

(Translation)

No. 079/0960

25 September 2017

Subject: Notification of the Board of Directors No.8/2017 and the date of the Extraordinary General Meeting of Shareholders No. 1/2017 (Amended)

To: The President
The Stock Exchange of Thailand

- Enclosure
1. Capital Increase Form (F 53-4)
 2. Information Memorandum concerning the Offering and Allocation of the Newly Issued Shares of Hydrotek Public Company Limited
 3. Information Memorandum concerning the Connected Transaction of the Offering and Allocation of the Newly Issued Shares of Hydrotek Public Company Limited

Following Hydrotek Public Company Limited (the “**Company**”)’s Board of Directors’ Meeting No.8/2017 held on September 21, 2017 at 1.00 p.m., at the Company registered office No.1 TP&T Building 14th Floor, Soi Vibhavadi Rungsit 19, Chatujak Sub-district, Chatujak District, Bangkok. The Company would like to inform the Stock Exchange of Thailand (the “**SET**”) material matters resolved in the meeting as follows:

1. Approve to propose to the shareholders’ meeting to consider and approve the increase of the Company registered capital in the amount of THB 200,000,000 from the current registered capital of THB 389,968,760 to be the new registered capital of THB 589,968,760 by issuing 200,000,000 newly ordinary shares at the par value of THB 1 per share. In this regard, please refer to more details in the Capital Increase Form (F 53-4) (*Enclosure 1*)
2. Approve to propose to the shareholders’ meeting to consider and approve the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the increase of the Company’s registered capital. The details are as follows:

“Clause 4 Registered Capital

THB 589,968,760 (Five Hundred Eighty Nine Million Nine Hundred Sixty Eight Thousand Seven Hundred and Sixty)

Divided into	589,968,760 shares (Five Hundred Eighty Nine Million Nine Hundred Sixty Eight Thousand Seven Hundred and Sixty Shares)
Par Value	THB 1 (One)
Classified into	
Ordinary Shares	589,968,760 shares (Five Hundred Eighty Nine Million Nine Hundred Sixty Eight Thousand Seven Hundred and Sixty Shares)
Preferred Shares	- shares (-)

3. Approve to propose to the shareholders' meeting to consider and approve the allocation of 200,000,000 newly issued shares at the par value of THB 1 per share, having details of the allocation as follows:

(1) to allocate 100,000,000 newly issued shares with a par value of THB 1 per share to the existing shareholders of the Company in proportion to their shareholdings (Right Offering) with the following details

(a) offered the ratio of **3.90** existing shares to 1 newly issued shares at the offering price of THB 1 per share. Any fraction of shares shall be rounded down;

(b) if there are any newly issued shares remaining after the allocation of shares to the existing shareholders in proportion to their shareholdings in the first round, the Company will allocate such remaining unsubscribed shares to those shareholders who have expressed their intention to subscribe for shares in excess of their shareholdings in accordance with their shareholding for another round with the same price as the Right Offering price, save for the case that such allocation is unavailable because the remaining shares are fraction of shares or that there is no shareholders expressing the intention to subscribe the shares in excess of their shareholdings.

In this regard, for the allocation of the remaining unsubscribed shares, the Company reserves the right to allocation the same to shareholders who have expressed their intention to subscribe for shares in excess of their shareholdings in an amount of not more than one time

of the right to Right Offering share subscription such shareholder entitled to, according to the shareholding of the Company.

The company determines the rights for being able to subscribe in excess of their rights for only one round because the company has considered the company's situation which experienced a long period of loss. Company believes that the aforementioned rights is suitable for the situation and ensuring the success of capital increase and also Mr. Somprasong has expressed a strongly intention in investing in company. The rights for existing shareholders, however, do not vanish. Existing Shareholders still entitled for the subscription in excess of their rights by mentioned allocation mechanism.

- (c) shareholders who are eligible to subscribe for the newly issued shares shall be those whose names are recorded in the shareholders register on November 10, 2017 (Record Date), pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 (as amended);
- (d) the right to subscribe for the newly issued shares is still pending an approval by the Extraordinary General Meeting of Shareholders No.1/2017

The Company then is to allocate the remaining shares from the offering to existing shareholders (Right Offering) and the allocation of the shares pursuant to which the existing shareholders have subscribed in excess of their shareholding on a private placement basis to Mr. Somprasong Panjalak who are not a connected person of the Company, at the offering price of THB 1 per share (the “**Private Placement Offering Price**”). The Private Placement Offering Price is at the same price as the Right Offering price, but lower than the Market Price **equaling to 20% of the Market Price**, and also lower than the fully diluted price (the average share price calculated based on and consideration of the effect, in proportion of shareholdings, to the shareholders on offering the newly issued shares to the existing shareholders) (which equivalent to THB 1.16 per share). However, the Private Placement Offering Price is not lower than the Right Offering price as stipulated in the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 re Approving a Listed Company to Offer Newly Issued Shares to Specific Investors

“Market Price” means the weighted average price of the Company’s shares listed on the SET for the previous 7 - 15 consecutive business days prior to the resolution of the Board of Directors’ Meeting proposing the Extraordinary General Meeting of Shareholders to approve the capital

increase and the allocation of the newly issued shares, which was the share price between August 31, 2017 – September 20, 2017 equal to THB 1.25 per share (source: SETSMART from www.setsmart.com)).

The fully diluted price is calculated by:

$$\frac{(\text{Market price} \times \text{Total issued and paid-up shares}) + (\text{Right Offering price} \times \text{Total newly issued shares})}{\text{Total issued and paid-up shares} + \text{Total newly issued shares}}$$

In addition, in the case that on the date the newly issued shares allocated to Mr. Somprasong Panjalak, the offering price is lower than 90% of the Market Price according to the Notification of the Stock Exchange of Thailand re Rules, Conditions, and Procedures Governing the Listing of Ordinary or Preferred Shares Issues for Capital Increase B.E. 2558 (Market Price means a weighted average price of shares traded in the SET for not less than 7 consecutive business days but not exceeding 15 consecutive business days prior to the first date on which such shares are offered for sale) the Company shall prohibit Mr. Somprasong Panjalak from selling any of them within the period of 1 year from the commencement date on which the shares are traded on the SET. Upon completion of 6-month period of trading of such shares issued for capital increase on the SET, Mr. Somprasong Panjalak can gradually sell their Shares that are subject to the prohibition of sale at 25 percent of the total number of newly issued shares that are subject to the prohibition of sale.

- (2) to allocate 100,000,000 newly issued shares at the offering price of THB 1 per share (the “Private Placement Offering Price”) on a private placement basis to Mr. Somprasong Panjalak in an amount of 81,000,000 shares and Mr. Surachet Chaipatamanont in an amount of 19,000,000 shares - Mr. Surachet Chaipatamanont, whereby, is a connected person of the Company. The Private Placement Offering Price is not lower than the Right Offering price, but lower than the Market Price as stipulated in the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 re Approving a Listed Company to Offer Newly Issued Shares to Specific Investors.

“Market Price” means the weighted average price of the Company’s shares listed on the SET for the previous 7 - 15 consecutive business days prior to the resolution of the Board of Directors’ Meeting proposing the Extraordinary General Meeting of Shareholders to approve the capital

increase and the allocation of the newly issued shares, which was the share price between August 31, 2017 – September 20, 2017 equal to THB 1.16 per share (source: SETSMART from www.setsmart.com)).

Please refer to more details in the Capital Increase Form (F 53-4) (Enclosure 1)

In addition, in the case that on the date the newly issued shares allocated to Mr. Somprasong Panjalak and Mr. Surachet Chaipatamanont, the offering price is lower than 90% of the Market Price according to the Notification of the Stock Exchange of Thailand re Rules, Conditions, and Procedures Governing the Listing of Ordinary or Preferred Shares Issues for Capital Increase B.E. 2558 (Market Price means a weighted average price of shares traded in the SET for not less than 7 consecutive business days but not exceeding 15 consecutive business days prior to the first date on which such shares are offered for sale) the Company shall prohibit Mr. Somprasong Panjalak and Mr. Surachet Chaipatamanont from selling any of them within the period of 1 year from the commencement date on which the shares are traded on the SET. Upon completion of 6-month period of trading of such shares issued for capital increase on the SET, Mr. Somprasong Panjalak and Mr. Surachet Chaipatamanont can gradually sell their Shares that are subject to the prohibition of sale at 25 percent of the total number of newly issued shares that are subject to the prohibition of sale.

In addition to an approval obtained from the shareholders' meeting of the Company, without 10% or more of veto right from the shareholders who attend the meeting and have the right to vote, an approval from the Office of the Securities and Exchange Commission is required in accordance with the relevant notification of the Capital Market Supervisory Board. Please refer to more details in the Information Memorandum concerning the Offering and Allocation of the Newly Issued Shares of Hydrotek Public Company Limited (*Enclosure 2*)

In this regard, the offering and the allocation of the newly issued shares on the private placement basis to Mr. Surachet Chaipatamanont who is a connected person of the Company as he will thereafter become a director of the Company after the transaction. The transaction of the offering and allocation of newly issued shares is therefore a connected transaction of the Company under the under the Notification of the Capital Market Supervision Board No. 21/2551 RE Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand re Disclosure of Information and Practice of Listed Companies Concerning the Connected Transactions B.E.

2546. The size of the connected transaction equals to THB 19,000,000 the transaction of which is lower than THB 20,000,000 that the Company is required to obtain an approval from the Board of Directors' meeting and the Company has prepared the Information Memorandum concerning the Connected Transaction of the Offering and Allocation of the Newly Issued Shares of Hydrotek Public Company Limited. (Enclosure 3)

Also that the Board of Directors, the Executive Committee or any person designated by the Board of Directors or the Executive Committee is authorized to determine the terms, conditions and other details as necessary for and in connection with the issuance and allocation of newly issued shares as it deems appropriate under the applicable law, including but not limited to the determination of the offering periods and payment method.

Table: Shareholders Structure Comparison Pre- and Post-Capital Increase

Book Closing As of 15 March 2017				Post-Capital Increase Shareholders Structure after RO and PP				
							Case 1: All RO is exercised (100 mn shares)	Case 2: Half of RO is exercised (50 mn shares)
Rank	Name	No. of Shares	Percent	Name	No. of Shares	Percent	No. of Shares	Percent
1	นายกิตติ ชีวะเกตุ	52,324,654	13.4	นายสมประสงค์ ปัญจะลักษณ์	81,000,000	13.7	131,000,000	22.2
2	นายสลิบ สูงสว่าง	40,444,141	10.4	นายสุรเชษฐ ชัยปัทมานนท์	19,000,000	3.2	19,000,000	3.2
3	น.ส.วิลาวัลย์ จารุมโนภาส	24,908,200	6.4	นายกิตติ ชีวะเกตุ	65,744,654	11.1	59,034,654	10.0
4	นายปรินทร์ พัฒนาการณ์	16,514,053	4.2	นายสลิบ สูงสว่าง	50,814,141	8.6	45,629,141	7.7
5	นางวราณี เสรีวิวัฒนา	13,930,300	3.6	น.ส.วิลาวัลย์ จารุมโนภาส	31,298,200	5.3	28,103,200	4.8
6	นางศัลยา จารุจินดา	12,306,000	3.2	นายปรินทร์ พัฒนาการณ์	20,744,053	3.5	18,629,053	3.2
7	นายเจียรนัย เลิศศรีชต์กุล	10,989,626	2.8	นางวราณี เสรีวิวัฒนา	17,500,300	3.0	15,715,300	2.7
8	น.ส.ชวิศา ชีวะเกตุ	9,790,000	2.5	นางศัลยา จารุจินดา	15,466,000	2.6	13,886,000	2.4
9	นางลัดดา เลิศศรีชต์กุล	7,735,900	2.0	นายเจียรนัย เลิศศรีชต์กุล	13,809,626	2.3	12,399,626	2.1
10	นายเทพรักษ์ สุรทนต์นนท์	7,300,000	1.9	น.ส.ชวิศา ชีวะเกตุ	12,300,000	2.1	11,045,000	1.9
11	ผู้ถือหุ้นรายย่อย	193,733,996	49.7	ผู้ถือหุ้นรายย่อย	262,286,786	44.5	235,534,886	39.9
Total		389,976,870	100.00		589,963,760	100.00	589,976,860	100.00

4. Approve to propose to the shareholders' meeting to consider and approve an appointment of the persons who will be an additional directors of the Company i.e. . Mr. Surachet Chaipatamanont

Such proposed new director possess all the required qualifications for the directorship under the Securities and Exchange Act B.E 2535 (as amended) and the relevant Notification Capital Markey

Supervisory Board and the appointment of the additional director shall become effective only on the condition that the Company has already allocated the newly issued shares on a private placement basis.

After such appointment of the additional directors, the Board of Directors will consist of 6 directors.

5. Approve that the determination of the date of the Extraordinary General Meeting of Shareholders No.1/2017 will be held on November 2, 2017 at 2.00 p.m., at Meeting Room, 25th Floor of TP&T Building, No. 1, Soi Vibhavadi Rangsit 19, Vibhavadi Rangsit Road, Chatuchak Sub-District, Chatuchak District, Bangkok 10900, having the agenda items as follows:

Agenda 1 To consider and certify the minutes of the 2017 Annual General Meeting of Shareholders

Agenda 2 To consider and approve the increase of the Company registered capital in the amount of THB 200,000,000 from the current registered capital of THB 389,968,760 to be the new registered capital of THB 589,968,760 by issuing 200,000,000 newly ordinary shares at the par value of THB 1 per share

Agenda 3 To consider and approve the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the increase of the Company's registered capital.

Agenda 4 To consider and approve the allocation of 200,000,000 newly issued shares at the par value of THB 1 per share as follows:

4.1 to allocate 200,000,000 newly issued shares with a par value of THB 1 per share to the existing shareholders of the Company in proportion to their shareholdings (Right Offering)

4.2 to allocate the remaining shares from the offering to existing shareholders (Right Offering) and the allocation of the shares pursuant to which the existing shareholders have subscribed in excess of their shareholding on a private placement basis to Mr. Somprasong Panjalak who are not a connected person of the Company, at the offering price of THB 1 per share

4.3 to allocate 100,000,000 newly issued shares at the offering price of THB 1 per share (the "Private Placement Offering Price") on a private placement basis to Mr. Somprasong Panjalak in an amount of 81,000,000 shares and Mr. Surachet Chaipatanant in an amount of 19,000,000 shares.

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- Agenda 5 To consider and approve an appointment of the persons who will be 2 additional directors of the Company
- Agenda 6 To consider other matters (if any)

Since the matters in agenda items 2 – 6 are related, the approval for each matter is conditional upon the other matters also being approved. Therefore, if any of such agenda items is rejected by the shareholders' meeting, the other agenda items that have already been approved by the shareholders' meeting shall be cancelled and no other agenda shall be further considered.

6. Approve to determine the date of determining the names of shareholders who shall be entitled to attend Extraordinary General Meeting of Shareholders No. 1/2017 (Record Date) on October 6, 2017 and the date to gather the names of shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 (as amended), and to empower the Executive Committee or the Managing Director to amend or change the date of determination of shareholders who shall be entitled to attend the Extraordinary General Meeting of Shareholders No1/2017 (Record Date) and to amend or change the date to gather the names of shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) by closing the share register book and suspension of share transfer, as well as to amend, change or determine the date, time and venue of the Extraordinary General Meeting of Shareholders No. 1/2017 if the Company faces any problem in preparing the documents and information which results in any delay in preparing those documents and information and sending of such documents and information to the shareholders within the time specified by the applicable rules, regulations and law, or in case of occurrence of any event which necessarily causes amendment or change of the determination of such dates and time to be made as appropriate.

Please be informed accordingly.

Yours sincerely,

-Signature-

(Mr. Slib Soongswang)
Chief Executive Officer
Authorized Signatory

Capital Increase Report Form
Hydrotek Public Company Limited
21 September 2017

We, Hydrotek Public Company Limited, hereby report the resolutions of the Board of Directors' meeting No. 8/2017, held on 21 September 2017 at 1.00 p.m. relating to the capital increase and the share allocation as follows:

1. **Capital Increase**

Following Hydrotek Public Company Limited (the "Company")'s Board of Directors' Meeting No. 8/2017 held on September 21, 2017, resolved to approve the capital increase of Baht 200,000,000 from the existing registered capital of Baht 389,968,760 to Baht 589,968,760 by means of issuing 200,000,000 newly-issued ordinary shares with a par value of Baht 1.00 per share in order to accommodate the allocation of the newly-issued ordinary shares which are 1.) to allocate 100,000,000 newly issued shares with a par value of THB 1 per share to the existing shareholders of the Company in proportion to their shareholdings (Right Offering) and then is to allocate the remaining shares from the offering to existing shareholders (Right Offering) for another round on their existing holding basis at the same price to whom express their intention to subscribe over their rights (over subscription) and the allocation of the shares pursuant to which the existing shareholders have subscribed in excess of their shareholding on a private placement basis who are not a connected person of the Company, at the offering price of THB 1 per share 2.) to allocate the 100,000,000 newly issued shares with a par value of THB 1 per share to specific investors (Private Placement). The detail of capital increase is as follows:

Type of Capital Increase	Type of Shares	Number of Shares	Par Value (THB per share)	Total (Million Baht)
<input checked="" type="checkbox"/> Specify the purpose of utilizing proceeds	Ordinary share Preferred share	200,000,000	1	200,000,000
<input type="checkbox"/> General Mandate	Ordinary share Preferred share			

2. **Allocation of new shares**

2.1 Specify the purpose of proceeds

Allocated to	Number (shares)	Ratio (old : new)	Sale price (Baht/share)	Subscription and payment period	Remark
Existing Shareholders	100,000,000 Shares	3.9 : 1	1	Please see Remark no. 1	Please see remark below
Private Placement					

(1) Mr. Somprasong Panjalak	81,000,000 shares and the remaining shares from the offering to existing shareholders (Right Offering) and the allocation of the shares pursuant to which the existing shareholders have subscribed in excess of their shareholding	-	1	Please see Remark no. 1	Please see remark below
(2) Mr. Surachet Chaipatamanont	19,000,000 shares	-	1	Please see Remark no. 1	Please see remark below

Remarks:

1. To propose to the shareholders' meeting to consider and approve the appointment of the Board of Directors or the Chairman of the Executive Committee or the Company's authorised directors or the person appointed by the Board of Directors or the Chairman of the Executive Committee or the Company's authorised directors with full power and authority to perform any acts relating to and/or in connection with the above allocation of the Company's newly issued ordinary shares as necessary and appropriate.

2. The offering and the allocation of the 19,000,000 mn newly issued shares on the private placement basis) to Mr. Surachet Chaipatamanont who is a connected person of the Company as he will thereafter become a director of the Company after the transaction. The transaction of the offering and allocation of newly issued shares is therefore a connected transaction of the Company under the under the Notification of the Capital Market Supervision Board No. 21/2551 RE Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand re Disclosure of Information and Practice of Listed Companies Concerning the Connected Transactions B.E. 2546. The size of the connected transaction equals to THB 19,000,000 the transaction of which is lower than THB 20,000,000 that the Company is required to obtain an approval from the Board of Directors' meeting and the Company has prepared the Information Memorandum concerning the Offering and Allocation of the Newly Issued Shares and Connected Transaction. (Enclosure 3)

3. Although, the Private Placement Offering Price is at the same price as the Right Offering price, but lower than the Market Price, and also lower than the fully diluted price (the average share price calculated based on and consideration of the effect, in proportion of shareholdings, to the shareholders on offering the newly issued shares to the existing shareholders) (which equivalent to THB 1.16 per share). However, the Private Placement Offering Price is not lower than the Right Offering price as stipulated in the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 re Approving a Listed Company to Offer Newly Issued Shares to Specific Investor and will be subject to the resolution of the Extraordinary General Meeting of the Shareholders with the voting of at least 3 out of 4 of total attendances who attend the meeting and have the right to vote of the Extraordinary General Meeting of the Shareholders No. 1/2017. In addition to an approval obtained from the shareholders' meeting of the Company, without 10% or more of veto right from the shareholders who attend the meeting and have the right to vote, an approval from the Office of the Securities and Exchange Commission is required in accordance with the relevant notification of the Capital Market Supervisory Board.

"Market Price" means the weighted average price of the Company's shares listed on the SET for the previous 7 - 15 consecutive business days prior to the resolution of the Board of Directors' Meeting proposing the Extraordinary General Meeting of Shareholders to approve the capital increase and the allocation of the newly issued shares, which was the share price between 31 August 2017 – 20 September 2017 equal to THB 1.25 per share (source: SETSMART from www.setsmart.com).

2.2 The Company's plan in case there are fractional shares remaining: Round down

3. Schedule for shareholders meeting to approve the capital increase and share allotment

The Extraordinary Meeting of Shareholders No.1/2017 is scheduled to be held on 2 November 2017 held at 2.00 pm at 25F, TP & T, 1 Viphavadee Ragnsit 19 Viphavadee Rangsit Rd., Chatujak, Bangkok, 10900. The share register will be recorded for share transfer in order to determine the right to attend this meeting on 6 October 2017.

4. Approval of the capital increase/ share allotment by relevant governmental agency and condition thereto (if any)

4.1 The Company needs to obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2017 for the offering of newly issued shares of THB 200,000,000 at par value of THB 1 per share and related matters.

4.2 The company needs to seek an approval from the Securities Exchanges Commission regarding the private placement at discount.

4.3 The Company needs to register the increase of the Company's registered capital and paid-up capital and the amendment to the Company's memorandum of association with the Department of Business Development, the Ministry of Commerce.

4.4 The Company needs to apply for an approval from the Stock Exchange of Thailand for listing of shares on the Stock Exchange of Thailand pursuant to the relevant rules and regulations after the shares have been offered to the investors (2015)

5. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase

The Company will utilize all proceeds received from the issuance of the newly issued shares to existing shareholders (Rights Offering) and to the specific investors (Private Placement) for the restructure of the capital, internal working capital, the investment related to the investment project of Wastewater Treatment Plant at Mandalay, Myanmar (Reference to the company's acquisition of the concessionaire as of 13 August 2015) and other future projects. The project detail is as followed:

- 1.) To repay the short-term **liabilities and some portion of account payables of total THB 30 – 40 mn**
- 2.) To fund the future construction projects. Due to the financial difficulties of company, company could not secure the new backlog. The proceed from capital increase shall allow the company to relieve the financial constraint which lead to more flexible position of the working capital in order to achieve the target backlogs. The backlog securing of company, however, depends on the result of bidding process and the facilities support from financial institution **which requires the proceeds of total THB 80-100 mn**
- 3.) To invest in the Central Wastewater Treatment Plant and Collecting System of the industrial Zone of Mandalay project which the detail is in following table:

Project Name	Central Wastewater Treatment Plant and Collecting System of the industrial Zone of Mandalay ("CWTP")
Concessionaire Authority	Mandalay City Development Committee ("MCDC")
Name of Operating Company	Hydrotek Supreme Mandalay Company Limited ("HSMC")
Company Holding	The Company 80% : Supreme Enterprise Limited 20%
Type of Project	B.O.T. (Build-Operate-Transfer)

Scope of Project	The concessionaire for construction and operation & maintenance of the waste water treatment plant in the industrial zone of Mandalay City, Myanmar
Concessionaire Period	30 Years with an additional 2 times extension each 10 years.
Construction Period	The construction period shall be completed within 2 years since the commencement date of construction on the project land which has been received from MCDC and receiving Myanmar Investment Commission (MIC) approval permit and also the commencement date of construction which is informed in written from HSMC. HSMC is able to expand or postpone the construction period up to 2 times. If the construction may not be completed within the extended period, HSMC will require to pay MCDC of 20,000 MMK per day.
Capacity (m3/day)	2,000-2,200 m3/day
Construction Period	Within Quarter 4/2018
Scheduled Commercial Operation Date	Within Quarter 1/2019
Expected Capital Expenditure	THB 40-60 mn
Project Risk	HSMC is exposed to the foreign exchange rate movement due to the revenue is denominated in USD
Expected Benefit	Company expects that projects shall create the IRR of at least 10%

6. Benefits which the company will receive from the capital increase and share allotment

An increase of capital by issuing new shares is an alternative fundraising method which can accommodate the Company's business expansion. The proceeds received from the offering of newly issued shares can be used for business expansion, secure the construction projects and investments in various projects of the Company, and as working capital for the Company's business operations, thereby increasing

the financial liquidity as well as strengthening the financial position of the Company. Further, the Company will be able to manage its cash flow more efficiently, as well as carry on its business in a sustainable manner.

7. Benefits which the shareholders will receive from the capital increase and the share allocation

7.1 The offering of newly issues shares will increase the Company's working capital which can be utilised in the Company's business operations and expansion, thereby improving the Company's financial position and enhancing the Company's ability to generate more income and profits.

7.2 After the persons to whom the shares have been allocated have actually been registered as the Company's shareholders, such persons will be entitled to receive a dividend when the Company declares a dividend same as the Company's existing shareholders.

8. Other details necessary for shareholders to approve the capital increase and share allotment

The offering of newly issued shares by way of private placement at a discount will have impact on the Company's shareholders as specified in Attachment No. 2 (the Information Memorandum concerning the Offering and Allocation of the Newly Issued Shares of Hydrotek Public Company Limited).

9. Schedule of action where the board of directors of the company passes resolutions approving the capital increase or allocation of new shares

No.	Procedures	Date/Month/Year
1	The Meeting of the Board of Director No. 8/2017	21 September 2017
2	Record Date to determine the eligible shareholders to attend the Extraordinary General Meeting of Shareholders No. 1/2017	6 October 2017
3	The Extraordinary General Meeting of Shareholder No. 1/2017	2 November 2017
4	Record Date to determine the eligible shareholders to subscribe the Rights Offering	10 November 2017
5	Right Offering Subscription Date	28 November – 4 December 2017
6	Private Placement Subscription Date	14 December 2017

The Company hereby certifies that the information contained in this report is true and complete in all respects.

(Mr. Slib Soongswang)
Chief Executive Officer

**Information Memorandum concerning the Offering and Allocation of the Newly Issued Shares of Hydrotek
Public Company Limited**

Following Hydrotek Public Company Limited (the “Company”)’s Board of Directors’ Meeting No. 8/2017 held on September 21, 2017, resolved to approve the capital increase of Baht 200,000,000 from the existing registered capital of Baht 389,968,760 to Baht 589,968,760 by means of issuing 200,000,000 newly-issued ordinary shares with a par value of Baht 1.00 per share in order to accommodate the allocation of the newly-issued ordinary shares which are 1.) to allocate 100,000,000 newly issued shares with a par value of THB 1 per share to the existing shareholders of the Company in proportion to their shareholdings (Right Offering) and then is to allocate the remaining shares from the offering to existing shareholders (Right Offering) and the allocation of the shares pursuant to which the existing shareholders have subscribed in excess of their shareholding on a private placement basis to Mr. Somprasong Panjalak who are not a connected person of the Company, at the offering price of THB 1 per share 2.) to allocate the 100,000,000 newly issued shares with a par value of THB 1 per share to specific investors (Private Placement), which will be proposed to the Extraordinary General Meeting of the Shareholders No.1/2017 on 2 November 2017, for consideration. The allocation of the newly issued shares to the specific investors (Private Placement) is significant matter. Although, the Private Placement Offering Price is at the same price as the Right Offering price, but lower than the Market Price, and also lower than the fully diluted price (the average share price calculated based on and consideration of the effect, in proportion of shareholdings, to the shareholders on offering the newly issued shares to the existing shareholders) (which equivalent to THB 1.16 per share). However, the Private Placement Offering Price is not lower than the Right Offering price as stipulated in the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 re Approving a Listed Company to Offer Newly Issued Shares to Specific Investor and will be subject to the resolution of the Extraordinary General Meeting of the Shareholders with the voting of at least 3 out of 4 of total attendances who attend the meeting and have the right to vote of the Extraordinary General Meeting of the Shareholders No.1 2017. In addition to an approval obtained from the shareholders’ meeting of the Company, without 10% or more of veto right from the shareholders who attend the meeting and have the right to vote, an approval from the Office of the Securities and Exchange Commission is required in accordance with the relevant notification of the Capital Market Supervisory Board.

The allocation of the newly issued shares to the specific investors (Private Placement) is significant matter; the Company then prepares this substantial information memorandum for the shareholders’ consideration according to the Capital Market Supervisory Board No. Tor Chor. 73/2558, Re: List of Information in Notice of Shareholders’ Meeting of Listed Company for seeking approval of the issuance and offering of securities, with the details as follows:

1. Details of the allocation of the newly issued shares to the specific investors

The Board of Directors’ meeting resolved to approve the allocation of not exceeding 200,000,000 newly-issued ordinary shares to existing shareholders (Rights Offering) and specific investors (Private Placement) who are not connected persons of the Company. Company shall determine the offering price in accordance with the following conditions

(1) to allocate 100,000,000 newly issued shares with a par value of THB 1 per share to the existing shareholders of the Company in proportion to their shareholdings (Right Offering) with the following details

- (a) offered the ratio of 3.90 existing shares to 1 newly issued shares at the offering price of THB 1 per share. Any fraction of shares shall be rounded down; if there are any newly issued shares remaining after the allocation of shares to the existing shareholders in proportion to their shareholdings in the first round, the Company will allocate such remaining unsubscribed shares to those shareholders who have expressed their intention to subscribe for shares in excess of their shareholdings in accordance with their shareholding for another round with the same price as the Right Offering price, save for the case that such allocation is unavailable because the remaining shares are fraction of shares.

In this regard, for the allocation of the remaining unsubscribed shares, the Company reserves the right to allocation the same to shareholders who have expressed their intention to subscribe for shares in excess of their shareholdings in an amount of not more than one time of the right to Right Offering share subscription such shareholder entitled to, according to the shareholding of the Company.

The company determines the rights for being able to subscribe in excess of their rights for only one round because the company has considered the company's situation which experienced a long period of loss. Company believes that the aforementioned rights is suitable for the situation and ensuring the success of capital increase and also Mr. Somprasong has expressed a strongly intention in investing in company. The rights for existing shareholders, however, do not vanish. Existing Shareholders still entitled for the subscription in excess of their rights by mentioned allocation mechanism.

- (b) The Company then is to allocate the remaining shares from the offering to existing shareholders (Right Offering) and the allocation of the shares pursuant to which the existing shareholders have subscribed in excess of their shareholding on a private placement basis to Mr. Somprasong Panjalak who is not a connected person of the Company, at the offering price of THB 1 per share (the "Private Placement Offering Price"). The Private Placement Offering Price is at the same price as the Right Offering price, but lower than the Market Price equaling to 20% of the Market Price or lower than 80% of the Market Price and also lower than the fully diluted price (the average share price calculated based on and consideration of the effect, in proportion of shareholdings, to the shareholders on offering the newly issued shares to the existing shareholders) (which equivalent to THB 1.16 per share). However, the Private Placement Offering Price is not lower than the Right Offering price as stipulated in the Notification of the

Capital Market Supervisory Board No. TorJor. 72/2558 re Approving a Listed Company to Offer Newly Issued Shares to Specific Investors

The fully diluted price is calculated by:

$$\frac{((\text{Market price} \times \text{Total issued and paid-up shares}) + (\text{Right Offering price} \times \text{Total newly issued shares}))}{\text{Total issued and paid-up shares} + \text{Total newly issued shares}}$$

In addition, in the case that on the date the newly issued shares allocated to Mr. Somprasong Panjalak, the offering price is lower than 90% of the Market Price according to the Notification of the Stock Exchange of Thailand re Rules, Conditions, and Procedures Governing the Listing of Ordinary or Preferred Shares Issues for Capital Increase B.E. 2558 (Market Price means a weighted average price of shares traded in the SET for not less than 7 consecutive business days but not exceeding 15 consecutive business days prior to the first date on which such shares are offered for sale) the Company shall prohibit Mr. Somprasong Panjalak from selling any of them within the period of 1 year from the commencement date on which the shares are traded on the SET. Upon completion of 6-month period of trading of such shares issued for capital increase on the SET, Mr. Somprasong Panjalak can gradually sell their Shares that are subject to the prohibition of sale at 25 percent of the total number of newly issued shares that are subject to the prohibition of sale.

- (2) to allocate 100,000,000 newly issued shares at the offering price of THB 1 per share (the “Private Placement Offering Price”) on a private placement basis to Mr. Somprasong Panjalak in an amount of 81,000,000 shares – Mr. Somprasong Panjalak, whereby, is not a connected person to company – and Mr. Surachet Chaipatamanont in an amount of 19,000,000 shares - Mr. Surachet Chaipatamanont, whereby, is a connected person of the Company. The Private Placement Offering Price is not lower than the Right Offering price, but lower than the Market Price **equaling to 20% of the Market Price or lower than 80% of the Market Price** as stipulated in the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 re Approving a Listed Company to Offer Newly Issued Shares to Specific Investors.

“Market Price” means the weighted average price of the Company’s shares listed on the SET for the previous 7 - 15 consecutive business days prior to the resolution of the Board of Directors’ Meeting proposing the Extraordinary General Meeting of Shareholders to approve the capital increase and the allocation of the newly issued shares, which was the share price between 31 August 2017 – 20 September 2017 equal to THB 1.25 per share (source: SETSMART from www.setsmart.com)).

In addition, in the case that on the date the newly issued shares allocated to Mr. Somprasong Panjalak and Mr. Surachet Chaipatamanont **as Private Placement**, The offering price is lower than 90% of the

Market Price according to the Notification of the Stock Exchange of Thailand re Rules, Conditions, and Procedures Governing the Listing of Ordinary or Preferred Shares Issues for Capital Increase B.E. 2558 (Market Price means a weighted average price of shares traded in the SET for not less than 7 consecutive business days but not exceeding 15 consecutive business days prior to the first date on which such shares are offered for sale) the Company shall prohibit Mr. Somprasong Panjalak and Mr. Surachet Chaipatamanont from selling any of them within the period of 1 year from the commencement date on which the shares are traded on the SET. Upon completion of 6-month period of trading of such shares issued for capital increase on the SET, Mr. Somprasong Panjalak and Mr. Surachet Chaipatamanont can gradually sell their Shares that are subject to the prohibition of sale at 25 percent of the total number of newly issued shares that are subject to the prohibition of sale.

2. Criteria for the allocation of the newly issued shares to the specific investor

With respect to this issuance and offering of the newly-issued ordinary shares to specific investors (Private Placement), the Company will choose specifically **the investors from the capability to enhance company's financial strength and the synergy creation from being an business partner. Two investors are strategic investor and also** have extensive investment experience in energy company, alternative energy company, a good understanding of the businesses operated by the Company, and also have experience in investments in a wide range of industries. Their investment policy also includes the holding of shares in the Company in the long term, **maximize the beneficiary of company** and such investors shall have investment potential and capable to the investment **at a right time. The information of Mr. Somprasong and Mr. Surachet are as follow:**

1.) Mr. Somprasong Panjalak

Mr. Somprasong Panjalak serves as a Senior Partner and one of the founder of Prime Road Group, operates as a holding company concentrated in an investment in alternative energy power plant. Mr. Somprasong himself has an intention and vision to personally invest in Hydrotek. With his past experiences and capability including the professional legal advisor for wide range of industries, also Hydrotek's business, and the experiences in the capital market. Company is expected the abundant beneficiary from his investment. Prior the establishment of Prime Road Group, He was a senior legal officer at Stock Exchange of Thailand and then moved to Baker and McKenzie, which he was selected as one of the youngest Legal Partner for the Firm. He spent 7 years at SET and another 11 years with Baker and Mckenzie. Then, he left Baker and Mckenzie and joined Banpu.

Mr. Somprasong graduated from the faculty of Law, Thammasat University and completed his LLM Law at Case Western Reserve University, USA.

2.) Mr. Surachet Chaipatamanont

Mr. Surachet is a Senior Partner in Prime Road Group and the founder of Asialcalcyon Capital, a principal investment and advisory group with a presence in Singapore, Malaysia and Thailand. Mr. Surachet has over 20 years of experience in the financial services industry, of which 8 years were with JP Morgan in Hong Kong and Singapore, where he last served as the Head of Financial Institution Group (Southeast Asia), as well as stints at Bear, Stearns & Co and Peregrine Capital (USA) Inc. in New York. Mr. Surachet previously served as CEO of Maybank Investment Bank (formerly known as Aseambankers, the investment banking arm of Maybank), as well as Head of Corporate Investment Banking overseeing a portfolio of over MYR20 billion in assets. He subsequently served as Managing Director for Direct Investment (China) at Guoco Management (HK) and Advisor to the Group President of Hong Leong Financial Group in Malaysia. He has been an Independent Non-Executive Director of Gul Technologies Singapore Ltd since 2010. Surachet was most recently the Managing Partner of Tuas Capital Partners, one of the few selected outsourced fund managers for Ekuiti Nasional Berhad (Ekuinas), Malaysia's sovereign private equity fund management company. With aforementioned experiences, company believes that Mr. Surachet who will become the shareholder of company via Private Placement and serves as a Director of the company shall resolve the financial difficulty and liquidity problem, which company is experiencing and subsequently, company shall be able to undertake the higher number of construction projects.

He graduated from Columbia University with Bachelor of Electrical Engineering and Master of Operations Research in Finance.

In this regard, the offering and the allocation of the newly issued shares on the private placement basis (except Mr. Somprasong Panjalak) to Mr. Surachet Chaipatamanont who is a connected person of the Company as he will thereafter become a director of the Company after the transaction. The transaction of the offering and allocation of newly issued shares is therefore a connected transaction of the Company under the under the Notification of the Capital Market Supervision Board No. 21/2551 RE Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand re Disclosure of Information and Practice of Listed Companies Concerning the Connected Transactions B.E. 2546. The size of the connected transaction equals to THB 19,000,000 the transaction of which is lower than THB 20,000,000 that the Company is required to obtain an approval from the Board of Directors' meeting and the Company has prepared the Information Memorandum concerning the Offering and Allocation of the Newly Issued Shares and Connected Transaction. (Enclosure 3)

3. Objectives of the allocation of the newly issued shares to the specific investor and plans for utilizing proceeds received from the capital increase

The Company will utilize all proceeds received from the issuance of the newly issued shares to existing shareholders (Rights Offering) and to the specific investors (Private Placement) to the restructure of the capital, internal working capital and the investment related to the investment project of Wastewater Treatment Plant at Mandalay, Myanmar (Reference to the company's acquisition of the concessionaire as of 13 August 2015). The plan to utilize the proceed is as followed:

- 1.) To repay the short-term liabilities and some portion of account payables of total THB 30 – 40 mn
- 2.) To fund the future construction projects. Due to the financial difficulties of company, company could not secure the new backlog. The proceed from capital increase shall allow the company to relieve the financial constraint which lead to more flexible position of the working capital in order to achieve the target backlogs. The backlog securing of company, however, depends on the result of bidding process and the facilities support from financial institution which requires the proceeds of total THB 80-100 mn
- 3.) To invest in the Central Wastewater Treatment Plant and Collecting System of the industrial Zone of Mandalay project which the detail is in following table:

Project Name	Central Wastewater Treatment Plant and Collecting System of the industrial Zone of Mandalay (“CWTP”)
Concessionaire Authority	Mandalay City Development Committee (“MCDC”)
Name of Operating Company	Hydrotek Supreme Mandalay Company Limited (“HSMC”)
Company Holding	The Company 80% : Supreme Enterprise Limited 20%
Type of Project	B.O.T. (Build-Operate-Transfer)
Scope of Project	The concessionaire for construction and operation & maintenance of the waste water treatment plant in the industrial zone of Mandalay City, Myanmar
Concessionaire Period	30 Years with an additional 2 times extension each 10 years.
Construction Period	The construction period shall be completed within 2 years since the commencement date of construction

	on the project land which has been received from MCDC and receiving Myanmar Investment Commission (MIC) approval permit and also the commencement date of construction which is informed in written from HSMC. HSMC is able to expand or postpone the construction period up to 2 times. If the construction may not be completed within the extended period, HSMC will require to pay MCDC of 20,000 MMK per day.
Capacity (m3/day)	2,000-2,200 m3/day
Construction Period	Within Quarter 4/2018
Scheduled Commercial Operation Date	Within Quarter 1/2019
Expected Capital Expenditure from Capital Increase Proceed	THB 40-60 mn
Project Risk	HSMC is exposed to the foreign exchange rate movement due to the revenue is denominated in USD
Expected Benefit	Company expects that projects shall create the IRR of at least 10%

4. Price comparison of the newly-issued shares and the calculation

Company shall offer the newly-issued shares at the offering price of THB 1 per share on a private placement basis. The Private Placement Offering Price is not lower than the Right Offering price, but lower than the Market Price as stipulated in the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 re Approving a Listed Company to Offer Newly Issued Shares to Specific Investors. In addition, the price of newly-issued shares is determined by the weighted average price of the Company's shares listed on the SET for the previous 15 consecutive business days prior to the resolution of the Board of Directors' Meeting No.8/2017 proposing the Extraordinary General Meeting of Shareholders to approve the capital increase and the allocation of the newly issued shares at THB 1 per share such offering price is lower to the 15 consecutive days prior the the Board of Directors' Meeting of 20 percent.

The offering price is set from the company by using the comparison between the company and the same players within the construction sector (Peers Comparison) during the date of capital increase and Book Value Approach including the Adjusted Book Value Approach for valuation methodologies.

The consideration value of Book Value at the end of financial period of 30 June 2017 is THB 52.3 mn or THB 0.13 per shares. The adjusted items, however, should be reflected to the book value. The high tendency of reversal and the on-going issues which should not affect to com[any financial position, namely the provision setting for the litigation issues, high chance of reversal impairment loss and some allowances for account receivables. If the adjusted items are reflected on to the account the Adjusted Book Value shall be THB 139.3 mn or THB 0.36 per share together with the Price to Book Value of peers during 1 September to 20 September 2017 the average Price to Book Value is at 2.1x to 2.3x. The fair value per share shall be as follow:

Valuation Methodologies	Fair Value per share at the Price to Book Value of the Construction Sector
Book Value Approach	THB 0.28-0.31 per share
Adjusted Book Value Approach	THB 0.75-0.82 per share

In addition, the adjusted book value approach results a fair value range of THB 0.75 – 0.82 per share, which is lower than the par value of the share, THB 1 per share. If company offers the share at fair value, there shall be the discount to par value effected to the balance sheet and equity will become negative. So, company try to negotiate with the capable investors together with the potential synergy, at last the offering price is agreed at THB 1 per share which not resulted in a discount to par. Company views that the offering price if THB 1 per share is reasonable and suitable for the situation.

5. The group of persons to be offered

The individual persons who will be allocated the newly issued shares of the Company are Mr. Somprasong Panjalak and Mr. Surachet Chaipatamanont and are interested in investing in the newly issued shares of the Company. **Mr. Surachet Chaipatamanont shall be allot the maximum of 19,000,000 shares.** Details of the PP Investors can be summarized as follows.

1.) Mr. Somprasong Panjalak

Name: Mr. Somprasong Panjalak

Nationality: Thai

Address: 854/5 Chan Meung Rd, Din Deang, Din Deang, Bangkok

Occupation: Business Owner

Position: Senior Partner, Prime Road Group

Industry of the Company: Prime Road Group is an investment company which focused on the alternative energy power plant, real estate development and waste management

Relationship to the company: Not a connected person of the Company and has no other relationship with the Company

2.) Mr. Surachet Chaipatamanont

Name: Mr. Surachet Chaipatamanont

Nationality: Thai

Address: 1224-1228 Mitraphrap Rd, Nai Mueng, Mueng Nakorn Rachasima, Nakorn Rachasima

Occupation: Business Owner

Position: Senior Partner, Prime Road Group

Industry of the Company: Prime Road Group is an investment company which focused on the alternative energy power plant, real estate development and waste management

Relationship to the company: Mr. Surachet Chaipatamanont is the connected person to the company and will be appointed as one of the board of directors after the capital increase*

*The offering shall be approved by the Extraordinary General Meeting of Shareholders No. 1/2017 and the approval from the Securities and Exchange Commission (SEC)

In this regard, the offering and the allocation of the newly issued shares on the private placement basis to Mr. Surachet Chaipatamanont who is a connected person of the Company as he will thereafter become a director of the Company after the transaction. The transaction of the offering and allocation of newly issued shares is therefore a connected transaction of the Company under the under the Notification of the Capital Market Supervision Board No. 21/2551 RE Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand re Disclosure of Information and Practice of Listed Companies Concerning the Connected Transactions B.E. 2546. The size of the connected transaction equals to THB 19,000,000 the transaction of which is lower than THB 20,000,000 that the Company is required to obtain an approval from the Board of Directors' meeting and the Company has prepared the Information Memorandum concerning the Offering and Allocation of the Newly Issued Shares and Connected Transaction. (Enclosure 3)

6. Effect to the existing shareholders from the allocation of newly issued shares to the specific investors

The potential effects resulting from the allocation of shares to the Private Placement on the existing shareholders are price dilution, control dilution, and earnings per share (EPS) dilution which will be presented in two scenarios as follow:

Case 1: In case that PP investors are fully subscribed the shares and all of existing shareholders exercised their all entitled rights.

Which have the conditions to the calculations as follow, the offering will be allocated the existing shareholders equal to their entitled rights, 100,000,000 shares and PP investors are fully subscribed the shares.

Case 2: In case that PP investors are fully subscribed the shares and there is no any existing shareholders exercised their entitled rights.

Which have the conditions to the calculations as follow, the offering will be allocated on the private placement basis of total 200,000,000 shares.

6.1 Control Dilution

The formula for the control dilution calculation is as follow:

$$\text{Control Dilution} = \frac{\text{The number shares to be offered this time}}{\text{Existing paid-up shares} + \text{The number shares to be offered this time}}$$

Case 1 :

$$\text{Control Dilution} = \frac{100,000,000}{389,968,760+200,000,000} = \text{a decrease of 16.9 percent}$$

Case 2 :

$$\text{Control Dilution} = \frac{200,000,000}{389,968,760+200,000,000} = \text{a decrease of 33.9 percent}$$

6.2 Earnings per share (EPS)

The dilution of 33.4 for both cases

The formula for the EPS dilution calculation is as follow:

$$\text{EPS dilution} = \frac{\text{EPS before offering} - \text{EPS after offering}}{\text{EPS before offering}}$$

$$\text{EPS before offering} = \frac{\text{Net Profit of Last 12 Months}}{\text{Existing Paid-up shares}}$$

$$\text{EPS after offering} = \frac{\text{Net Profit of Last 12 Months}}{\text{Existing Paid-up shares} + \text{The number shares to be offered this time}}$$

*Net Profit of Last 12 Months THB -110.91 mn (as of June 2017)

Case 1 and 2

$$\text{EPS before offering} = \frac{\text{THB -110.91 mn}}{398.96 \text{ mn shares}} = \text{THB -0.278 per share EPS after offering}$$

$$= \frac{\text{THB -110.91 mn}}{398.96+200 \text{ mn shares}} = \text{THB -0.185 per share}$$

$$\text{EPS dilution} = \frac{(-0.278) - (-0.185)}{(-0.278)} = \text{a decrease of 33.4 percent}$$

6.3 Price Dilution

The formula for the Price dilution calculation is as follow:

$$\text{Price dilution} = \frac{\text{Pre-offered Market Price} - \text{Post-offered Market Price}}{\text{Pre-offered Market Price}}$$

$$\text{Post-offered Market Price} = \frac{(\text{Market Price} \times \text{Existing Paid-up shares}) + (\text{Offered Price} \times \text{the number shares to be offered this time})}{\text{Existing Paid-up shares} + \text{The number shares to be offered this time}}$$

Case 1 and 2

$$\text{Post-offered Market Price} = \frac{(1.25 \times 389,968,760) + (1.00 \times 200,000,000)}{389,968,760 + 200,000,000} = 1.16$$

$$\text{Price dilution} = \frac{1.25 - 1.16}{1.25} = \text{a decrease of 7.2 percent}$$

Even if the offering of the newly issued shares to the Private Placement resulting in the price dilution and control dilution, but the decrease in losses per share (EPS dilution) as aforementioned, however, such capital increase will enhance the appropriateness of the Company's capital structure, the decrease of obligations and expenses from the lending, resulting in the Company's financial status is stable and readiness for expansion its business or investment in the future, as such, the shareholders will benefit from the increase of business value, as well as the operation results and dividend payment in the long term basis.

7. Opinion of the Board of Directors on the capital increase or allocation of the newly-issued shares to specific investors (Private Placement)

7.1 Rationale and necessity for the capital increase

The Board of Directors was of the opinion that, it is necessary for the Company to increase its registered capital and issue newly-issued ordinary shares to the specific investors (Private Placement) who are not connected persons of the Company in order to use the proceeds derived from the Private Placement (as well as from the proceeds received from the allocation of the newly-issued ordinary shares to the existing shareholders of the Company proportionate to their respective shareholdings (Rights Offering)) to rebounding the performance of the company into positive as expected.

7.2 Feasibility of the proceeds utilization plan

The Company expects that the issuance and offering of the shares to specific investors (Private Placement) and the obtaining of proceeds from the offering of such newly-issued ordinary shares will occur within December 2017. The Company will use all of the proceeds derived from the issuance and offering of the newly issued shares to the Private Placement for the aforementioned purpose on the clause 3 as soonest.

7.3 Reasonableness of the capital increase, plan to utilize the proceeds derived from the offering for sale, and projects to be operated, including the sufficiency of the sources of funds

The Board of Director was of the opinion that the issuance and offering of the newly-issued ordinary shares to the specific investors (Private Placement) and to the existing shareholders proportionate to their respective shareholdings are part of the financial restructuring plan in accordance with the long period of liquidity difficulties which lead to unfavorable position in securing the construction projects. The capital increase, which will induce the new partner into one of major shareholders, is the most suitable path for the beneficiary of shareholders and company onwards.

7.4 The potential impact which may occur to the business operation of the Company, as well as its financial positions, and operational results, due to the capital increase and the proceeds utilization plan or projects:

The Board of Director was of the opinion that the proceeds derived from the capital increase will strengthen the financial position and capital structure of the Company and to reduce the interest obligations in the future after the completion of the capital increase.

7.5 Appropriateness of the offering price of the Private Placement, rationale on determination of offering price, rationale and necessity for the Private Placement

After due consideration, the Board of Directors was of the opinion that, the offering price of the Private Placement is appropriate and reliable, because such offering price shall be determined in accordance with the best market price, according to the market condition during the offering period. In this regard, the Board of Directors together with the company's financial advisor which accommodates the capital increase process has mutually agreed on the offered price which is optimal. Although the offered price is the discount price too market of 10% if consider the loss position which company has experienced for a while. The Board of Directors aware that the market price does not reflect its fair value of the company. Nevertheless, the offered price on the private placement basis is the same price with Rights Offering price, therefore the private placement does not limit the rights of existing shareholders. The Board of Directors see that the offered price is suitable for the situation.

7.6 Worthiness of benefits comparing with the discounted offering price by taking into account the effect on the Company's expense and financial position pursuant to the financial reporting standard on the share-based payments

The accounting standard relating to the Share-based Payment rule stated that the Company which offer for sale shares at the price below a fair value requires to record the different result between the offered price and the market price and plus with the number of offer for sale shares as the expense in the profit and loss statement and record the premium on shares from the Share-based Payment rule in the financial statement of the Company. In this regard, the fair value will be occurred from;

- 1) Market Price at the offering date – the offering date means the date of shareholders' meeting to approve the Company offer for sale shares.
- 2) Fair Value – the initial share price which will be appraised by the financial advisor of the Company under the assumption to determine fair value of the Company's shares

In this regard, the allocation and offering of the Company newly ordinary shares to the Purchaser at THB 1 per shares will affect to the Company's accounting because the accounting standard relating to the Share-based Payment rule. Such rule will make the Company has the expenses in the profit and loss statement and the premium on shares from the Share-based Payment rule in the financial statement of the Company as follow;

- 1) In the case of reference to the market price by applying the weighted average price 15 days before the Board of Directors meeting as the market price at the offering date, the approximate effect to the accounting due to the different between THB 1.25 per share and THB 1.00 per share which equals to THB 0.25 per share or equivalent to THB 25,000,000 (THB 0.25 multiply with 100,000,000 shares).
- 2) In the case of reference to the fair Value which will be appraised by the financial advisor of the Company, the Share-based Payment will not be affected because the fair value is preliminarily determined to be lower than 1.00 THB/share. However, this effect which will be happened in the future may be high or below the expected amount. The effect in the financial statement of the Company will be subject to the market price at the offering date which is the date of shareholders' meeting to approve the Company issue for sale shares.

8. 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.

9. Warranty of Directors

The Board of Directors certifies that the Board of Directors has performed its duty honestly and diligently preserved the benefits of the Company in relation to such capital increase. However, in the case of any damage occurring to the Company as a result of the Board's performance, the shareholders may file a lawsuit against such director on behalf of the Company for damages, according to Section 85 of the Securities and Exchanges Act B.E. 2535 (1992). In addition, if such performances of the Boards allow any director obtain undue benefits; the shareholders that have the right to vote total of 5% or more can demand the Company to process that action. However, if the Company do not process that within 1 month after the shareholders demanded, the shareholders may file a lawsuit to claim for such benefits from such director on behalf of the Company, according to Section 89 / 18 of the Securities and Exchanges Act B.E. 2535 (1992). The Board of Directors further certifies that the Board of Directors has used due care in consider and examine the information of the Mr. Somprasong Panjalak and Mr. Surachet Chaipatamanont and viewed that the investors have potentiality and capacity to invest in the Company.

Sincerely Yours

Hydrotek Public Company Limited

Mr. Slib Soongswang
Directors

Mr. Danai Amorpatchara
Directors

Information Memorandum concerning the Connected Transaction of the Offering and Allocation of the Newly Issued Shares of Hydrotek Public Company Limited

The Board of Directors' meeting of Hydrotek Public Company Limited (the "Company") No. 8/2017 dated September 21, 2017 has resolved to propose to the shareholders' meeting to consider and approve the increase of the Company registered capital in the amount of THB 200,000,000 from the current registered capital of THB 389,968,760 to be the new registered capital of THB 589,968,760 by issuing 200,000,000 newly ordinary shares at the par value of THB 1 per share

For the allocation of the newly issued shares, it is divided into two parts 1) the allocation of 100,000,000 newly issued shares with a par value of THB 1 per share to the existing shareholders of the Company in proportion to their shareholdings (Right Offering) pursuant to which the Company will allocate such remaining unsubscribed shares to those shareholders who have expressed their intention to subscribe for shares in excess of their shareholdings in accordance with their shareholding for another round with the same price as the Right Offering price. The remaining shares of the aforementioned and the Right Offering will be allocated to Mr. Somprasong Panjalak who is not a connected person of the Company, at the offering price of THB 1 per share and 2) the allocation of the 100,000,000 newly issued shares at the offering price of THB 1 per share (the "Private Placement Offering Price") on a private placement basis to Mr. Somprasong Panjalak in an amount of 81,000,000 shares and Mr. Surachet Chaipatamanont in an amount of 19,000,000 shares - Mr. Surachet Chaipatamanont, whereby, is a connected person of the Company under the Notification of the Capital Market Supervision Board No. 21/2551 RE Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand re Disclosure of Information and Practice of Listed Companies Concerning the Connected Transactions B.E. 2546. (the "Connected Transaction Notification") The size of the connected transaction equals to THB 19,000,000 the transaction of which is lower than THB 20,000,000 that the Company is required to obtain an approval from the Board of Directors' meeting and prepare the information memorandum the Company has prepared the Information Memorandum concerning the Connected Transaction of the Offering and Allocation of the Newly Issued Shares

1. Date, month and year of the transaction and the relevant parties

In this regard, the Company will proposed the capital increase and the allocation of newly issued shares to the Extraordinary General Meeting No. 1/2017 on November 2, 2017 for the shareholders' consideration. Therefore, the transaction of capital increase on a private placement basis to the connected person is expected to take place in early December 2017.

2. Characteristic, type and size of the transaction

The allocation and the offering of the 19,000,000 newly issued shares at the offering price of THB 1 per share (the "Private Placement Offering Price") on a private placement basis to Mr. Surachet Chaipatamanont, whereby, is a connected person of the Company. The Private Placement Offering Price is not lower than the Right

Offering price, but lower than the Market Price as stipulated in the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 re Approving a Listed Company to Offer Newly Issued Shares to Specific Investors.

“Market Price” means the weighted average price of the Company’s shares listed on the SET for the previous 7 - 15 consecutive business days prior to the resolution of the Board of Directors’ Meeting proposing the Extraordinary General Meeting of Shareholders to approve the capital increase and the allocation of the newly issued shares, which was the share price between August 31, 2017 – September 20, 2017 equal to THB 1.25 per share (source: SETSMART from www.setsmart.com)).

In addition, in the case that on the date the newly issued shares allocated to Mr. Surachet Chaipatamanont, the offering price is lower than 90% of the Market Price according to the Notification of the Stock Exchange of Thailand re Rules, Conditions, and Procedures Governing the Listing of Ordinary or Preferred Shares Issues for Capital Increase B.E. 2558 (Market Price means a weighted average price of shares traded in the SET for not less than 7 consecutive business days but not exceeding 15 consecutive business days prior to the first date on which such shares are offered for sale) the Company shall prohibit and Mr. Surachet Chaipatamanont from selling any of them within the period of 1 year from the commencement date on which the shares are traded on the SET. Upon completion of 6-month period of trading of such shares issued for capital increase on the SET, Mr. Surachet Chaipatamanont can gradually sell their Shares that are subject to the prohibition of sale at 25 percent of the total number of newly issued shares that are subject to the prohibition of sale.

In this regard, the offering and the allocation of the newly issued shares on the private placement basis to Mr. Surachet Chaipatamanont who is a connected person of the Company as he will thereafter become a director of the Company after the transaction. The transaction of the offering and allocation of newly issued shares is therefore a connected transaction of the Company under the under the Notification of the Capital Market Supervision Board No. 21/2551 RE Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand re Disclosure of Information and Practice of Listed Companies Concerning the Connected Transactions B.E. 2546. The size of the connected transaction equals to THB 19,000,000 the transaction of which is lower than THB 20,000,000 that the Company is required to obtain an approval from the Board of Directors’ meeting

3. Total Value and criteria used in determining total value of the transaction

The offering and the allocation of the newly issued shares on the private placement basis to Mr. Surachet Chaipatamanont who is a connected person of the Company as he will thereafter become a director of the Company after the transaction.

Total Transaction Value:	An amount of THB 19,000,000 in exchange for the private placement allotment of 19,000,000 mn shares
Relationship to Company*:	Director
Shareholding after Capital Increase:	3.22%

Criteria in Calculation:	<p>The total size of transaction can be calculated as follow:</p> <p>1.) NTA = THB 40,178,931 (as of Q2/2017) 3% x NTA = THB 1,205,368</p> <p>2.) Transaction is valued at lower or equal THB 20 mn, but higher than THB 1 mn</p> <p>Therefore, the transaction size is specified as the “Medium Size” of the connected transaction</p>
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* Mr. Surachet Chaipatamanont shall be nominated and be appointed as the Director of the company after the capital increase.

4. Details of connected person

Name: Mr. Surachet Chaipatamanont

Nationality: Thai

Address: No. 1224-1228 Mittraphap Road Nai Muang Sub-district Nakhon Ratchasima District, Nakhon Ratchasima Province

Occupation: Businessman

Workplace: Senior Partner, Prime Road Group

Relationship with the Company: Mr. Surachet Chaipatamanont will become a director of the Company after the offering and the allocation of the newly issued shares

Currently, Mr. Surachet Chaipatamanont have no connection to the company neither the management, the controlling persons nor the major shareholder of the Company. However, after the offering and the allocation of the newly issued shares on the private placement basis, Mr. Surachet Chaipatamanont shall be appointed to be a director of the Company. Mr. Surachet Chaipatamanont therefore will be the Company’s management and the connected person under the relevant Connected Transaction Notification

5. Characteristics and scope of interest of connected person

Pursuant the Extra Ordinary Meeting No.1/2017 if the meeting resolves the capital increase and allot the capital increase on a private placement basis as well as the connected transaction, Mr. Surachet Chaipatamanont shall receive the PP shares of 19,000,000 mn shares at par value of THB 1 per share and the offered price at THB 1 per share. Therefore, Mr. Surachet Chaipatamanont will become the shareholder of the company with holding percentage of 3.22% from 0% after the transaction and then he shall be appointed to be director of the company.

6. Directors who have interest and/or directors who are connected persons

No directors have interest or are a connected persons of the Company.

7. Opinion of the Board of Directors on the entering into the connected transaction

The Board of Directors considered that the allotment of shares on private placement basis to, Mr. Surachet Chaipatamanont is reasonable. The capital increase will benefit the company's financial position and future business plan. Meanwhile, Mr. Surachet Chaipatamanont is a very well-known person for his financial knowledge and specialist. The company which has been through the financial difficulties for a long period shall be resolved with his vision and consultation. Company expects that with his involvement company will rebound the financial performance into the green territories in a short period of time.

8. Opinion of the audit committee and/or directors of the Company which is different from that of the Board of Directors under Clause 7

The audit committee and/or directors of the Company do not view the matter otherwise.

(Mr. Slib Soongswang)

Chief Executive Officer