share.

In which the Company has allocated of 12,000,000 shares to private placement for the 1<sup>st</sup> subscription on August 4, 2015. The total amount received from the sale of newly issued ordinary shares was 24,000,000 Baht.

However, Notification of the Capital Market Supervisory Board No.TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares in Article 27 (3) requires that the approved person shall complete its offer for sales of shares within one year from the date on which the shareholders' meeting resolves to approve an offer for sale of newly issued shares. As a result, the rest 1,138,000,000 shares will not be offered to private placement since March 5, 2016.

**Opinion of the Board** It is considered appropriate for the Meeting of Shareholders to approve the decrease of the Company's registered capital in the amount of 1,138,000,000 Baht from 2,230,000,000 Baht to 1,092,000,000 Baht by cancelling the unissued ordinary shares in total of 1,138,000,000 shares with par value of 1 Baht per share which are not allocated to private placement.

**Agenda Item 9 To approve the amendment to the Memorandum of Association of the Clause 4 in compliance with the capital decrease.**

**Background Information** According to the Laws, the Company has to amend the Memorandum of Association to be consistent with the decrease of the Company's registered capital as described in Agenda Item 8.

**Opinion of the Board** It is considered appropriate for the Meeting of Shareholders to approved the amendment to the Memorandum of Association of the Clause 4 of the Company's to reflect the decrease in registered capital by replacing the following content:

|            |                    |                      |   |
|------------|--------------------|----------------------|---|
| “Clause 4. | Registered Capital | 1,092,000,000 Baht   | (One Billion and Ninety Two Million Baht)   |
|            | Divided into       | 1,092,000,000 shares | (One Billion and Ninety Two Million shares) |
|            | At a par value of  | 1 Baht               | (One Baht)                                  |
|            | Categorized as:    |                      |   |
|            | Ordinary shares    | 1,092,000,000 shares | (One Billion and Ninety Two Million shares) |
|            | Preferred shares   | -None-”              |   |

**Agenda Item 10 To approve the increase of the Company’s registered capital.**

**Background Information** Reference is made to the Extraordinary General Meeting of the Shareholders of Company No.1/2015 held on March 5, 2015. The Meeting resolved that the Company has offered 1,150,000,000 the newly issued ordinary shares at par value of 1 Baht per share to private placement at the offering price of 2 Baht per share which is lower than 90 percent of the market price of the Company’s ordinary shares (a weighted average price of shares traded in the Exchange for 15 consecutive business days prior to the first date on which such shares are offered for sale) Such resolution affected to the Term and Condition of the Warrants to purchase ordinary shares of General Environment Conservation Public Company Limited (GENCO-W1) item 3.2.1 (b) which states that

- “3.2.1 The Company shall adjust the exercise price and ratio throughout the Term of Warrants if any the following events occurs, to protect the Warrant Holders’ benefits:
- (b) The Company offers to sell its ordinary shares by rights issue to the existing shareholders and/or public offering and/or private placement at the average price per share of the newly issued ordinary shares which is lower than 90% (ninety) of the market price of the Company’s ordinary shares”

Thus, in order to protect the Warrant Holders’ benefits, the Board of Directors has approved the adjustments of exercise price and exercise ratio of GENCO-W1, effective from 9 March 2015.

However, due to adjust the exercise price and the exercise ratio also let the Warrant Holders' get more ordinary shares in the amount of 98,000,000 shares. The Company is required to issue new ordinary shares to be reserved for the adjustment under Term and Condition of the Warrants to purchase ordinary shares of the Company (GENCO-W1). (More details appeared in Attachment 5-6)

**Opinion of the Board** It is considered appropriate for the Meeting of Shareholders to approved the increase of the Company’s registered capital in the amount of 98,000,000 Baht from 1,092,000,000 Baht to 1,190,000,000 Baht by issuing new ordinary shares in the amount of 98,000,000 shares at par value of 1 Baht per share, to be reserved for the adjustment of exercise price and exercise ratio under Term and Condition of the Warrants to purchase ordinary shares of the Company (GENCO-W1).

**Agenda Item 11 To approve the amendment to the Memorandum of Association of the Clause 4 in compliance with the capital increase.**

**Background Information** According to the Laws, the Company has to amend the Memorandum of Association to be consistent with the increase of the Company’s registered capital as described in Agenda Item 10.

**Opinion of the Board** It is considered appropriate for the Meeting of Shareholders to approved the amendment to the Memorandum of Association of the Clause 4 of the Company’s to reflect the increase in registered capital by replacing the following content:

|            |                    |                      |   |
|------------|--------------------|----------------------|---|
| “Clause 4. | Registered Capital | 1,190,000,000 Baht   | (One Billion and One Hundred Ninety Million Baht)   |
|            | Divided into       | 1,190,000,000 shares | (One Billion and One Hundred Ninety Million shares) |
|            | At a par value of  | 1 Baht               | (One Baht)  |
|            | Categorized as:    |                      |   |
|            | Ordinary shares    | 1,190,000,000 shares | (One Billion and One Hundred Ninety Million shares) |
|            | Preferred shares   | -None-”              |   |

**Agenda Item 12 To approve the allotment of new ordinary shares.**

**Background Information** To accommodate the increase of the Company's registered capital to be reserved for the adjustment of exercise of warrants to purchase new ordinary share (GENCO-W1) as described in Agenda Item 10 , the Company shall allocate shares of 98,000,000 shares at a par value of Baht 1 per share.

**Opinion of the Board** It is considered appropriate for the Meeting of Shareholders to approved the allotment of 98,000,000 new ordinary shares at a par value of 1 Bath to be reserved for the adjustment of exercise of warrants to purchase new ordinary share (GENCO-W1), resulting from the Extraordinary General Shareholders' Meeting No.1/2015, held on March 5, 2015, approving the issuance and offering of new shares amount of 1,150,000 ordinary shares for private placement at 2 Bath each which is lower than 90 percent of the weighted average market value calculated during the period of 15 consecutive trading days prior to the offering price was set and the Company has already adjusted the rights of the Company's warrant no. 1 (GENCO-W1) as disclosed on March 9, 2015.

**Agenda Item 13 To consider other matters. (if any)**

According to the Public Limited Companies Act, it is determined that the Shareholders may make a proposal of other matters to be considered in the Shareholder's Meeting with a number of the shareholders not less than one-third of the entire shares sold.

All the shareholders are hereby invited to attend the meeting at the date, time and place mentioned above (map of the meeting location appeared in Attachment 11). Should there be any shareholder being unable to attend the meeting, such a shareholder may appoint any other person or the Company's Director, as proposed, as his proxy to attend the meeting by filling in the information and placing the shareholder's signature on the attached Proxy Form and then give it to Company Secretary before the commencement of the meeting. In case you have any questions on the proxy, please contact the SET Compliance and Supervision Department at telephone number 0-2502-0900 Ext.603, in the office hours on Monday - Friday since 8.00 hours until 17.00 hours.

In order to speed up and facilitate the registration process at the meeting, it is kindly requested that the shareholders and/or the proxy bring the registration form having the barcode together with the identification documents for meeting attendance, and present them to the registration staff on the date of meeting. The record date for the shareholders who have right to attend the Annual General Shareholders Meeting 2016 will be on March 14, 2016 and the book closing date for collect the name of shareholders according to Securities and Exchange Act section 225 will be on March 15, 2016.

Respectfully yours,



Asst.Prof. Ronnachai Tantragoon  
Managing Director  
General Environmental Conservation Public Company Limited