

On May 13, 2019, Mr. Suppaluek Na Songkla, Mr. Ittidet Phonin and Miss Nittaya Na Songkla offered company to buy SUTG stock for 132,000 units whereas 66% of total paid-up capital of SUTG. Main reason of the deal is to come back to manage SUTG by themselves again after they found out that the RDF projects was delay and have lose some projects to other companies which do not use innovation channel. It might make more risk in the future for SUTG to not perform well and make great negative effect to financial of Hydrotek a lot.

Normally Hydrotek is EPC for landfill and open dumping projects whereas SUTG have specialize in RDF and MBT systems so that to prevent conflict in the future both of us promise to not complete direct or indirect in these projects by SUTG will not do landfill and open dumping projects and Hydrotek will not do MBT project as well.

In July, 2018, company got SUTG stock for 132,000 units at 100 baht par value whereas 66% of total paid-up capital by offer 195,000,000 shares and convertible bonds for 265,000 units @ 1,000 baht per unit total of 460,000,000 baht.

Company grant S14 Advisory to study possibility of this deal and got opinion that 17 projects from last deal company win only 1 project from 9 projects and 8 project is pending so the SUTG company value decreases to 250.05 million baht by discounted cash flow method which is lower than offer to buy so that this offer is suitable and lower risk of negative financial effect in the future.

BOD Meeting 9<sup>th</sup>/2019 on August 15, 2019 approved to sell SUTG stock and all 3 independent committee have same opinion in selling 132,000 SUTG stocks for at least 307 million baht by convertible bond 265 million baht and its interests 7 million baht, and 35 million baht in cash.

For loan which company lend to SUTG, it is not related transaction due to exemption transaction of company and subsidiary and SUTG will make another loan agreement on completion of this deal.

If this deal happen, it will be related transaction because of Mr. Suppaluek is main shareholder so that on august 15, 2019 BOD meet approved the loan by 8.5% and 10 years repayment term which is above market price. And appoint management team go negotiate further. By the way, there is a risk which company willnot get the loan back because of completion of the deal. However, company create a loan agreement upon the deal to manage this risk already.

Short-term loan 14.16 million baht 6.25% interests, company already manage by related party transaction basis by BOD meeting. Moreover, 126 million baht loan from Yunnan Water(Hong Kong)

company limited with 6.75% interests and option to convert to investment in the future when the water project complete was approved as well. Right now there is 34 million baht for interests.