

Information Memorandum on Acquisition of Assets

Reference is made to the fact that Board of Directors' Meeting No. 2/2018 of Bangkok Dec-con Public Company Limited (the "Company" or "BKD"), which was convened on February 22, 2018 resolved to approve the acquisition of the Project, Production and distribution of water supply to some part of Phuket and Phang-Nga that operate by Gold Shores Company Limited (GS) and Hydro Enterprise & Aqua Design Company Limited (HYDRO). This transaction is between the Company and Miss Kantima Rodsatri (Daughter of one of the GS's ultimate shareholders) which is not a connected person of the Company. The Detail of this transaction are

- Purchase of ordinary shares of High East Capital Holdings Limited ("HECH") from Miss.Kantima Rodsatri equivalent to 100.00 percent of the total paid-up capital of HECH, Totally amount of Baht 450.00 million (HECH is entity established in Hong Kong), and will hold hold 34.62 percent of total paid-up capital of GS (HECH will be shareholder of GS within second quarter of 2018 before the Company entering into the transaction)
- Purchase 230,813 new ordinary shares with a par value of Baht 100.00 per share, at a price of Baht 649.88 per share, totaling Baht 150.00 million. It will be implemented simultaneously with the acquisition of HECH's shares as mentioned above. Hence, the Company directly and indirectly hold 40 percent of total paid-up capital of GS.
- Moreover, if GS can operate the project and has profit as agreed during the period of agreement after Phase 2-4 start to operate water distribution. The Company will purchase more GS's share in the future from existing shareholder of GS 138,288 shares with a par value of Baht 100.00 per share, at a price of Baht 1,157.01 per share, totaling Baht 160.00 million.

Therefore, the total investment for this acquisition transaction equal to Baht 760.00 million. After the transaction completed, the Company will hold the GS both directly and indirectly total 46.00 percent of total paid-up capital of GS. Moreover, the transaction has precedent conditions that the company will invest when GS already distribute water supply to user.

GS is an operator of production and distribution of water supply to some part of Phuket and Phang-Nga references from the water supply contract from subdistrict administrative organization in Tambon Mai-Khao ,Amphoe Thalang, Phuket with Hydro Enterprise & Aqua Design company Limited (HYDRO), subsidiary of GS in 99.99 percent of total paid-up capital of HYDRO. The contract is for a period of 30 years. The Project, production and distribution of water supply, has water sources from old mine area about 340 Rai located on Amphoe Tai Meang, Phang-Nga to use as reservoir for produce and distribute water supply to some part of Phuket and Phang-Nga. Currently, GS and HYDRO has applied for license that associated with operation of water supply in Phuket and Phang-Nga, and forecast investment budget and seeking contractor to

preparation in the project area for reservoir and plumbing along the road to support the water distribution in the future. The project expected to operate in quarter 2 year 2018. GS's investment budget is approximately Baht 998.24 million, with the remaining investment budget of Baht 653.42 million, which is the additional investment for the first phase in order to pay for the water under the conditions of investment is Baht 333.42 million. that GS must be pay for this amount and the project must be start to operate before the Company invests. And another Baht 320.00 million for phase 2-4, the Company will pay Baht 150.00 million (source of fund for increasing in GS capital comes from the Company's cash flow) and exisiting shareholders will pay Baht 50.00 million for increasing in capital of GS. And for another Baht 120.00 million remained the Company and exisiting shareholders will pay to increase in capital of GS proportionally which mean the Company hold GS's share for 40 percent. (The details in clause 4 sub-clause 3) page 14)

The entering into the transaction constitutes an asset acquisition transaction in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (collectively, the "Notifications on Acquisition or Disposal") The maximum transaction value calculated based on consolidated financial statements for the period ending 31 December 2017 is equal to Baht 808.00 million (Investment Value Baht 760.00 million include the budget that the Company need to pay after invest iin GS for 40.00 percent of total paid-up capital of GS equal to Baht 48.00 million before purchasing more shares when the conditions accomplished) is equivalent to 47.50 percent calculated based on the total value of the consideration method, and the Company has no transaction about Acquisition of Assets occur during the past 6 months, so the maximum transaction value based on the total value of the consideration method is 47.50 percent. The transaction is classified as a Class 2 Transaction according to Notifications on Acquisition or Disposal that is transaction value equal or greater than 15 percent but less than 50 percent hence the Company needs to disclose information to the Stock Exchange of Thailand and notify its shareholders by letter within 21 days from the date disclose information to the Stock Exchange of Thailand.

Because of this transaction has consideration by issue warrant to Miss Kantima Rodsatru (private placement) 90,000,000 units at offering price of Baht 0.16 per unit and issue new ordinary shares of the Company to accommodate the exercise rights of Warrant. And set the exercise price each year differently. The issuance and offering of warrant and new ordinary share to accommodate the exercise rights of Warrant must be approved by the shareholders meeting. Therefore, the Company will present this matter to the Annual General Meeting of Shareholders for the year 2018 in April 10, 2018.

The details of the transaction are as follows:

1. Transaction Date

- The Company will enter into the asset acquisition transaction after receiving an approval from Board of Directors to invest in ordinary share of HECH 46.00 percent of total paid-up capital of GS (Calculate based on total investment value) that operate production and distribution of water supply to some part of Phuket and Phang-Nga project. And
- After receiving an approval from Annual General Meeting for issuance and offering of warrant to private placement (Miss Kantima Rodsatsu) at amount of 90,000,000 units and issuance ordinary share to accommodate the exercise rights of Warrant.

2. Parties Related and Relationship with the Company

Buyer : Bangkok Dec-Con Public Company Limited (“BKD”)

Seller : Miss.Kantima Rodsatsu (Daughter of one of the GS's ultimate shareholders), only shareholder of HECH (Entity in Hong Kong established on January 11, 2018 with total capital of 2,036,586 USD, Board of Director of HECH is Miss.Kantima Rodsatsu)

Relationship : The seller has no relationship with directors, executives, and major shareholders of the Company and its subsidiaries. This is not a connected person in accordance with the notification of the Capital Market Supervisory Board Thor.Jor. 21/2551 Re: Rules on Connected Transactions.

3. General Information of Project

3.1 General Information of Project

The Company would like to invest in production and distribution of water supply to some part of Phuket and Phang-Nga project with the maximum capacity 96,000 Cubic metre per day (divided into 4 phases, each phase has capacity 24,000 Cubic metres and increases every 24,000 cubic metres until meet the maximum capacity) which operate by GS (hold by High East Capital Holdings Limited (HECH) that is the Company in HongKong 34.62 percent) under water supply contract in Tambon Mai-Khao ,Amphoe Thalang, Phuket with Hydro Enterprise and Aqua Design company Limited (HYDRO) (hold by GS 99.99 percent) The contract is for a period of 30 years. Project has water sources from old mine area about 340 Rai located on Amphoe Tai Meang, Phang-Nga to use as reservoir for produce and distribute water supply

The details of investment are as follow:

- 1) The Company purchase an existing ordinary share of High East Capital Holdings Limited (“HECH”) from Miss.Kantima Rodsatsu (Daughter of one of the GS's ultimate shareholders) existing shareholder of HECH which is not a connected person of the Company, 100.00 percent of the total paid-up capital of HECH, Totally amount of Baht 450.00 million. The Company will pay this amount by cash at the day of transaction completed and set the

precedent conditions for buyer and seller that has essence as follow:

precedent conditions of buyer

- (1) The Company must issue warrant and offer to Miss.Kantima Rodsatri (more details are in Information Memorandum of issuance and offering warrant to private placement) The details are as follow:
 - Numbers of new ordinary shares : 90,000,000 units
 - Offering price : Baht 0.16 per share
 - Exercise Ratio : 1 unit of warrant has the right to purchase 1 unit of ordinary share
 - Tenor : 5 years from the date of Issuance and Offering of warrants
 - Exercise price : Year 1, Baht 4 per unit (Nov 30,2018)
Year 2, Baht 4 per unit (Nov 29,2019)
Year 3, Baht 4.5 per unit (Nov 30,2020)
Year 4, Baht 5.0 per unit (Nov 30,2021)
Year 5, Baht 5.5 per unit (Nov 30,2022 The last exercise date).
- (2) The Company receiving an approval from Board of Directors and/or Annual General Meeting about the signing of Share Purchase Agreement and other related contract.
- (3) The Company receiving an approval for issuance and offering new ordinary share to accommodate the exercise rights of Warrant according to clause 3.1 (1) (c) from The Securities and Exchange Commission in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 72/2558, Re: Approval of Offering for Sale of Newly Issue Shares by Listed Companies to the Specific Persons
- (4) The Company has follow the regulation in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 34/2551, Re: Re: Application Form and Supporting Documents for Offer for Sale of Newly Issued Share Warrants and Underlying Shares, For offering warrant to seller according to clause 3.1 (1) (c)

precedent conditions of Seller.

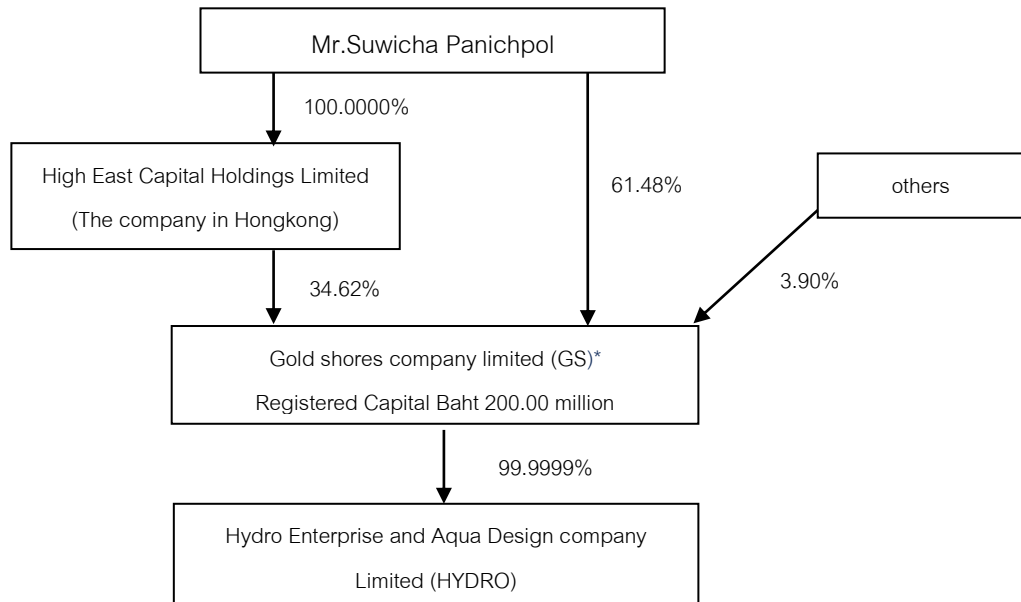
- (1) Miss.Kantima Rodsatri purchase the newly issue warrant as described above.
- (2) GS can distribute water supply to user and reservoir can maintain an average water for distribution not less than 24,000 cubic metre per day and expected to be operated within the end of second quarter of 2018.

- (3) GS has obtained licenses that relate with reservoir construction and water supply distribution as required by law, expected to obtain all relevant licenses within second quarter of 2018
 - (4) GS and HYDRO would sign the project management contract for the production and distribution of water supply in subdistrict administrative organization of Tambon Mai-Khao ,Amphoe Thalang, Phuket. Contract expected to be signed within second quarter of 2018
- 2) The Company purchases newly issued ordinary shares of GS 230,831 shares, at the par value of Baht 100.00 per share and at price Baht 649.88 Per share, totally Baht 150.00 million. And GS will issue new ordinary share 76,938 shares for offering to Miss.Kantima Rodsatru at the same time and same price with the Company totally Baht 50.00 million.
 - 3) If GS can operate and generate earning per share as agreed during the period of agreement after Phase 2-4 start to operate water distribution. the Company would purchase more GS's share in the future from group of GS's existing shareholders 138,288 shares with a par value of Baht 100.00 per share, at price of Baht 1,157.01 per share, totaling Baht 180.00 million.
- The first additional share purchase: The Company agrees to purchase 69,144 GS's shares from Mr.Suwicha Panichpol There is no relationship with executives, directors, major shareholders. And the controlling authority of the Company and its subsidiaries. This is not a connected person. According to the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551 Re: Rules on Connected Transactions total value Baht 80,000,000 when the following conditions completed within Year 2020
 - a) Reservoir can maintain an average water for distribution not less than 48,000 cubic metre per day. And
 - b) GS has earning per share not less than Baht 65 per share based on the latest financial statement of GS that audited by auditor.
 - The second additional share purchase: The Company agrees to purchase 69,144 GS's shares from Mr.Suwicha Panichpol There is no relationship with executives, directors, major shareholders. And the controlling authority of the Company and its subsidiaries. This is not a connected person. According to the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551 Re: Rules on Connected Transactions total value Baht 80,000,000 when the following conditions completed within Year 2022
 - a) Reservoir can maintain an average water for distribution not less than 72,000 cubic metre per day. And

- b) GS has earning per share not less than Baht 108 per share based on the latest financial statement of GS that audited by auditor.

Therefore, entering the transaction as mentioned in clause 1) and 2) , the Company will hold 40 percent of total paid-up capital in GS through indirect holding in HECH and holding directly in GS. And when GS has earning per share not less than an agreement, the Company will purchase additional 69,114 shares for the first time and 69,114 shares for the second time as mentioned in clause 3) The Company will has proportion in GS both direct and indirect holding equal to 46.00 percent of total paid-up capital of GS.

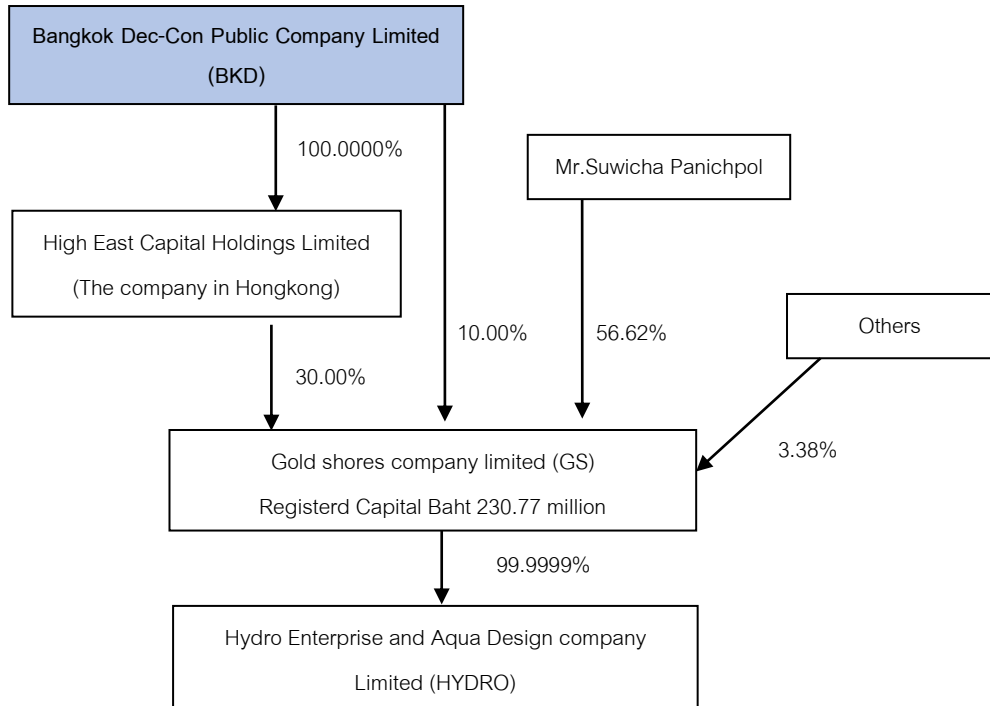
3.1.1 Shareholder Structure that will occur before transaction



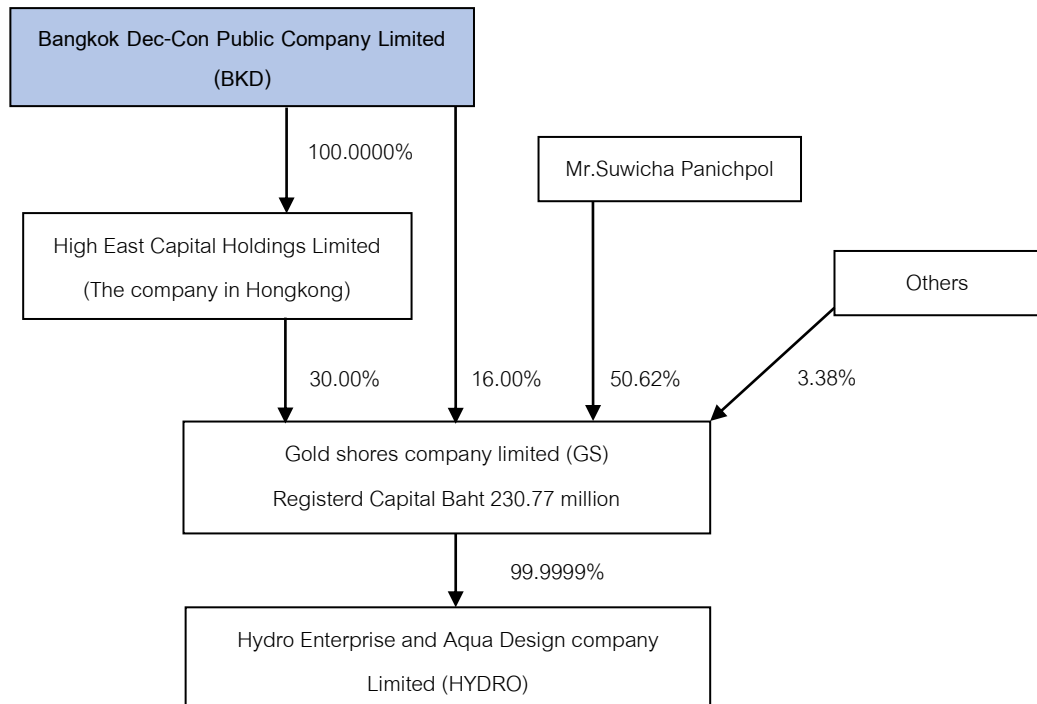
Remark: Now, all shareholder of GS is a persons. But GS will arrange the shareholder structure before the Company entering into the transaction by selling 34.62 percent of total paid-up capital of GS to HECH which hold by Miss Kantima Rodsatri (daughter of one of the GS's ultimate shareholders) whining second quarter of 2018. The list of shareholders of GS is in clause 4 subclause 7.b page 20.

3.1.2 Shareholder Structure after transaction

1) Shareholder Structure after transaction: Before first and second additional share purchase



2) Shareholder Structure after transaction: After first and second additional share purchase



3.2 Transaction Size

Calculation for the transaction size

| Rules | Calculation | Transaction Size(%) | Note |
|--|---|---------------------|--|
| 1. Asset Value | $\frac{\% \times \text{NTA in the acquisition proportion} \times 100}{\text{NTA of BKD}}$ | N/A | Cannot calculate because HECH was established on January 18, 2018 and has no financial statement |
| 2. Net Profit | $\frac{\% \times \text{Net profit in the acquisition} \times 100}{\text{Net profit of BKD}}$ | N/A | |
| 3. The Value of Consideration | $\frac{\text{Value of consideration paid} \times 100}{\text{Total Assets of BKD}}$ $\frac{760,000,000 \times 100}{1,701,103,469}$ | 47.50 | |
| 4. Value of shares issued by listed companies for payment of assets. | $\frac{\text{Number of underlying ordinary share}}{\text{Total number of issued and paid-up shares of the Company}}$ $\frac{90,000,000^* \times 100}{986,210,468}$ | 9.13 | |

Note : * means number of newly issue share for accommodate the exercise rights of Warrant which offering to Miss Kantima Rodsatri with exercise ratio of 1 unit of warrant : 1 ordinary share.

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4. Details of Acquired Assets

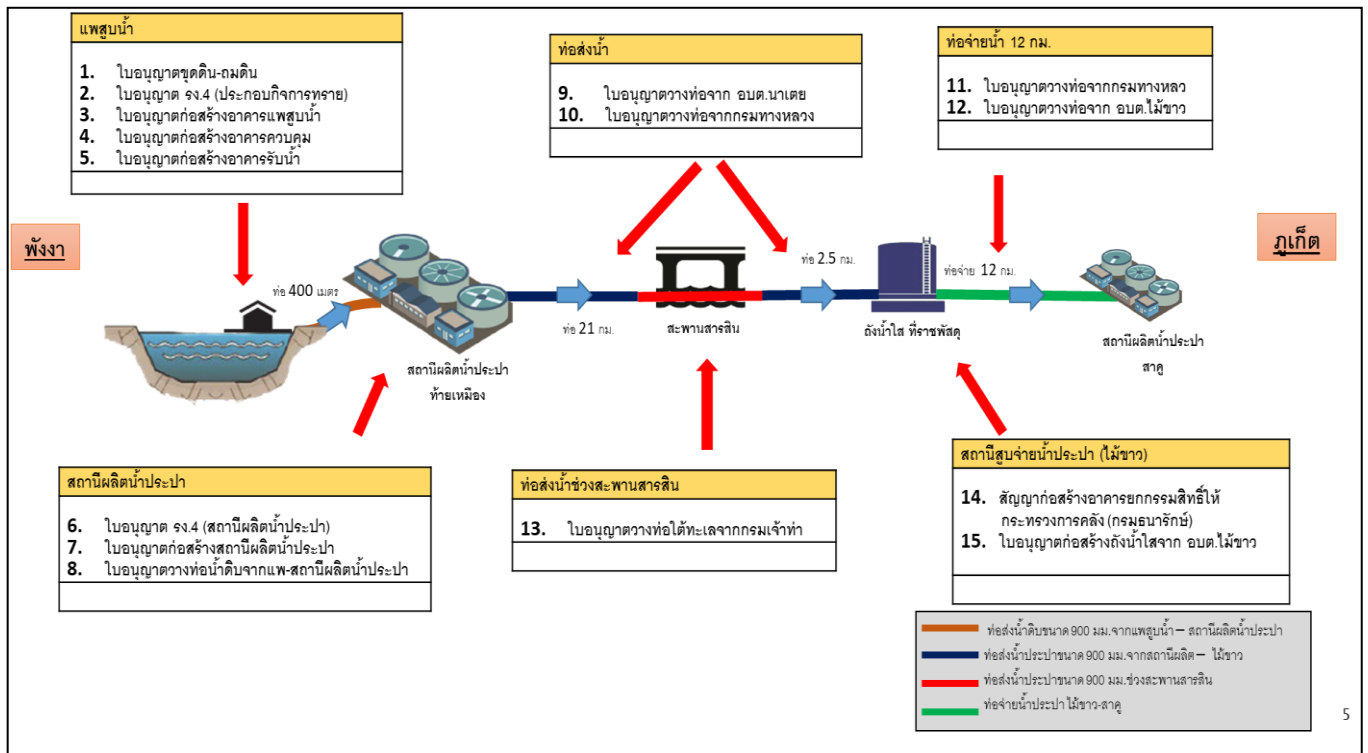
After the Company purchase 100 % share of HECH from exsiting shareholder, and investing in newly issued share of GS including an additional purchase in the future if GS can operated as agreed, the

company will hold share both direct and indirect totally 46.00 percent of total paid-up capital of GS. The General information and detail of the project as folloe:

General information and detail of the project

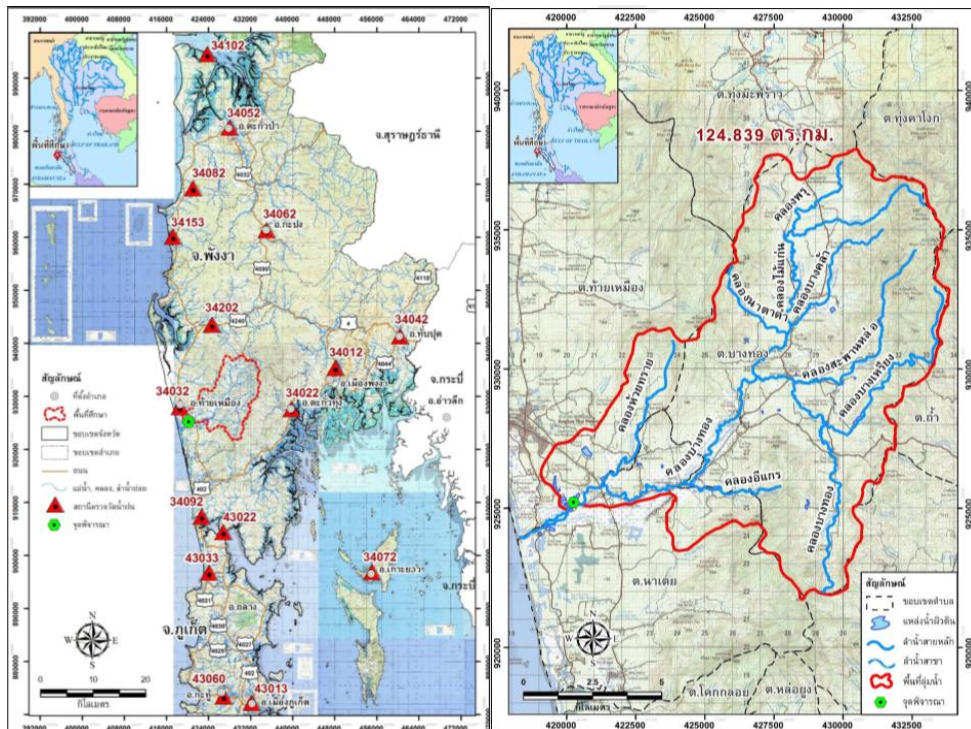
GS is an operator of production and distribution of water supply to some part of Phuket and Phang-Nga. Currently, it is on process of construction and the progress of construction as of 31 January 2018 is approximately 70 percent. (Source: Management of GS). This project has received a contract to operate the water supply business on behalf of the subsidiary which is Hydro Enterprise & Aqua Design company Limited (HYDRO). HYDRO has contract to operate water supply business from subdistrict administrative organization in Tambon Mai-Khao ,Amphoe Thalang, Phuket in period of 30 years since September 29, 2015 (28 years remaining) Raw water is sourced from land developing to be reservoir at Amphoe Tai Meang, Phang-Nga which these land owned by GS total 25 plots with total 340 rai 51 square wah. Currently, the land is mortgaged as collateral with Kasikorn Bank Public Company Limited. At this stage, the project cannot distribute water supply as a result of excavation process to the reservoir and the construction of the water supply system including water pipeline installation. The project expected to operate in quarter 3 year 2018 and in process of obtaining investment support from the Board of Investment (BOI)

Project Summary



Remark : The total 26 plots of land with total area 340 rai located at Amphoe Tai Meang, tambon Na Toey Phang-Nga are owned by GS

Project location



Both GS and HYDRO have obtained the relevant licenses for water supply business. GS owned reservoir land and licenses about Notification of excavation or land reclamation, Construction license of plant at Pangha and Piping Permit to transfer water supply to Phuket, while HYDRO already has received the water supply contract from subdistrict administrative organization in Tambon Lhor-yong and Saku, Phuket Province since year 2011. So that, the water supply contract from subdistrict administrative organization in Tambon Mai-Khao ,Amphoe Thalang, Phuket is made with HYDRO, but GS will be the management of this Project.

On January 15, 2018, GS and HYDRO has relevant licenses as follow. (Reference from Legal and tax audit report dated January 15, 2018 by SCL tax Consultants Company Limited as a legal advisor)

1) Relevant licenses of GS

| | | |
|---|---|---|
| 1. Notification of excavation or land reclamation | : | Under the Soil and Soil Act, 2000, No. 002/2560, issued on 7 April 2017 by Tai Mueang District Administrative Organization which start operate since April 7, 2017 until January 1, 2020 on own land 20 plots locate at Moo 3 Thai Mueang District, ampher Thai Mueang, Phang Nga Province. <u>Remark</u> : it is the renewal from notisfication of excavation, land reclamation certificate no.001/0558 which the operation already expired since March 26, 2016. |
|---|---|---|

| | | |
|-----------------------------|---|---|
| 2. Factory Transfer License | : | <p>Second time no.aor.03/2014 issue by Phang Nga Provincial Industry Office by transfer plant registration number jor.3-3(2)-467/20 por ngor excavating, grading, screening, gravel, soil and sand in proprietary land according to factory license (ror.ngor.4) no.por.15/2007 dated December 26, 2007. The factory located Moo 6 Thai Mueang District, ampher Thai Mueang, Phang Nga Province.</p> <p><u>Remark</u> : commencement date on April 7, 2015, therefore, current license will valid until</p> |
| 3. Construction license | : | <p>- No. 72903/026/2016 dated October 14, 2016 issued by Tai Mueang District Administrative Organization which is a single storey building area 70 square meters for control the pumping of raw water to the water supply station. The buliding located Moo.7 Thai Mueang District, ampher Thai Mueang, Phang Nga Province. Currently the first renewal license is on process, it will valid until October 12, 2018.</p> |
| | | <p>- No. 72903/027/2016 dated October 14, 2016 issued by Tai Mueang District Administrative Organization which is a receiving water building area 252 square meters. The buliding located Moo.7 Thai Mueang District, ampher Thai Mueang, Phang Nga Province. Currently the first renewal license is on process, it will valid until October 12, 2018.</p> |
| | | <p>- No. 72903/028/2559 dated October 14, 2016 issued by Tai Mueang District Administrative Organization which is steel structure area 231 square meters for using as water pump located Moo.7 Thai Mueang District, ampher Thai Mueang, Phang Nga Province. Currently the first renewal license is on process, it will valid until October 12, 2018</p> |
| | | <p>- No. 36/2559 dated October 14, 2016 issued by Tai Mueang District Administrative Organization which is a raw water pipeline area 280 square meters located Moo.1 Thai Mueang District, ampher Thai Mueang, Phang Nga Province. Currently the first renewal license is on process, it will valid until October 31, 2018</p> |
| | | <p>- No. 033/2017 dated June 15, 2017 issued by Mai Khao District Administrative Organization which is a steel tank and base area 916.63 square meters for water storage located Moo.5 Mai Khao District, ampher Talang, Phuket Province. Currently it will valid until June 14, 2018 and GS will renew the license until construction is completed.</p> |
| | | <p>- No. 3/2015 dated January 19, 2015 issued by Na Toei District Administrative Organization which is an across bridge length 34 meters located Moo.1 Na Toei District, ampher Taymueng, Phanga Province. (finished construction)</p> |
| | | <p>- No. 4/2015 dated January 19, 2015 issued by Na Toei District Administrative Organization which is a office building area 42 square meters. The buliding located Moo.1 Na Toei District, ampher Taymueng, Phanga Province. (finished construction)</p> |

| | | |
|---|---|---|
| | | - No. 5/2015 dated January 19, 2015 issued by Na Toei District Administrative Organization which is a 100 ton truck scale area 54 square meters. The scale located Moo.1 Na Toei District, ampher Taymueng, Phanga Province. (finished construction) |
| 4. Permit license to overrun the construction into the river. | : | No. 1/2015 dated January 19, 2015 issued by Harbor Department pass through Na Toei District Administrative Organization which is a reinforced concrete bridge across Na Toei Canal located Moo.1 Na Toei District, ampher Taymueng, Phanga Province. Land title deed no.13787 and 13730 |
| 5. Piping permit in the public area | : | No. por.ngor 73203/612 dated November 1, 2016 by Na Toei District Administrative Organization which is a water pipe 900 mm. laid on public area, the road behind the temple Moo.1 Na Toei District, ampher Taymueng, Phanga Province. Length 350 meter. |
| 6. Permit piping and pressure piping | : | No.kor.kor.0638/2023/8809 dated December 17, 2015 issued by Department of Highways which is water pipe 900 mm. and pressure pipe in the highways, detail as follow; <ul style="list-style-type: none"> - National Highway No.4 at Tay Muang – Klong Bang Dinsor at Km.831+500 – km. 844 + 438 on the right. - National Highway No.402 at Khok Loy – Mak Mak at Km.0+140 – km. 8 + 461 on the right. - National Highway No.4302 Sai Kaew Beach – Tha Man at Km.0+500 – km. 3 + 500 on the left. - Pipe to pass through the highway no.4 Tay Mueng – Bang Din Sor Canal at Km.844+438 – km. 844 + 553. - Pipe to pass through the highway no.402 Kok Loy – Mak Prok at Km.0+000 – km. 0 + 140. |
| Construction contract deliver ownership to the Ministry of Finance. | : | No. 1/2017 dated 8 September 2018 issue by Ministry of Finance By the Phuket Treasury Department allow to use of state property No. Por kor. 153 area 4 Rai located Mai kao District, ampher Taymueng, Phanga Province to construct the water supply station for distribute and steel tank, diameter 37.012 metres 7.07 height with 6,045 cubic metres, for the period of 30 years from the signing date. The fee was paid for design, survey and contract collateral. <u>Remark</u> : GS has rent this land since May 27, 2015 according to land rental contract for agriculture dated May 27, 2015. Because of the objective of the contract is not related to business's objective of project, the new contract is made about construction of the building and give an ownership of the above building to Ministry of Finance to replace the existing contract. |

2) Relevant licenses of HYDRO

| | | |
|--|---|--|
| 1. Factory Transfer License | : | no.por.13/2016 dated October 27, 2016 issue by Phang Nga Provincial Industry Office. Plant registration number jor.3-90-12/59 por ngor water supply production. The factory located Na Toey District, ampher Thai Mueang, Phang Nga Province, Curretly the factory has not yet operate. |
| 2. Construction license | : | No. 35/2016 dated November 1, 2016 issued by Tai Mueang District Administrative Organization which is office building and water quality laboratory area 133.88 square metres, A chemical shed factory area 96 square metres, A water tank area 109.90 square metres, Sedimentation tank area 364.50 square metres and sand filter tank area 270 square metres located Moo.1 Na Toei District, ampher Taymueng, Phanga Province. Currently the first renewal license is on process, it will valid until October 31, 2018. |
| 3. Piping permit | : | No.kor.kor.0638/845/5943 dated August 9, 2016 issued by Department of Highways which is water pipe 900 mm. in the highways, detail as follow; - National Highway No.402 at Khok Loy – Mak Mak at Km.11+056 – km. 14 + 631 on the right. - National Highway No.4302 Sai Kaew Beach – Tha Noon at Km.0+000 – km. 0 + 500 on the left. |
| 4. Piping permit in the public area | : | No. Por Kor 71601/236 dated February 22, 2017 by Mai Kao District Administrative Organization which is a water pipe 500 mm. laid on public area, the Mai Kao road Soi 8 Moo.4 Mai Kao District, ampher Thalhang, Phanga Province. Length 4500 meter. |
| 5. River intrusive construction permission | : | No. 1/2017 date June 1, 2017 byMarine Department via provincial por jor por.5 for piping from Phannga to Phuket underneath the Sarasin bridge |
| 6. the water supply contract from subdistrict administrative organization in Tambon Mai-Khao ,Amphoe Thalang, Phuket | : | No. 1/2015 date September 29, 2015 by subdistrict administrative organization in Tambon Mai-Khao to give permission to engage in water supply business in Tambon Maikao, for a period of 30 years with no condition of volume production and compensation to issuer. But the license cannot transfer if the issuer not allow. |

3) Investment Budget

Investment budget by project management team, the details are as follow:

Investment Budget

| Investment Budget | Amount (Million Baht) |
|---|--------------------------|
| 1. Developing reservoir at Taymueng, Phanga Province | 190.99 |
| 2. Pumping water supply system, reservoir- plant | 13.40 |
| 3. Production and distribution plant for 24,000 cubic metres per day (Taymueng) | 62.37 |
| 4. Pumping Water supply system (Taymueng – Maikao) | 230.06 |
| 5. Water supply distribution Phuket-End user | 33.22 |
| 6. Water supply pipe (Maikao-Saku) | 93.00 |
| 7. HDPE pipe to end user | 55.20 |
| Total Investment | 678.24 |
| 8. Plant phase 2 -4, max capacity 96,000 square metres per day | 320.00 |
| Total Investment | 998.24 |

Remark : Information reference from management team of GS as of January 2018, already invest Baht 344.82 million and remaining investment Baht 333.42 million for invest in phase 1 at capacity 24,000 cubic metres per day. GS must be pay for the remaining amount and the project must be start to operate before the Company invests.

- An investment Baht 320.00 million for phase 2-4 will occur after the Company entering into the transaction. the Company will pay Baht 150.00 million (source of fund for increasing in GS capital comes from the Company's cash flow) and existing shareholders will pay Baht 50.00 million for increasing in capital of GS. And for another Baht 120.00 million remained the Company and existing shareholders will pay to increase in capital of GS proportionally which mean the Company hold GS's share for 40.00 percent.

4) Important contract during construction on January 31, 2018

| Contract Type | Contract Party | Employer | Contract Date | Contract Period | Scope of Work |
|--|---|----------|---------------|--|--|
| 1. Contract for sand digging | BangKhlee Civil Limited Partnership | GS | May 21, 2014 | 3 years 6 months (GS will extend the contract for 4 more years) | Supply equipment and staff to dig sand at the designated area, using it as a storage pond for raw water before the production of tap water |
| 2. Contract for selling sand to CPAC (1) | Concret Product and Aggregate Co.,Ltd. (CPAC) | GS | Feb 1, 2016 | 2 years 4 months | Purchase sand obtained from digging the water storage pond from GS by indicating the amount of sand with fixed price per unit |
| 3. Contract for selling sand to CPAC (2) | Concret Product and Aggregate Co.,Ltd. (CPAC) | GS | June 1, 2016 | 2 years 4 months | Purchase sand obtained from digging the water storage pond from GS by indicating the amount of sand with fixed price per unit |
| 4. Contract for construction of the water pumping raft | BangKhlee Civil Limited Partnership | GS | May 9, 2017 | Within 90 days after the employer deliver the steel float | Construct 1 water pumping raft according to the design with the steel float provided by the employer |
| 5. Contract for buying water pump | PAC Control Co.,Ltd. | GS | July 27, 2017 | Within 120 days after the start of the contract | Sell 9 water pumps with motor – 6 for A.Thaimuang, Phang-nga and 3 for A.Mai-Khao, Phuket |
| 6. Contract for construction of the inlet structure at A.Thaimuang | BangKhlee Civil Limited Partnership | GS | May 25, 2017 | Within 75 days after the start of the contract | Construct 1 inlet structure and install 5 doors that are provided by the employer at A.Thaimuang, Phang-nga province |

| Contract Type | Contract Party | Employer | Contract Date | Contract Period | Scope of Work |
|--|--|----------|------------------|---|---|
| 7. Contract for designing the tap water production system | Thanthiya Technology Co.,Ltd. | GS | July 7, 2017 | Within 150 days after receiving the letter to start working | Sell tap water production system Aqua Pulse with installation at A.Thaimuang, Phang-nga province, in which the seller will design, supply, transport, install, test-run, as well as provide training. |
| 8. Contract for pipe laying in Phang-nga | KBA Service Limited Partnership | GS | June 16, 2016 | 180 days after receiving notification to start the work | Laying 900mm steel pipe to send raw water in Phang-Nga and Phuket. Labor and material cost 2000Baht per meter including total restoration work. |
| 9. Contract for pipe laying in Phuket | KBA Service Limited Partnership | GS | January 3, 2018 | Within 120 days after the start of the contract | Laying 900mm pipe to send tap water in T.Mai-Khao, Phuket for 11KM and 800mm pipe in T.Saku for 3.83KM. Labor, material, and total restoring work cost 2400 Baht per meter and 2300 Baht per meter, respectively. |
| 10. Contract for pipe laying under the Sarasin Bridge | Siam Syndicate Technology Co.,Ltd. (Head Office) | GS | January 16, 2018 | Within 180 days after receiving the letter to start working | Laying 900mm pipe to send tap water for about 700meters in the area beside Sarasin Bridge between Phang-Nga and Phuket (only the part under the sea) |
| 11. Contract for purchasing and installation of a clear water tank sized 6000 Cubic meters | Demarc Trading Co.,Ltd. | GS | July 24, 2017 | Within 165 days after the start of the contract | Sell two 6000 cubic meters tap water tanks with installation, test-run, and system connection at T.Thaimuang, Phang-nga and T.Mai-Khao, Phuket |

| Contract Type | Contract Party | Employer | Contract Date | Contract Period | Scope of Work |
|---|-----------------------------------|----------|-------------------|--|--|
| 12. Contract for construction of foundations of water supply plant. | CHOR Supavadee Construction | GS | December 20, 2017 | within 100 days from the contract date. | Construction of the foundations of the water supply plant at the area of Tambon Nai-Tei ,Muang District, Phang Nga Province at the price of labor, equipment and materials by the employer, except pile. |
| 13. 6,000 water tank foundations Tambon Na-Tei | CHOR Supavadee Construction | GS | December 20, 2017 | Within 77 days from the date of the agreement. | The foundation of the 6,000 cubic meters of water tank at Tambon Na-Tei, Thai-Muang District, Phang Nga Province at the price of labor, equipment and materials by the employer, except pile. |
| 14. Contract for construction of 6,000 water tank foundation, Tambon Mai-Khao | CHOR Supavadee Construction | GS | December 20, 2017 | Within 77 days from the date of the agreement. | The foundation of the 6,000 cubic meters of water tank at Tambon Na-Tei, Thai-Muang District, Phang Nga Province at the price of labor, equipment and materials by the employer, except pile. |

Remark : - GS has revenue from sand sale. The result of the excavation during the pit for raw water. To produce tap water. After the digging of the pond, GS will have no such income.

- All parties Be external None of the directors, major shareholders And the controlling authority of the company. And its subsidiaries.

5) Progress of the project as of January 2018

| Section | Progress | Details |
|--|------------|--|
| 1. Water supply and sewerage station | 61% | <ul style="list-style-type: none"> ● Pump construction completed ● pump is under installation ● Electrical works and water towers are under construction. |
| 2. Water Supply Plant Phase 1 (Thai Muang) | 58% | <ul style="list-style-type: none"> ● Water production plant is under construction. ● Clear water tank. In transit from England. |
| 3. Pipeline for delivery of water about 24 km from Tambon Tai Muang to Tambon Mai Khao | 73% | <ul style="list-style-type: none"> ● Purchase plumbing processed. Pipe laying is underway. |
| 4. water supply and distribution stations | 45% | <ul style="list-style-type: none"> ● Completed pump is under construction |
| 5. Pipeline supply for water supply is 14.7 km. from Tambon Mai Khao to Tambon Sakuu | 8% | <ul style="list-style-type: none"> ● In the process of purchasing the tap water pipe |
| 6. HDPE pipeline split water supply to customers | 40% | <ul style="list-style-type: none"> ● HDPE purchase processed. Pipe laying is underway. |
| Total progress | 68% | It is expected that the project will commence water supply phase 1 in June 2018. |

Source: Project Progress Report As of January 2018, at the end of 2017, the reservoir had a capacity of approximately 2.40 million cubic meters

Schedule for construction of water supply and distribution projects for some areas of Phuket And some parts of Phang Nga Province. Review as of January 2018: Expected to be completed by Q2, 2018.

| Section | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 |
|---|----------|----------|----------|----------|----------|----------|
| 1. The station receives and sends raw water. | | | | | | |
| 2. Phase 1 Water Supply and Production Plant (Thai Mueang) | | | | | | |
| 3. Steel pipe for delivery of water for about 24 km (Thai Mueang to Mai Khao) | | | | | | |

| Section | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 |
|--|----------|----------|----------|----------|----------|----------|
| 4. Water supply station | | | | | | |
| 5. Pipeline for delivery of water about 14.7 km distance (Tambon Mai Mai to Sakoo) | | | | | | |
| 6. HDPE pipe work to distribute water to customers. | | | | | | |

Source: Project Progress Report From the management of GS as of January 2018

6) Loan Agreement :

GS request for credit line support from KASIKORNBANK Public Company Limited totaling 217 million baht for the operation of the tap water production and distribution project by using these as collaterals; the land, the building, GS bank account, land on behalf of related individuals and juristic person, as well as the guarantee by HYDRO directors and related people by pledging its shares to the financial institution creditors. (Note: Such juristic person and related person are outsiders who does not have any relationship with executives, directors, major shareholders and the controlling authority of the company and its subsidiaries)

7) General Information of GS and HYDRO

a. General Information of HECH :

| | | |
|---------------------|---|---|
| Company's Name | : | High East Capital Holdings Limited ("HECH") |
| Registered Number | : | 2638558 |
| Established Date | : | 11 January 2018 |
| Registered Capital | : | 1 USD |
| Par Value | : | 1 USD |
| Share Amount | : | 1 share |
| Address | : | Hongkong |
| Board of Director | : | Miss.Kantima Rodsatru |
| List of shareholder | : | Miss.Kantima Rodsatru |

Remark : HECH will increases in registered capital for purchasing GS's shares from existing shareholder within quarter 2 year 2018, the shareholder structure of GS will be as mentioned in page 6.

b. General Information of GS :

| | | |
|---|---|---|
| Company's Name | : | Gold Shores Company Limited (GS) |
| Registered Number | : | 010554904471 |
| Established Date | : | 3 April 2006 |
| Registered Capital | : | 200,000,000 Baht |
| Par Value | : | 100 Baht per share |
| Share Amount | : | 2,000,000 shares |
| Address | : | 115/1-3 Sukhothai Grand Bldg. 4 Fl. Sukhothai Rd. Dusit, Dusit, Bangkok 10300 |
| Board of Director and Authorized Director | : | Mr. Suwicha Phanichphol |

| List of shareholder (as of 24 July 2017) | Name | Amount (share) | Percentage |
|--|---|----------------|------------|
| | 1. Mr. Suwicha Phanichphol | 1,922,000 | 96.1000% |
| | 2. Mrs. Amphitha Jitsena | 24,000 | 1.2000% |
| | 3. Mr. Phongkorn Konphinyasophon | 18,000 | 0.9000% |
| | 4. Miss Chanida Kaoropkittiwong | 13,466 | 0.6733% |
| | 5. Mr. Mit Kaoropkittiwong | 10,000 | 0.5000% |
| | 6. Mr. Chanin Kiatthaweepong | 4,960 | 0.2480% |
| | 7. Mr. Sansern Samaisut | 3,466 | 0.1733% |
| | 8. Mr. Supachai Wisetphaitoon | 1,068 | 0.0534% |
| | 9. Mr. Damrong Santipharaphob | 840 | 0.0420% |
| | 10. Mr. Atthakorn Khunpisithwong | 800 | 0.0400% |
| | 11. Miss Pariyachat Jiaravudthi | 200 | 0.0100% |
| | 12. Mr. Rattaphan Thiramanas | 200 | 0.0100% |
| | 13. Miss Linda Phattharasattayakon | 200 | 0.0100% |
| | 14. Miss Watcharaporn Phattharasattayakon | 200 | 0.0100% |
| | 15. Miss Oraka Pakikha | 200 | 0.0100% |
| | 16. Miss Jitsarapa Puenpha | 100 | 0.0050% |
| | 17. Mr. Teerawut Suphasilpkanok | 100 | 0.0050% |
| | 18. Miss Theeraporn Chuenkamontham | 60 | 0.0030% |
| | 19. Mr. Mongkhol Nanamchiaw | 60 | 0.0030% |
| | 20. Miss Saowapha Thumwong | 40 | 0.0020% |
| | 21. Miss Jaruwan Somchan | 30 | 0.0015% |
| | 22. Mr. Adisorn Hansuradech | 10 | 0.0005% |
| | Total | 2,000,000 | 100.0000% |

Remark: Now, all shareholder of GS is a persons. But GS will arrange the shareholder structure before the Company entering into the transaction by selling 34.62 percent of total paid-up capital of GS to HECH which hold by Miss Kantima Rodsatsu (daughter of one of the GS's ultimate shareholders)

The Changing of Shareholder Structure of GS from the transaction

| Name | Before the Company entering into the transaction | | After the Company invest in newly issue shares | | After the first and second additional share purchase | |
|---|--|------------|--|------------|--|------------|
| | Amount (share) | Percentage | Amount (share) | Percentage | Amount (share) | Percentage |
| 1. Mr. Suwicha Phanichphol | 1,229,561 | 61.4781% | 1,229,561 | 53.2796% | 1,091,273 | 47.2873% |
| 2. Mrs. Amphitha Jitsena | 24,000 | 1.2000% | 24,000 | 1.0400% | 24,000 | 1.0400% |
| 3. Mr. Phongkorn Konphinyasophon | 18,000 | 0.9000% | 18,000 | 0.7800% | 18,000 | 0.7800% |
| 4. Miss Chanida Kaoropkittiwong | 13,466 | 0.6733% | 13,466 | 0.5835% | 13,466 | 0.5835% |
| 5. Mr. Mit Kaoropkittiwong | 10,000 | 0.5000% | 10,000 | 0.4333% | 10,000 | 0.4333% |
| 6. Mr. Chanin Kiatthaweepong | 4,960 | 0.2480% | 4,960 | 0.2149% | 4,960 | 0.2149% |
| 7. Mr. Sansern Samaisut | 3,466 | 0.1733% | 3,466 | 0.1502% | 3,466 | 0.1502% |
| 8. Mr. Supachai Wisetphaitoon | 1,068 | 0.0534% | 1,068 | 0.0463% | 1,068 | 0.0463% |
| 9. Mr. Damrong Santiphaphob | 840 | 0.0420% | 840 | 0.0364% | 840 | 0.0364% |
| 10. Mr. Atthakorn Khunpisithwong | 800 | 0.0400% | 800 | 0.0347% | 800 | 0.0347% |
| 11. Miss Pariyachat Jiaravudthi | 200 | 0.0100% | 200 | 0.0087% | 200 | 0.0087% |
| 12. Mr. Ratthaphan Thiramanas | 200 | 0.0100% | 200 | 0.0087% | 200 | 0.0087% |
| 13. Miss Linda Phattharasattayakon | 200 | 0.0100% | 200 | 0.0087% | 200 | 0.0087% |
| 14. Miss Watcharaporn Phattharasattayakon | 200 | 0.0100% | 200 | 0.0087% | 200 | 0.0087% |
| 15. Miss Oraka Pakikha | 200 | 0.0100% | 200 | 0.0087% | 200 | 0.0087% |
| 16. Miss Jitsarapa Puenpha | 100 | 0.0050% | 100 | 0.0043% | 100 | 0.0043% |
| 17. Mr. Teerawut Suphasilpkanok | 100 | 0.0050% | 100 | 0.0043% | 100 | 0.0043% |
| 18. Miss Theeraporn Chuenkamontham | 60 | 0.0030% | 60 | 0.0026% | 60 | 0.0026% |
| 19. Mr. Mongkhol Nanamchiaw | 60 | 0.0030% | 60 | 0.0026% | 60 | 0.0026% |
| 20. Miss Saowapha Thumwong | 40 | 0.0020% | 40 | 0.0017% | 40 | 0.0017% |
| 21. Miss Jaruwan Somchan | 30 | 0.0015% | 30 | 0.0013% | 30 | 0.0013% |
| 22. Mr. Adisorn Hansuradech | 10 | 0.0005% | 10 | 0.0004% | 10 | 0.0004% |
| 23. High East Capital Holdings Limited | 692,439 | 34.6220% | 692,439 | 30.0049% | 692,439 | 30.0049% |

| Name | Before the Company entering into the transaction | | After the Company invest in newly issue shares | | After the first and second additional share purchase | |
|--|--|------------------|--|------------------|--|------------------|
| | Amount (share) | Percentage | Amount (share) | Percentage | Amount (share) | Percentage |
| 24. Bangkok Dec-con Public Company Limited | - | 0.0000% | 230,813 | 10.0016% | 369,101 | 15.9940% |
| 24. Miss Kantima Rodsatsu* | - | 0.0000% | 76,938 | 3.3339% | 76,938 | 3.3339% |
| Total | 2,000,000 | 100.0000% | 2,307,751 | 100.0000% | 2,307,751 | 100.0000% |

*Remark : Miss Kantima Rodsatsu invests in newly issue shares 76,938 shares.

| Financial Statement of GS | 2016 | 2015 | 2014 |
|---|---------------|---------------|---------------|
| Cash and deposits at financial institutions | 0.89 | 0.61 | 0.19 |
| Accounts and notes receivable - net | 6.31 | 2.43 | 0.06 |
| Inventories - net | 0.94 | - | - |
| Deposits | 19.82 | 9.27 | - |
| Other current assets | 79.58 | 5.52 | - |
| Total current assets | 107.44 | 17.84 | 0.24 |
| Property, plant and equipment- net | 154.28 | 173.20 | 152.66 |
| Investment in subsidiary | 26.00 | 26.00 | - |
| Other non-current assets | 4.21 | 1.25 | 4.77 |
| Total non-current assets | 184.49 | 200.45 | 157.43 |
| Total assets | 291.92 | 218.28 | 157.67 |
| Accounts payable | 9.05 | 4.06 | - |
| Property Payable | 22.37 | - | 0.01 |
| Accrued expenses | 7.70 | 2.22 | - |
| Current portion of long-term loans | 13.20 | - | - |
| Other current liabilities | 4.58 | 18.43 | - |
| Total current liabilities | 56.90 | 24.71 | 0.01 |
| long-term loans | 129.57 | 99.63 | 58.26 |
| Other non-current liabilities | 26.80 | - | - |
| Total non-current liabilities | 156.37 | 99.63 | 58.26 |
| Total Liabilities | 213.27 | 124.34 | 58.27 |
| Issued and paid-up common stocks | 60.00 | 60.00 | 60.00 |
| Share Premium | 40.00 | 40.00 | 40.00 |
| Retained earnings (deficit) | (21.35) | (6.06) | (0.60) |
| Total shareholders' equity | 78.65 | 93.94 | 99.40 |
| Total liabilities and shareholders' equity | 291.92 | 218.28 | 157.67 |

| Income Statement of GS | 2016 | 2015 | 2014 |
|------------------------|----------------|---------------|---------------|
| Revenue from sale | 26.51 | 13.31 | - |
| Other Revenue | 0.70 | 0.00 | 0.01 |
| Total revenue | 27.21 | 13.32 | 0.01 |
| Cost of sales | 20.41 | 8.00 | - |
| operating expenses | 14.27 | 6.77 | 0.24 |
| Total Expenses | 34.68 | 14.77 | 0.24 |
| Operating Profit(loss) | (7.47) | (1.46) | (0.23) |
| Interest expenses | (7.83) | (4.00) | (0.30) |
| Net income (loss) | (15.29) | (5.46) | (0.53) |

Remark : Auditor of GS is Mr.Decha Thiphawang CPA No. 8483 which is an Auditor in List of Auditors

Approved by the office of SEC

c. General Information of HYDRO :

| | | | |
|--|---|--|------------------|
| Company's Name | : | Hydro Enterprise & Aqua Design Company Limited (HYDRO) | |
| Registered Number | : | 0105553036428 | |
| Established Date | : | 12 March 2010 | |
| Registered Capital | : | 26,000,000 Baht | |
| Par Value | : | 100 Baht per share | |
| Share Amount | : | 2,600,000 Shares | |
| Address | : | 115/1-3 Sukhothai Grand Bldg. 4 Fl. Sukhothai Rd. Dusit, Dusit, Bangkok 10300 | |
| Board of Director and Authorized Director | : | Mr. Suwicha Phanichphol | |
| List of shareholder (as of 24 July 2017) | : | 1. Gold Shores Company Limited | 99.999% |
| | | 2. Mr. Chanin Kiatthaweepong | 0.0000% |
| | | 3. Mr.Thana Julapansak | 0.0000% |
| | | 4. Miss Linda Phattharasattayakon | <u>0.0000%</u> |
| | | Total | <u>100.0000%</u> |

| Financial Statement of HYDRO | 2016 | 2015 | 2014 |
|---|--------|--------|--------|
| Cash and deposits at financial institutions | 1.07 | 0.61 | 0.61 |
| Accounts and other receivable - net | 1.47 | 0.83 | 1.28 |
| Inventories - net | 0.00 | 0.04 | - |
| Other current assets | 0.60 | 0.01 | 0.03 |
| Total current assets | 3.14 | 1.49 | 1.92 |
| Investment in subsidiary | 29.21 | 25.34 | 12.61 |
| Other non-current assets | 0.52 | 0.48 | - |
| Total non-current assets | 29.73 | 25.81 | 12.61 |
| Total assets | 32.87 | 27.30 | 14.53 |
| Accounts and others payable | 1.35 | 1.26 | 3.29 |
| Accrued expenses | 0.81 | 0.36 | - |
| Other current liabilities | 0.15 | 1.16 | - |
| Total current liabilities | 2.31 | 2.79 | 3.29 |
| Leasing | 1.23 | - | - |
| long-term loans from related party | 6.65 | 4.95 | 17.29 |
| Other non-current liabilities | 1.45 | - | - |
| Total non-current liabilities | 9.34 | 4.95 | 17.29 |
| Total Liabilities | 11.65 | 7.74 | 20.58 |
| Issued and paid-up common stocks | 26.00 | 26.00 | 1.00 |
| Retained earnings (deficit) | (4.78) | (6.44) | (7.05) |
| Total shareholders' equity | 21.22 | 19.56 | (6.05) |
| Total liabilities and shareholders' equity | 32.87 | 27.30 | 14.53 |

| Income Statement of HYDRO | 2016 | 2015 | 2014 |
|---------------------------|--------|--------|--------|
| Revenue from sale | 13.08 | 9.06 | 7.95 |
| Other Revenue | 1.34 | 2.58 | 0.00 |
| Total revenue | 14.42 | 11.64 | 7.95 |
| Cost of sales | 3.85 | 3.74 | 6.96 |
| operating expenses | 8.57 | 6.89 | 2.33 |
| Total Expenses | 12.43 | 10.63 | 9.29 |
| Operating Profit(loss) | 1.99 | 1.01 | (1.34) |
| Interest expenses | (0.34) | (0.39) | (1.18) |
| Net income (loss) | 1.65 | 0.62 | (2.52) |

Remark : Auditor of GS is Mr.Decha Thiphawang CPA No. 8483 which an Auditor in List of Auditors
Approved by the office of SEC

5. Total value of consideration and other conditions

The Company purchase an existing ordinary share of HECH and purchase newly issue shares of GS both direct and indirect equal to 46.00 percent of total paid-up capital of GS which is the operator of production and distribution water supply to some part of Phuket and Phang-Nga project references from the water supply contract from subdistrict administrative organization in Tambon Mai-Khao ,Amphoe Thalang, Phuket. The total project investment is Baht 760 million and has the details as follow.

- 1) The Company purchase an existing ordinary share of High East Capital Holdings Limited (“HECH”) from Miss.Kantima Rodsatri (Daughter of one of the GS’s ultimate shareholders) exisiting shareholder of HECH which is not a connected person of the Company, 100.00 percent of the total paid-up capital of HECH, Totally amount of Baht 450.00 million. The Company will pay this amount by cash at the day of transaction completed and set the precedent conditions for buyer and seller that has essence as follow:

precedent conditions of buyer

- (1) The Company must issue warrant and offer to Miss.Kantima Rodsatri (more details are in Information Memorandum of issuance and offering warrant to private placement) The details are as follow:
 - Numbers of new ordinary shares : 90,000,000 units
 - Offering price : Baht 0.16 per share
 - Exercise Ratio : 1 unit of warrant has the right to purchase 1 unit of ordinary share
 - Tenor : 5 years from the date of Issuance and Offering of warrants
 - Exercise price : Year 1, Baht 4 per unit (Nov 30,2018)
Year 2, Baht 4 per unit (Nov 29,2019)
Year 3, Baht 4.5 per unit (Nov 30,2020)
Year 4, Baht 5.0 per unit (Nov 30,2021)
Year 5, Baht 5.5 per unit (Nov 30,2022 The last exercise date).
- (2) The Company receiving an approval from Board of Directors and/or Annual General Meeting about the signing of Share Purchase Agreement and other related contract.
- (3) The Company receiving an approval for issuance and offering new ordinary share to accommodate the exercise rights of Warrant according to clause 3.1 (1) (c) from The Securities and Exchange Commission in accordance with the

Notification of the Capital Market Supervisory Board No. TorChor. 72/2558, Re: Approval of Offering for Sale of Newly Issue Shares by Listed Companies to the Specific Persons

- (4) The Company has follow the regulation in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 34/2551, Re: Re: Application Form and Supporting Documents for Offer for Sale of Newly Issued Share Warrants and Underlying Shares, For offering warrant to seller according to clause 3.1 (1) (c)

precedent conditions of Seller

- (1) Miss.Kantima Rodsatru purchase the newly issue warrant as described above.
- (2) GS can distribute water supply to user and reservoir can maintain an average water for distribution not less than 24,000 cubic metre per day and expected to be operated within the end of second quarter of 2018
- (3) GS has obtained licenses that relate with reservoir construction and water supply distribution as required by law, expected to obtail all relavant licenses within second quarter of 2018
- (4) GS and HYDRO would sign the project management contract for the production and distribution of water supply in subdistrict administrative organization of Tambon Mai-Khao ,Amphoe Thalang, Phuket. Contract expected to be signed within second quarter of 2018
- 2) The Company purchases newly issued ordinary shares of GS 230,831 shares, at the par value of Baht 100.00 per share and at price Baht 649.88 Per share, totally Baht 150.00 million. And GS will issue new ordinary share 76,938 shares for offering to Miss.Kantima Rodsatru at the same time and same price with the Company totally Baht 50.00 million.
- 3) If GS can operate and generate earning per share as agreed during the period of agreement after Phase 2-4 start to operate water distribution. the Company would purchase more GS's share in the future from group of GS's existing shareholders 138,288 shares with a par value of Baht 100.00 per share, at price of Baht 1,157.01 per share, totaling Baht 180.00 million.

- The first additional share purchase: The Company agrees to purchase 69,144 GS's shares from Mr.Suwicha Panichpol total value Baht 80,000,000 when the following conditions completed within Year 2020
 - a) Reservoir can maintain an average water for distribution not less than 48,000 cubic metre per day. And
 - b) GS has earning per share not less than Baht 65 per share based on the lastest financial statement of GS that audited by auditor.
- The second additional share purchase: The Company agrees to purchase 69,144 GS's shares from Mr.Suwicha Panichpol total value Baht 80,000,000 when the following conditions completed within Year 2022
 - a) Reservoir can maintain an average water for distribution not less than 72,000 cubic metre per day. And
 - b) GS has earning per share not less than Baht 108 per share based on the lastest financial statement of GS that audited by auditor.

Therefore, entering the transaction as mentioned in clause 1) and 2) , the Company will hold 40 percent of total paid-up capital in GS through indirect holding in HECH and holding directly in GS. And when GS has earning per share not less than an agreement, the Company will purchase additional 69,114 shares for the first time and 69,114 shares for the second time as mentioned in clause 3) The Company will has proportion in GS both direct and indirect holding equal to 46.00 percent of total paid-up capital of GS.

6. Expected Benefit

The Company expects to benefit from the transaction as follows:

- (1) The investment in the ordinary shares of HECH and newly issued shares of GS will allow the Company to acquire shares of GS directly and indirectly total of 46.00% of the total paid-up capital of GS (This amount is included the amount of additional share purchase in case that GS can proceed and earn a fixed amount of earinings per share within the agreed period). The investment allows the Company to send the representatives to be the director in GS of 3 persons from 5 persons to help the Company to control the business operation in GS. The area under the water supply contract has high water requirements. This area is full of the community, tourist attraction, and industrial factory which currently suffers from the shortage of water supply. Therefore the Company has seen the opportunities to expand into the water supply business in this area in order to create the additional revenue to the normal business. Furthermore, water supply and distribution business has a certain income and can generate contunuely revenue for the Company.

- (2) The Company will gain knowledge, experience and expertise from the management in GS through the control of the production and distribution of water supply project which will enhance the capabilities and opportunities for future infrastructure expansion

7. Source of Fund

Companies need capital to invest in business. Production and distribution of water. In some areas of Phuket. And some parts of Phang Nga. The proceeds from the IPO will be Bt. Warrants to purchase ordinary shares of the Company To the limited. And the turnover in some major businesses. The investment is expected to be completed by the end of the second quarter of 2018. The company will have to pay for the investment in the third quarter of 2018.

The investment in Phase 2 water supply business will take place from 2020 to 2021. The Company will use the proceeds from the exercise of the warrants to purchase ordinary shares of the Company (PP-W). The rest is working capital. This plan to increase capital. This will be enough for the investment plan.

8. projections for the current year (if any) which indicates the assumption of the business, economic, and industrial and review report by certified public auditor that prepared on conservative basis

8.1 Financial Projection

The Company has appointed Asset Pro Management Company Limited (Financial Advisor) to study the feasibility of the project as of July 2017 by using the Free Cash Flow to Equity Method to calculate the Net Present Value for Equity, Equity Internal Rate of Return, and Payback Period for Equity.

To study the feasibility of the project by Free Cash Flow to Equity Method, Financial Advisor develops a financial projection for a period of approximately 31 years (since 2017 to September 2047). The projection is made since the preparation of reservoir in 2017 that the project has revenue from sand. The projection period is referred to the duration of the contract for operation of water supply from Tambon Administration Organization in the area of Tambon Maikhao, Amphor Talang, Phuket Province which is 30 years. The discount rate is calculated based on the return on equity (Ke) of 5.78% per annum which is based on the risk ratio (Beta) of the listed companies operating watter supply and distribution business. The summary of feasibility of the project are as follows

Case of water supply directly sold to users. according to the proportion of water supply sold by the Provincial Waterworks Authority (PWA) Phuket Branch in 2015 - 2016.

| | |
|--------------------------------|-----------------------|
| Net Present Value for Equity | Baht 1,477.18 Million |
| Equity Internal Rate of Return | 15.21% per annum |
| Payback Period for Equity | 7 years 9.95 months |

Financial advisor has constructed the Sensitivity Analysis by adjustment of significant assumption included of the reduction of tap water supply by 10%, 20% and 30% of the base case. The study also estimates the projection in case the investment budget is overrun by 5% and 10% of base case. The results from Sensitivity Analysis are as follows,

| | |
|--------------------------------|---|
| Net Present Value for Equity | Baht 616.14 Million – Baht 1,477.18 Million |
| Equity Internal Rate of Return | 9.92% – 15.21% per annum |
| Payback Period for Equity | 7 years 9.95 months – 10 years 9.56 months |

The Company is required to make an investment of Baht 760.00 million to acquire the direct and indirectly shareholding proportion of 46.00% of the paid-up capital of GS. The investment amount is greater than the Net Present Value of Equity of Baht 679.50 million (46% of NPV for equity is Baht 1,477.18 million). However the Company However, this investment will generate Equity IRR of 15.21% per annum, which is considered to be high. In addition, the company will also benefit from the expansion from core business to new business with continuous recurring income.

8.2 Special Review Report by Auditor

The Company has appointed DIA Audit Company Limited (DIA), approved by SEC, to special audit in order to estimate the net asset value of GS as of November 30, 2017 for consideration of the investment. DIA has summarized the consequence that could arise from accounting error which GS may incur a corporate income tax liability of approximately Baht 1.19 million. The estimated lower pre-tax payment from the correctly amount caused GS to pay an additional tax of Baht 0.09 million. Therefore, the total amount of tax and allowance that GS has to additional submit is Baht 1.28 million.

However the Share Purchase Agreement has specified "Seller's Confirmation" that GS will not be penalized, or not have extra payment, or not have other fine, including that GS has no related interest payable to the Revenue Department and Not under investigation by the IRS, and / or no litigation or tax dispute. GS must submit and pay tax both accurately and within the time required by law.

9. The Pending of Significant litigations or Pursue

There is no lawsuit in court according to Legal Due Diligence of Legal Advisor

10. Opinion of the Board of Directors

Board of Directors and all 3 members of the Audit Committee have the opinion that acquisition of HECH shares is a potential investment. This will increase the chances of generating revenue and returns to the company. This is reasonable. And beneficial to the company and its shareholders. The Board of Directors has the following opinions.

- Investment in HECH shares represents 100.00% of the issued and paid-up shares of HECH from the existing shareholders. The Company has no relationship with executives, directors and shareholders of the Company. The investment value is Baht 450.00 million and the investment in GS's new ordinary shares is valued at Baht 150.00 million. GS will directly and indirectly hold 40% of GS's issued and paid-up shares in GS, which is part of the agreement to invest in GS's ordinary shares. If GS Can perform and earn a share in the future. During the period of agreement in Phase 2-4 after the first water distribution. The Company will hold direct and indirect shareholding in GS at 46.00% of the issued and paid-up shares of GS, totaling Baht 760.00 million. GS proposes to sell and supply water for distribution in some areas. Of Phuket And some parts of Phang Nga. The water supply contract is in the area of Tambon Mai-Khao, Thalung District, Phuket, by Hydro, which is a subsidiary of GS for the period of 30 years. The water supply is expected to be available within the end of second quarter of 2018. The investment will benefit the Company and its shareholders. Even though it is higher than the value of assets appraised by the Financial Advisor, it is 679.50 million baht (based on 46.00% of GS's issued and paid-up capital). New recurring income opportunities come from the company's regular business. The value of the investment. Does not affect the normal operation of the company. In addition, GS will hold 46.00% of the issued and paid-up shares of GS and control power in GS through the presence of the Company's directors. Water supply and distribution project The Company plans to sell tap water within the third quarter of 2018, which the company can get faster return on its investment. The Company has hedged the risk from the sale of tap water. Therefore, the Company will pay the first share payment to HECH's existing shareholders.

- Offering price of warrants equal to 0.16 Baht per unit, plus the exercise price of the warrants for the first year to the second year is 4.00 baht per share. The third year is 4.50 baht per share. The offering price is 5.00 baht per share and the 5th year is 5.50 baht per share. According to the Notification of the Capital Market Supervisory Board No. ThorJor. 72/2558 Re: Permission for Listed Companies to Offer to Sell Newly Issued Shares to Private Persons (Issue No. 3), Offering of Newly Issued Shares to Support Warrants In the first year to the second year, the company will pay Bt4.66 per share. The fourth year is Bt. 4.66 per share. The fourth year is Bt. 5.16 per share and the fifth year is Bt. 5.66 per share. Cool it Offer price Appropriate And the offering price. Compare prices from the market. Calculated from the weighted average price over 15 consecutive business days. Before the Board of Directors resolved to propose the agenda to the shareholders meeting. To approve the offering of warrants on February 22, 2018 (calculated from February 1, 2011 to February 21, 2018) and offered at no less than 90% of the market price. The average market price during 15 business days is 3.33 Baht per share. The Board of Directors determines the future performance of

GS after the Company invests in GS, whereby GS will have a better performance as a result of improved water distribution capacity. There are restrictions on the transfer of warrants to be offered to the Securities and Exchange Commission. Show that. The company will not register the transfer of warrants, regardless of any frying. That makes the transfer. As a result, the warrant offered for sale. It can not maintain the nature of the limited person, including the agreement to invest in the warrants to be offered. There are clear restrictions on the transfer of warrants.

- Reasons to raise funds through the issuance of warrants to purchase the Company's ordinary shares The offering of shares to private placement (Warrant PP) and the offering of new shares to accommodate the warrants. To receive the proceeds from the issuance of warrants to purchase the Company's ordinary shares. To specific investors. And the issuance of new shares to accommodate the warrants. To support the production and distribution of tap water from this investment. This will help strengthen the company's finances. However, in this time, the company has studied the feasibility of investing before making a decision. The plan and report of progress to the Board of Directors are also acknowledged.

11. Certification of the Board of Directors

The Board of Directors certifies that the Board of Directors has conducted with due care regarding the due diligence of investors and found that those potential investors can invest in the Company

In the case where the Company's director(s) fail to perform duties in good faith and with due care to preserve the interest of the Company on matters relating to the capital increase. Thereby causing damage to the Company, the Company may claim compensation from such director(s). In the case where the Company did not make such claim, the shareholder(s) holding an aggregate number of shares not less than 5 percent of the total number of shares sold may issue a written notice requesting the company to make such claim. If the Company failed to comply with the request, such shareholder(s) may take a legal action to claim compensation on behalf of the company according to Section 85 of the Public Company Limited Act B.E. 2535 (and its amendment).

In addition, in the case where the director(s) act or omit to act which causes the director or the related person to obtain undue benefits, the Company may claim compensation from such director(s) or the shareholder(s) holding an aggregate number of shares not less than 5 percent of the total number of shares sold may issue a written notice directing the Company to bring the action against such director(s) for disgorgement of such benefits to the Company. If the Company fails to proceed as directed within 1 month from the date of the notice, such shareholder(s) may take a legal action for the disgorgement of such benefits on behalf of the Company according to Section 89/18 of the Securities and Exchange Act B.E. 2535 (and its amendment)

12. Opinion from the Audit Committee and/or Director which is Different from the Board of Director

The Audit Committees and/or Director did not have different opinion from the Board of Directors as stated in clause 10.

13. Responsibility of the Board of Directors over this Information Memorandum

The Board of Directors is regarded as the subject in responsible for the Information Memorandum as stated herein, prepared in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, B.E.2547 (2004). The key information provided herein constitutes sufficiency, accuracy, transparency, and usefulness for the shareholders.

14. Time Frame

| No. | Process | dd/mm/yy |
|-----|--|---|
| 1. | Board of Director Meeting Date | February 22, 2018 |
| 2. | Record Date | March 13, 2018 |
| 3. | Annual General Meeting 2018 | April 10, 2018 |
| 4. | Warrant PP Offering and Payment date | June 20-22, 2018 |
| 5. | Register with the Ministry of Commerce | Within 14 days after The Annual General Meeting of shareholders for the year 2018 |
| 6. | Exercise date Warrant PP | 1 st time : 30 November 2018 2 nd time : 29 November 2019 3 rd time : 30 November 2020 4 th time : 30 November 2021 5 th time : 30 November 2022 (The last exercise date). |
| 7. | Operation date | Within the second quarter of 2018 |

15. The benefits or related transactions between the listed company and the directors, executives or shareholders who hold shares Direct or indirect, 10% or more. Identify the nature of the transaction or its benefits.

-none-

The Company hereby certified that the statement contained in this information memorandum is accurate

Please be informed accordingly.

Bangkok Dec-Con Public Company