

22 August 2019

Subject: Interim Analysis and Explanation of the Management
To: Directors and Managers
The Stock Exchange of Thailand

Short-term loan from directors

As of June 30, 2019, the company had a short-term loan from directors in sum of 14.16 million baht with interest of 6.25% per year. The company has implemented the basis of related transaction. The related transaction is to provide financial aid to the company. Based on the calculation of transaction, this is considered as a small transaction. The company's board of directors has approved the borrowing of money.

Loan from Yunnan Water (Hong Kong) Company Limited (YUNNAN)

As of 30 June 2019, the company had a loan from Yunnan Water (Hong Kong) Company Limited (YUNNAN) in sum of 126 million baht with interest of 6.75% per year. This is to be used for construction of water supply production project in Chiang Mai Province. This transaction has been approved by the company's board of directors with the condition that Yunnan Water (Hong Kong) Company Limited (YUNNAN) will have 2 options.

1. The company will pay back the investment with interest of 6.75% per year within 5 years as stated in the agreement. The interest will be applied since the first time of borrowing. The repayment of principal shall be as follows:

1 st year	10%
2 nd year	15%
3 rd year	20%
4 th year	25%
5 th year	30%

2. Yunnan Water (Hong Kong) Company Limited (YUNNAN) shall convert loan into an investment of 49% of total shares of Hydrotech Utilities Limited. The interest shall not be applied to the investment. In the future, the company tends to increase registered capital in order to be in line with the investment value. In case that the company increases its capital, such capital increase shall be done before the transfer of share to Yunnan Water (Hong Kong) Company Limited (YUNNAN).

The list of shareholder of Yunnan Water (Hong Kong) Company Limited (YUNNAN) is as follow:

List of shareholder	%
Yunnan Water Investment Co., Ltd.	100

The first 20 shareholders of Yunnan Water Investment Company Limited are as follow:

List of shareholder	Number of share	%
1. Yunnan Province Water	3,587,571,620	30.0665
2. Beijing Origin Water	2,866,500,000	24.0234
3. Finergy Development	1,378,800,000	11.9887
4. Hangzhou Qingyu Jianzai Venture Capital Investment Partnership (Limited Partnership)	57,449,580	0.4995
5. Sichuan Rongchen Investment Co., Ltd.	86,174,370	0.7493
6. Yu Long	106,900,000	0.9295
7. Hu Shake	25,350,000	0.2204
8. Hiang Yunjian	19,500,000	0.1696
9. Tang Fang	17,550,000	0.1526
10. Hong Fang	16,900,000	0.1469
11. Huang Yi	15,600,000	0.1356
12. Luo Yuxuan	14,950,000	0.1300
13. Zhang Ruliang	11,700,000	0.1017
14. Li Bo	10,100,000	0.0878
15. Zhao Peng	9,100,000	0.0791
16. Ma Dongjun	8,450,000	0.0735
17. Song Chunxia	7,150,000	0.0622
18. Li Junfeng	5,850,000	0.0509
19. Wang Yong	5,850,000	0.0509
20. Yang Chuanyun	5,200,000	0.0452

At the present, the project obtains concession license and is in progress. The company has accrued interest to be paid to Yunnan Water (Hong Kong) Company Limited (YUNNAN) in the amount of 34 million baht.

Loss on impairment of the investment in SUTG

Since the budget of waste management system construction project for fuel production is not clearly allocated and before the company acquired SUTG, the company hired a specialist to assess the value of SUTG to be used as a decision making tool at that time. However, at the present, the project of SUTG that is expected to win the bidding has high possibility to unsuccessfully win the bidding because other entrepreneurs have won the bidding for some part of the project and some part of the project is delayed for indefinite duration. On May 13, 2019, the company obtained an offer from Mr. Suparuek Na Songkhla, Mr. Intidate Phonin, and Miss Nittaya Na Songkhla (the Purchasers) to purchase SUTG shares in the amount of 132,000 shares or 66.00% of total issued and paid up shares of SUTG held by the company. Therefore, the company determines the provision for the said loss on impairment of the investment.

For your kind acknowledgement.

Yours Faithfully,

HYDROTEK PUBLIC COMPANY LIMITED

Mr. Sarun Yanasopanan
Chief Executive Officer
Authorized person