



LWH/SET/19/01/LT001

January 4, 2019

Subject: Information on the investment in WOG ITR Water Solution Company Limited

To: Director and Manager
The Stock Exchange of Thailand

As the Board of Directors Meeting of Wiik & Hoeglund Public Company Limited ("the Company") No. 5/2018 on October 12, 2018, approved Wiik Water Company Limited (WW), a 100% shareholding subsidiary to purchase ordinary shares of WOG ITR Water Solution Company Limited ("WOG ITR") of 48,571 shares with a par value of Baht 100 per share, representing 100% of the paid-up capital from the existing shareholders amount of Baht 35 million and provide financial assistance to WOG ITR of Baht 265 million (after becoming a subsidiary) to pay the following:

1. To repay loans and interest from WOG Technologies (Thailand) Company Limited ("WOG THAI") (The Existing shareholder) amount of Baht 42 million.
2. To repay creditors arising from the purchase of assets used in WOG ITR's business operations to WOG Technologies (Thailand) Company Limited ("WOG THAI") at a total price of Baht 223 million (VAT included) divided by 3 installments as follows.
 - 1st installment on closing date of Baht 80 million.
 - 2nd installment, 13th month from the closing date of Baht 80 million.
 - 3rd installment, 19th month from the closing date of Baht 55 million.

The maximum value that the Company uses to calculate the size of asset acquisition transaction is total of Baht 300 million and assigned the Management to set the closing date when complete the significant conditions for entering the transaction including reporting to the SET as the announcement of the Stock Exchange of Thailand, subject; Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, BE 2547 when there is a certainty of the transaction.

The Company's transaction is considered an asset acquisition transaction under the announcement of the Stock Exchange of Thailand, subject; Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, BE 2547 ("the Announcement of Acquisition or Disposition of Assets"). Calculation based on the criteria by using the highest value calculated from one of criteria, we found that such transaction has the highest transaction size as the total value of consideration criteria of 15.57% and when combining the transaction size within 6 months by 1.51% (Purchase of rights and assets from UFAS (Thailand) Company Limited ("UFAS") which had the highest transaction size according to the total value of consideration criteria of 1.51%). It will have the highest transaction size equal to 17.08% according to the total value of consideration criteria which is higher than 15% but less than 50%. Therefore, the Company has to report to the Stock Exchange of Thailand and send the information

memorandum to shareholders within 21 days according to the Announcement of Acquisition or Disposition of Assets with details as follows.

1. Date of Transaction

January 4, 2019

2. Parties concerned

The Purchaser : Wiik Water Company Limited (WW), a 100% shareholding subsidiary

The Sellers : The existing shareholders of WOG ITR Water Solution Company Limited, 3 persons as follows.

(The Sellers have no relationship and / or connected with Directors, Executives, Major shareholders or the controlling person of the Company)

The existing shareholders	Number of shares	%
WOG Technologies (Thailand) Company Limited (“WOG Thai”)	38,571	79.41
WOG Technologies Holding Pte. Ltd. (“WOG Holding”)	5,100	10.50
Mr. Sunil Kumar	4,900	10.09
Total	48,571	100.00

3. Types and characteristics of transaction

3.1 General characteristics of transaction

Wiik Water Company Limited (WW), a 100% shareholding subsidiary purchased ordinary shares of WOG ITR Water Solution Company Limited (“WOG ITR”) of 48,571 shares with a par value of Baht 100 per share, representing 100% of the paid-up capital from 3 existing shareholders at the price of Baht 720.60 per share, total of Baht 35 million and provide loans to WOG ITR of Baht 265 million (after becoming a subsidiary) with the purpose of using as follows.

- 1) To repay loans and interest from WOG Technologies (Thailand) Company Limited (“WOG THAI”) (The Existing shareholder) amount of Baht 42 million.
- 2) To repay creditors arising from the purchase of assets used in WOG ITR’s business operations to WOG Technologies (Thailand) Company Limited (“WOG THAI”) at a total price of Baht 223 million (VAT included) divided by 3 installments as follows.
 - 1st installment on closing date of Baht 80 million.
 - 2nd installment, 13th month from the closing date of Baht 80 million.
 - 3rd installment, 19th month from the closing date of Baht 55 million.

The maximum value that the Company uses to calculate the size of asset acquisition transaction is total of Baht 300 million.

3.2 Transaction size under criteria of assets acquisition

Calculation of the size of transaction on assets to acquire has details as follows.

■ Financial information

(Million Baht)	WIJK As of September 30, 2018	WOG ITR As of 31 December 2017
Total assets	1,926.51	36.08
Intangible assets	111.41	0
Total liabilities	1,009.15	42.86
Minority shareholders	0.00	0
Net tangible assets (NTA)	805.95	(6.78)
Net profit for the last 4 quarters *	29.47	(0.27)

■ Calculation of transaction size according to comparison criteria

Calculation criteria	Calculation formula	Transaction size (%)
1. Assets value (NTA)	NTA of WOG ITR x Acquisition proportion 100% / NTA of WIJK	- 0.84 %
2. Net profit from operations	Net profit for the last 4 quarters of WOG ITR x Acquisition proportion 100% / Net profit for the last 4 quarters of WIJK	- 0.92 %
3. Total value of consideration	Total purchase price of WOG ITR / Total assets of WIJK	15.57 %
4. Value of securities issued by listed company to pay for assets	No new shares issued	No new shares issued

The Company's transaction is considered an asset acquisition transaction under the announcement of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Significant Transactions deemed as Acquisition or Disposition of Assets and the announcement of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, BE 2547 ("the Announcement of Acquisition or Disposition of Assets"). Calculation as the criteria by using the highest value calculated from one of criteria based on the consolidated financial statements of the Company ending 30 September 2018, we found that such transaction has the highest transaction size as the total value of consideration criteria of 15.57% and when combine the transaction size within 6 months by 1.51% (Purchase of rights and assets from UFAS (Thailand) Company Limited ("UFAS") which had the highest transaction size according to the total value of consideration criteria of 1.51%). It will have the highest transaction size equal to 17.08% according to the total value of consideration criteria which is

higher than 15% but less than 50%. Therefore, the Company has to report to the Stock Exchange of Thailand and send the information memorandum to shareholders within 21 days.

However, the Sellers still have the duty to complete the significant condition of this investment. Therefore, there is uncertainty and disclosure of information may affect investment. The Sellers request the company to disclose the news when the Closing is done.

4. Details of assets acquired

Ordinary shares of WOG ITR Water Solution Company Limited (“WOG ITR”) of 48,571 shares with a par value of Baht 100 per share, representing 100% of the paid-up capital which can summarize the details of WOG ITR are as follows.

Company Name : WOG ITR Water Solution Company Limited
 Registration Date : 20 June 2007
 Registered capital : 4,857,100 Baht
 Location : 75/87 Ocean Tower 2 Building, 33rd Floor, Soi Sukhumvit 19 (Wattana),
 Sukhumvit Road, Khlong Toei Nuea, Wattana, Bangkok
 Nature of business : Produce tap water with ultra filtration and reverse osmosis systems

Board of Directors

As of January 3, 2019 : 1. Mr Satish Sehgal
 2. Mr Sunil Kumar
 After entering the transaction : 1. Mr.Wiboon Sangwithayanon
 2. Mr. Karn Siriphatras
 3. Miss Rewadee Whanchid

Shareholders

Shareholders as of 3 January 2019 are as follows:

Shareholders	Number of shares	%
1. WOG Technologies (Thailand) Company Limited (“WOG Thai”)	38,571	79.41
2. WOG Technologies Holding Pte. Ltd. (“WOG Holding”)	5,100	10.50
3. Mr. Sunil Kumar	4,900	10.09
Total	48,571	100.00

Shareholders after entering the transaction are as follows:

Shareholders	Number of shares	%
1. Wiik Water Company Limited	48,569	100.00
2. Mr.Wiboon Sangwithayanon	1	0.00
3. Mr. Karn Siriphatras	1	0.00
Total	48,571	100.00

Statements of financial position

Million Baht	2017 (Audited)	2018 (Management statement)
<u>Assets</u>		
Current assets		
• Cash and cash equivalents	0.04	1.05
• Trade and other receivables	0.52	18.92
Total current assets	0.56	19.97
Non-current assets		
• Pending expenses of directors	35.00	-
• Net equipment	0.06	243.66
• Insurance	0.46	0.46
Total non-current assets	35.52	244.13
Total assets	36.08	264.09
<u>Liabilities and shareholders' equity</u>		
<u>Current liabilities</u>		
• Trade and other payables	6.57	229.85
• Short-term loans	2.88	5.69
Total current liabilities	9.45	235.55
Non-current liabilities	-	-
• Long-term loans	33.41	33.00
Total non-current liabilities	33.41	33.00
Total liabilities	42.86	268.55
<u>Shareholders' equity</u>		
Share capital		
Registered capital		
• 48,571 ordinary shares with a par value of 100 Baht per share	4.86	4.86
Issued and paid-up capital	-	-
• 48,571 ordinary shares with a par value of 100 baht per share	4.86	4.86
Retained earnings (Deficit)	(11.64)	(9.31)
Total shareholders' equity	(6.78)	(4.46)
Total liabilities and shareholders' equity	36.08	264.09

Statement of comprehensive income

Million Baht	2017 (Audited)	2018 (Management statement)
<u>Income</u>		

Million Baht	2017 (Audited)	2018 (Management statement)
● Sales	7.58	14.24
● Other income	0.00	2.64
Total income	7.58	16.88
<u>Expenses</u>		
● Cost of sales	6.68	12.32
● Selling expense	0.01	
● Administrative expense	0.85	2.59
Total cost	7.54	14.90
Profit before deducting financial costs	0.04	1.98
Financial cost	0.31	0.99
Net profit (loss)	(0.27)	0.99

WOG ITR Water Solution Company Limited (Formerly name as ITR Water Solution Company Limited) currently operate as a service provider in accordance with the agreement of production and / or supply of good water (RO) to Patong Municipality, Kathu District, Phuket Province (client) dated 16 July 2012 with period of 30 years and Ultra filtration and RO plant and other assets used in the business of WOG ITR are as follows:





5. Total value of consideration

Wiik Water Company Limited (WW), a 100% shareholding subsidiary to purchase ordinary shares of WOG ITR Water Solution Company Limited (“WOG ITR”) of 48,571 shares with a par value of Baht 100 per share, representing 100% of the paid-up capital from the existing shareholders amount of Baht 35 million and provide financial assistance to WOG ITR of Baht 265 million (after becoming a subsidiary) to pay the following:

- 1) To repay loans and interest from WOG Technologies (Thailand) Company Limited (“WOG THAI”) (The Existing shareholder) amount of Baht 42 million.
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 - 1st installment on closing date of Baht 80 million.
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 - 3rd installment, 19th month from the closing date of Baht 55 million.

The maximum value that the Company uses to calculate the size of asset acquisition transaction is total of Baht 300 million

6. Value of assets acquired

As at 31 December 2017, the book value of ordinary shares of WOG ITR Water Solution Company Limited (“WOG ITR”) of 48,571 shares with a par value of Baht 100 per share, representing 100% of the paid-up capital is equal to (139.56) Baht and as at 31 December 2018 (financial statements prepared by the Management of business) equal to (91.74) Baht as follows.

Financial statements (million Baht)	Year 2017 (Audited)	2018 (Management statement of the business)
Total assets	36.08	264.09
Total liabilities	42.86	268.55
Shareholders' equity	(6.78)	(4.46)
Paid-up share value	4.86	4.86
Total income	7.58	16.88
Net profit	(0.27)	0.99
Earnings per share (Baht)	(5.55)	20.38
Book value per share (Baht)	(139.56)	(91.74)

7. Criteria used to determine value of compensation

Total compensation value from the acquisition to obtain the right to manage the water production plant with Ultra filtration and Reverse Osmosis systems to provide services according to the agreement of production and / or supply of good water (RO) to Patong Municipality, Kathu District, Phuket Province (client) dated 16 July 2012 with period of 30 years. The total value of compensation is the price that the Purchaser and seller agree to consist of:

- (1) Investment in the purchase of 100% of WOG ITR shares, representing 48,571 shares at a price of Baht 720.60 per share, total of Baht 35 million.
- (2) Provide financial assistance to WOG ITR of Baht 265 million (after becoming a subsidiary) with the purpose of using as follows.
 - 2.1 To repay loans and interest from WOG Technologies (Thailand) Company Limited (“WOG THAI”) (The Existing shareholder) amount of Baht 42 million.
 - 2.2 To repay creditors arising from the purchase of assets used in WOG ITR’s business operations to WOG Technologies (Thailand) Company Limited (“WOG THAI”) at a total price of Baht 223 million (VAT included) divided by 3 installments as follows.
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8. Benefits that the Company will receive

Wiik Water Company Limited (WW) currently operates the water production system for 2 Industrial Estate such as (1) Siam Eastern Industrial Park Mabyangporn Sub-district, Pluakdaeng District, Rayong Province and (2) Wellgrow Industrial Estate Homsil Sub-district, Bangpakong District, Chachoengsao Province including the sales of water production systems and wastewater treatment systems with modern technology and standard. Such investment has the benefits that the company will receive as follows.



- 1) Increasing service areas and expanding business operations.
- 2) This project has been granted a 30 year long term contract which will result to the WIİK group has stable operating results and increase the overall performance of the Company in the future.

9. Sources of funds

Long-term loans from financial institutions and cash received from the debentures issued by the parent Company.

10. Opinion of the Board of Directors regarding the transaction

The transaction is an investment with the objective of acquiring the right to be a service provider in accordance with the agreement of production and / or supply of good water (RO) to Patong Municipality, Kathu District, Phuket Province (client) dated 16 July 2012, period of 30 years including ownership of the water treatment plant and other assets used in the business of WOG ITR. At present, such agreement remains 24 years which corresponds to the core business operation of the Company both in the short and long term and will help the subsidiary to be a full leader in the water business as well as being the main strategy for expanding the water treatment market. In the past, the company has experience and success in managing the same technology while other entrepreneurs have insufficient experience in the same capacity system.

In addition, the project is in a water shortage area due to geographic problems. Therefore, the compensation per unit of water volume is quite high compared to other areas including raw water sources in the area are quite rare and limited so, there are no competitors in the area. It is also a project that has been scrutinized and approved in law from the relevant government agencies to proceed. Therefore, the Board of Directors agreed that such projects are suitable investments in accordance with the Company's investment policy which will help promote and support the core business of the company to grow steadily in the future.

11. Opinion of the Company's Board of Directors and/or Audit Committee which are different from the opinions of the Board of Directors according to item 10

-None-

Please be informed accordingly,

Yours truly,

Wiik & Hoeglund Public Company Limited

(Mr.Wiboon Sangwithayanon)

Chief Executive Officer