

[English Translation]

**Attachment : Information Memorandum of Siam East Solutions Public Company Limited on the Acquisition of Assets and Connected Transaction for Purchasing the common shares of Utility Business Alliance Company Limited from PPM Engineering Company Limited**

Disclosure of Information Pursuant to Notification of Assets Acquisition or Disposition, List-1 and Notification of Connected Transaction, Article 16

The meeting of Board of Directors of SiamEast Solutions Public Company Limited (the “**Company**” or “**SE**”) No. 2/2561 (2018) dated February 22, 2018, has resolved that the board of directors shall propose to the 2018 Annual General Meeting of Shareholders to consider and approve the purchase of ordinary shares of Utility Business Alliance Company Limited (the “**Target**” or “**UBA**”) from the former shareholder, namely ‘PPM Engineering Company Limited’ (“**Former Shareholder**” or “**PPM**”); and to enter into Share Purchase Agreement and Shareholders’ Agreement, including but not limited to its obligation in providing financial support for the Target in proportion of its shareholding, as specified in the Shareholders’ Agreement and shall be borne the obligation of PPM with the financial institution creditors of UBA (“**Shares Purchase Transaction**”).

Nonetheless, this transaction is executed between PPM and the Company in which PPM and the Company have the same majority shareholder and such persons are deemed as connected persons. In light of that, this transaction is treated as connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. *TorChor.* 21/2551 (2008) on Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand on Disclosure of Information and Other Acts of Listed Companies on Connected Transactions B.E. 2546 (2003) (“**Notification of Connected Transaction**”), with the size of connected transaction equivalent to 45.35 percent of Net Tangible Assets (“**NTA**”), as shown in the Company’s financial statements ended on December 31, 2017, audited by certified public accountant. As the size of transaction exceeds 3 percent of NTA; the Company shall have liability to perform as the following procedures:

- (1) Disclose information on shares acquisition to the Stock Exchange of Thailand (“**SET**”) as per Notification of Connected Transaction.
- (2) Convene the Shareholders’ Meeting to propose for approval of shares acquisition of which the shareholders have to grant approval resolution with approved votes of not less than three-fourths of the total number of voting rights of the shareholders attended the meeting.
- (3) Appoint an Independent Financial Advisor (IFA) to provide opinion on shares acquisition, including submission of the said opinion to the Securities and Exchange Commission, the Stock Exchange of Thailand and the shareholders.

In addition, this transaction is the acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. *TorChor.* 20/2551 (2008) on Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (including Amended Version) and the Notification of the Stock Exchange of Thailand on Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets, B.E. 2547 (2004), (including Amended Version), (“Notification of Assets Acquisition or Disposition”) of which the biggest size of the transaction is equivalent to 39.38 percent, as per criteria on total value of consideration, (referred to the Company’s consolidated financial statements ended on December 31, 2017, audited by certified public accountant); of which the size of the transaction is higher than 15 percent but not exceeding 50 percent, which is deemed type-2 transaction. Upon the agreement to enter into this transaction, the listed company is required to prepare the report and immediately disclose information in relation to such transaction to SET, with minimum information as specified in the List-1 attached to the Notification of Assets Acquisition or Disposition, of which significant details are as follows:

### 1) **Date/Month/Year of the Transaction**

After granting the approval from the Shareholders in its 2018 Annual General Meeting, to be held on April 24, 2018; the Company expects to commence the transaction by executing Share Purchase Agreement, approximately on May 2, 2018; and complete the transaction within 90 days, or approximately on the third quarter of 2018. However, this is subject to the liability performance of both parties to fulfill conditions precedent specified in the Share Purchase Agreement.

### 2) **Counter Party and the Relationship with Listed Company**

**Seller** : PPM Engineering Company Limited (“Former Shareholder” or “PPM”)  
**Buyer** : SiamEast Solutions Public Company Limited (SE)

#### **Relationship between the Parties**

PPM and the Company have the same majority shareholders and Directors. As of March 10, 2017 (the latest book closing date), Ms. Orasa Vimolchalao, Mr Kirk Leekasem, and Mr. Sittichai Leekasem, altogether held 60.25 percent of the Company’s total registered and paid up shares and are regarded as major shareholders as well as connected persons (altogether called “**connected person**”). These two connected persons hold 100 percent of the total registered and paid up shares of PPM, of which Ms. Orasa Vimolchalao, Mr. Sittichai Leekasem take the position of Directors of the three companies, namely, SE, PPM and UBA, which are considered as Directors having the Interest.

### 3) **Type and description of the transaction**

The Company shall purchase 1,599,998 shares of UBA, totally held by PPM, which is equivalent to 40.00 per cent of the total registered and paid up shares of UBA; at the total amount of THB 135 million, or approximately THB 84.375 per share. After holding UBA shares, the Company has to take the responsibility of previous obligation of PPM’s former group of shareholders, specified in the Shareholders’ Agreement, which compose of providing financial assistance, in the form of loan from shareholders, totaled to THB 23,621,929.47 to cover (1) loan agreement between PPM and UBA, with outstanding value of THB 19,581,374.20 as of May 2, 2018; and (2) loan agreement between Ms. Orasa Vimolchalao and UBA, with outstanding value of THB 4,040,555.27.

The shareholder of the Company namely Ms. Orasa Vimolchalao shall provide personal guarantee for the loans from financial institutions as the executive director of UBA as well as Mr Polpat Karnasuta (director who is representative of NWR). The total amount owed to financial institutions equivalent to approx. THB 431 million and full credit loans. In the event of any default of payment, the financial institutes are not entitled to resort the debt recovery from both shareholders, NWR and SE. Thus, this transaction shall not be considered as the liability towards the Company in the future.

The shareholder may list UBA in SET or grant a big project in the future (if any), resulting that the capital increase in the proportion of shareholding shall be required. However, this forgoing is not treated as a liability under the Shareholder’s Agreement. In addition, since the capital increment is only the prospective scheme in the future, the Company shall not determine the transaction size based on this uncertain circumstance and this shall be subject to an approval of Board of Directors and/or shareholders’ meeting (as the case maybe depending on the transaction size).

#### 4) Details of Assets

##### 4.1) Information of Utility Business Alliance Company Limited (UBA)

<b>Company Name</b>	Utility Business Alliance Company Limited
<b>Nature of Business</b>	Provide integrated service in water and wastewater management
<b>Head Office</b>	123 Vibhavadee Rangsit Rd, Chompon Sub-district, Chatujak District,
<b>Location</b>	Bangkok 10900
<b>Registered Capital</b>	THB 40,000,000
<b>Number of Shares</b>	4,000,000 shares
<b>Par Value per Share</b>	THB 10
<b>Paid-up Capital</b>	THB 40,000,000

##### 4.2) List of Shareholders of UBA

List of Shareholders	As of February 22, 2018		After Transaction	
	No. of shares	%	No. of shares	%
1. Nawarat Patanakarn PLC	2,399,998	60.00%	2,399,998	60.00%
2. PPM Engineering Co., Ltd.	1,599,998	39.99%	-	-
3. Mr. Polpat Karnasuta	1	0.00%	1	0.00%
4. Ms. Wattana Samanawong	1	0.00%	1	0.00%
5. Ms. Orasa Vimolchalao	1	0.00%	1	0.00%
6. Mr. Sittichai Leekasem	1	0.00%	1	0.00%
7. SiamEast Solutions PLC			1,599,998	39.99%
<b>Total</b>	<b>4,000,000</b>	<b>100.00%</b>	<b>4,000,000</b>	<b>100.00%</b>

Note: Based on the assumptions that there is no change in the shareholders except the shares purchase transaction.

##### 4.3) List of Board of Directors of UBA Current and After Transaction

Directors as of February 6, 2018	Position	After Transaction	Position
1. Ms. Pakatip Lopandsri	Director	1. Ms. Pakatip Lopandsri	Director
2. Mr. Pasun Swasdiburi	Director	2. Mr. Pasun Swasdiburi	Director
3. Mr. Polpat Karnasuta	Director	3. Mr. Polpat Karnasuta	Director
4. Ms. Orasa Vimolchalao	Director	4. Ms. Orasa Vimolchalao	Director
5. Mr. Sittichai Leekasem	Director	5. Mr. Saengpet Tantaatipanit	Director
6. Mr. Somchat Sanghitkul	Director	6. Mr. Somchat Sunghitkul	Director

#### 4.4) Financial Statements of UBA

##### Statement of Financial Position

Audited

THB Million	2555	2556	2557	2558	2559	2560
<b>Assets</b>						
Cash on hands and at banks	1.32	5.84	2.54	26.32	18.63	39.38
S/T Investment (Net)	27.30	0.06	0.06	0.06	0.06	0.06
Account receivable (Net)	100.03	248.73	457.67	331.05	269.39	188.34
Other current assets	7.41	11.36	18.49	7.68	11.51	4.57
<b>Total current assets</b>	<b>136.06</b>	<b>265.99</b>	<b>478.76</b>	<b>365.10</b>	<b>299.59</b>	<b>232.34</b>
Property, plants and equipments (Net)	7.22	8.56	7.34	7.86	7.95	6.38
Intangible assets (Net)	0.69	0.55	0.70	0.43	0.22	0.15
Deferred charges	36.75	36.86	81.47	87.48	234.95	168.65
Other non-current assets	4.57	32.93	45.69	24.00	39.73	38.60
<b>Total non-current assets</b>	<b>49.22</b>	<b>78.90</b>	<b>135.21</b>	<b>119.77</b>	<b>282.85</b>	<b>213.79</b>
<b>Total assets</b>	<b>185.29</b>	<b>344.88</b>	<b>613.97</b>	<b>484.88</b>	<b>582.44</b>	<b>446.13</b>
O/D and short term loan	29.62	92.07	145.75	135.68	114.80	45.20
Account payable and others payables	45.39	130.51	213.75	82.90	83.80	70.20
Long term loan and debts under the financial lease payable within 1 year	0.70	0.97	15.50	29.06	76.53	41.84
Short term loan from related parties			85.00	56.00		41.64
Other current liabilities	4.19	11.35	11.82	15.48	9.64	10.57
<b>Total current liabilities</b>	<b>79.90</b>	<b>234.90</b>	<b>471.82</b>	<b>319.11</b>	<b>284.77</b>	<b>209.45</b>
Long term loans			48.34	30.75	105.42	65.78
Liabilities under financial lease	1.29	1.79	0.95	4.52	3.37	1.95
Long term loans with related parties				32.19	73.18	31.55
Reserve for employees' benefits	3.42	3.38	4.21	5.18	5.35	6.66
<b>Total non-current liabilities</b>	<b>4.71</b>	<b>5.17</b>	<b>53.50</b>	<b>72.64</b>	<b>187.32</b>	<b>105.94</b>
<b>Total liabilities</b>	<b>84.62</b>	<b>240.07</b>	<b>525.32</b>	<b>391.75</b>	<b>472.09</b>	<b>315.39</b>
Registered and Paid-up Capital	40.00	40.00	40.00	40.00	40.00	40.00
Retain earnings	60.67	64.81	48.65	53.12	70.35	90.74
<b>Total Shareholders' equities</b>	<b>100.67</b>	<b>104.81</b>	<b>88.65</b>	<b>93.12</b>	<b>110.35</b>	<b>130.74</b>
<b>Total liabilities and shareholders' equities</b>	<b>185.29</b>	<b>344.88</b>	<b>613.97</b>	<b>484.88</b>	<b>582.44</b>	<b>446.13</b>

**Statements of Income**

Audited

THB Million	2555	2556	2557	2558	2559	2560
Revenue from services	267.90	380.95	527.04	399.91	404.50	503.87
Other revenues	5.27	10.51	5.77	8.18	1.35	2.64
<b>Total revenues</b>	<b>273.17</b>	<b>391.46</b>	<b>532.80</b>	<b>408.09</b>	<b>405.86</b>	<b>506.51</b>
	0.87	0.91	0.95	0.88	0.84	0.86
Cost of services	233.18	344.85	498.33	351.14	338.71	435.27
Selling expenses	0.46	0.64	0.64	0.62	0.44	0.38
Administrative expenses	26.47	29.91	37.14	29.07	25.63	25.58
<b>Total expenses</b>	<b>260.12</b>	<b>375.40</b>	<b>536.11</b>	<b>380.82</b>	<b>364.77</b>	<b>461.23</b>
<b>Gross Margin</b>	<b>34.72</b>	<b>36.10</b>	<b>28.70</b>	<b>48.77</b>	<b>65.80</b>	<b>68.59</b>
Depreciation	2.01	2.73	3.07	4.07	3.76	4.03
Interest	2.79	4.77	12.85	22.79	20.16	18.60
Tax	2.26	2.14	-	-	3.70	6.28
Cividend payment		5.00				
<b>Net Margin</b>	<b>8.01</b>	<b>9.14</b>	<b>(16.16)</b>	<b>4.47</b>	<b>17.22</b>	<b>20.39</b>
EBITDA	15.06	18.79	(0.24)	31.34	44.85	49.30
EBIT	10.26	11.28	(16.16)	4.47	20.93	26.67

Finance Statement Analysis	2555	2556	2557	2558	2559	2560
<b>Profitability Ratio</b>						
Return on Equity	7.95%	8.72%	-18.23%	4.80%	15.61%	15.60%
Revenue from service Growth		42.20%	38.35%	(24.12%)	1.15%	24.56%
GP margin	12.96%	9.48%	5.45%	12.19%	16.27%	13.61%
EBITDA margin	5.51%	4.80%	(0.05%)	7.68%	11.05%	9.73%
EBIT margin	3.76%	2.88%	(3.03%)	1.10%	5.16%	5.27%
NI Margin	2.93%	2.34%	(3.03%)	1.10%	4.24%	4.03%
<b>Efficiency Ratio</b>						
Return on Assets : ROA	4.32%	2.65%	(2.63%)	0.92%	2.96%	4.57%
Fixed Asset Turnover	1.47	67.00	0.87	0.84	0.70	1.14
<b>Financial Ration Analysis</b>						
Debt to Equity Ratio or D/E Ratio	0.84	2.29	5.93	4.21	4.28	2.41
Dividend Payout Ratio	n.a	n.a	n.a	n.a	n.a	n.a

Please note that the above financial statements were audited by UBA's certified auditor.

**5) Total Value of consideration**

- The Company will settle THB 135,000,000 to PPM for acquisition of 1,599,998 shares of UBA or 40% of paid up capital;
- The Company has obligation to provide financial supports in term of loan value of THB 23,621,929.47 regarding (1) Loan agreement between PPM and UBA which shall have outstanding as of May 2, 2018 at THB 19,581,374.20 and (2) Loan agreement between Ms. Orasa Vimolchalao and UBA which shall have outstanding as of May 2, 2018 at THB 4,040,555.27.

**6) Value of assets acquired or disposed**

The Company shall acquire assets on this transaction approximately THB 135 Million which is shares of UBA at 1,599,998 shares or 40% of paid up capital.

**7) Basis for determining the value of consideration**

The basis for determining the value of consideration of the asset acquisition by way of acquiring the ordinary share of UBA, the Company shall determine the par value based on the basis of Discount Cash Flow by calculating the future cash flow of the business with an assessment of the business' cash flow based on Equity Method for the Fair Value under the assumption of the growth income from approx. THB 500 million in 2018 to approx. THB 950 million in 2027 with the assumption of the net profit of THB 20- 80 million. Based on the assumption, the Company establish a hypothesis that UBA is the sole business with the track record in engaging the business in relation to the large scale of water tunnel and water management services in Bangkok. With this expertise, it shall generate more large-scale project per Bangkok's water management plan. In addition, there are more possibility to access and execute a large number of prospective project in water management which shall generate more expansion of income at the rate of 8 -10 % per annum.

Upon the evaluation of business's value based on the above method, it appeared that the business's value is higher than the sale price offered by PPM. Per the sale price given by PPM, the Company shall gain the equity IRR at the rate of 18- 23 % which exceed the Company's investment policy of 8 – 12%.

However, in terms of the determination of value of consideration above, the Company shall engage the independent financial advisor (IFA) to provide an opinion in relevant he fair value per the requirements of Notification of Connected Transaction for passing through the Shareholders' meeting for an approval.

**8) Calculation of the Transaction Size**

**8.1) Calculation of the Transaction size base on Notification of Assets Acquisition or Disposition**

The acquisition of assets from the purchase of shares in UBA with further financial support has maximum transaction size of 39.38% on Total value of consideration method as per Notification of Assets Acquisition and Disposal. The transaction is therefore deemed as a type-2 transaction, which has a total size higher than 15% but less than 50%.

Method of payment for assets	Calculation Formula	Transaction
1. Value of the net tangible assets	NTA of investment in the company x Proportion of asset acquired / NTA of list company = (130,585,586.00 x 40%) / 297,689,225.69	17.55%
2. Net operating profit	Net operating profit of the investment x Buying ratio/Net operating profit of the listed company = (20,388,933.00 x 40%) / 35,921,234.03	22.70%
3. Total value of consideration	Value of transaction paid / Total assets of listed company = 135,000,000 + 23,621,929.47 / 402,790,783.10	39.38%

4. Value of equity shares issued for the payment of assets	Equity shares issued for the payment of assets/ Paid up share of the company  <i>Cannot calculated due to the transaction not settle by share.</i>
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## 8.2) Calculation of the Transaction size base on Notification of Connected Transaction

The acquisition of shares in UBA is considered as a connected transaction, which has transaction size more than 3% of NTA, therefore, the Company is required to proposed the transaction to the shareholders meeting for approval with a required affirmative vote of not less than three-fourths of the total number of votes of shareholders attending the meeting and having the rights to vote, excluding the votes of shareholders having the conflict of interest and also required to appoint Independent Financial Advisor (IFA) to provide fairness opinion to the Transaction. The transactions size shall be calculated as follow:

### Calculation of Net Tangible Asset (NTA)

$$\begin{aligned}
 \text{NTA} &= \text{Total Assets} - \text{Total Liabilities} - \text{Deferred Income Tax} \\
 &= 402,790,783.10 - 103,775,026.80 - 1,326,530.61 \\
 &= \text{THB } 297,689,225.69
 \end{aligned}$$

$$\text{Transaction Size} = \frac{\text{Total value of consideration}}{\text{NTA}} = \frac{158,621,929.47}{297,689,225.69} = 53.28\%$$

## 9) Payment method

The Company shall settlement in by corporate check or transfer on settlement date or otherwise agreed upon by the parties later on.

## 10) Benefits that the listed company will gain

### o Expand Investment in Core Business

The Company has policy to expand to all kinds of water management to enhance growth as with synergy to its core businesses.

### o Reduce marketing risk and expand long term market

A key risk to the Company is barrier to entry, therefore, the Company may consider further joint venture in service businesses regarding water management with trust worthy clients on behalf of water equipment procurement experts.

### o To utilize cash for the Company and increase shareholders' return

At present, the Company has enough cash on hand to invest in UBA, the Company, therefore, consider investment in UBA to enhance growth for higher return to shareholders.

## 11) Sources of fund for buying the assets and financial assistance and the fund adequacy.

In the acquisition 40 percent of UBA shares from PPM at the total value of approximately THB 135,000,000 and the offering of financial assistance at the amount of THB 23,621,929.47 totaling to THB 158,621,929.47, the capital funding is from the Company's cash flow balance in the 3 Months - Fixed account of TISCO Bank, at the amount of THB 189,077,000 as of February 22, 2018 with 1.40 percent p.a. interest rate.

## 12) Other key conditions agreed upon

Key Conditions Precedent ("Conditions Precedent") are as follows:

- (1) There shall be no change or any other event happened that may significantly cause negative

- impact on UBA.
- (2) The Company obtains approval from the shareholders at the Annual General Meeting to enter into share purchasing transaction.
  - (3) The Buyer obtains Written Consent from the major shareholder, Nawarat Patanakarn PLC (NWR) to transfer the right of three shareholders from the original Shareholders' Agreement to the Company.
  - (4) The Target obtains Written Consent from Financial Institution Creditors and/or any other counter party, according to the obligations under such contracts concerning the change of shareholders of the Target, which specified that the transfer of UBA shares are prohibited (if any).
  - (5) A Letter or any guarantee from Siam Rajathanee Company Limited showing that the shares of UBA held by PPM are the shares that completely transferred from Siam Rajathanee Company Limited.
  - (6) There shall be no legal action, lawsuit or any action made by any government agency or any person to cease the shares purchasing transaction.

**13) Description and scope of the connected persons' interest in making connected transaction**

Ms. Orasa Vimolchalao, Mr Kirk Leekasem, and Mr. Sittichai Leekasem, altogether held 60.25 percent of the Company's total registered and paid up shares and are regarded as major shareholders as well as connected persons (altogether called "connected person"), pursuant to Notification of Connected Transaction; and therefore, have no rights to vote in the Annual General meeting of Shareholders for the year 2018, in the agenda concerning share purchasing transaction.

**14) Specify the names of directors having the interest and/or directors who are connected persons**

Ms. Orasa Vimolchalao and Mr. Sittichai Leekasem are Directors having conflict of interest, as well as Connected Persons, do not attended the director meeting and have no right to vote in the BOD meeting in relation to such above connected transaction.



## **15) The Opinion of BOD and the Audit Committee in Relation to Entering into the Transaction**

The BOD, in its meeting, had considered and are in the opinion that the shares purchase transaction, as in the above detail is an acquisition of assets that support the Company's main business and thus, enable the Company to increase its sales channels and top up its work in order that the business shall fully grow. In addition, it helps increase revenue and return of the Company as well as opportunity to expand investments in the future.

In addition, the said transaction shall provide market opportunity for the Company to joint invests in the business that carries out relative work and can support the Company's work. The Company shall select to invest in the business with good market opportunity and continuous growth. Besides, it should be the business that the Company has an expertise.

However, the Independent Director and the Director with no Interest, have a common opinion that the Seller has to submit a letter or any other form of guarantee from Siam Rajathanee Company Limited showing that the shares of UBA, held by PPM, are the shares that completely transferred from Siam Rajathanee Company Limited; and also a letter or any other form of guarantee from the major shareholder of UBA, Nawarat Patanakarn PLC (NWR), giving consent to change the rights of three shareholders' to the Company within 15 days after the BOD of SiamEast Solutions Public limited Company, in its meeting on February 22, 2018 at 10.00 a.m., resolved the approval of proposing the purchase of ordinary shares of UBA to the Annual general Meeting of its Shareholders for the year 2018.

## **16) Opinion of Audit Committee or Directors that differ from that of the Board of Directors**

No Director or Audit Committee has an opinion that differs from BOD's opinion.

## **17) Responsibilities of the Board of Director on the disclosure of information**

The Board of Directors is responsible for the information presented in this report. Mr. Saengpet Tantaatipanit, the authorized directors, acting on behalf of the Company, have carefully reviewed the information contained herein and approved with the appropriate discretion in revealing important information sufficiently, accurately, transparently and beneficially to the shareholders

## **18) The opinion of the independent consultants regarding the listing of an asset acquisition**

-N/A-

## **19) The general information of SiamEast Solutions Public Co., Ltd**

### **19.1) Profile**

SiamEast Solutions Public Co., Ltd ("The Company"), (Formerly known as " (Siamraj Thani (East) Limited") was established on 13 August 1993, with the initial capital of 2 million Baht, to provide and supply industrial goods and technological pump for applying in every water condition matters such as fluid or sticky liquid and to service a relevant equipment to industrial factories in Rayong and other provinces nearby the Eastern Thailand. With the good command of greetings and understanding its customer needs of industrial goods and services, the Company foresee the business opportunities by increasingly providing and supplying 2 of the industrial products such as a process and piping solution division, a pumping system technology division, and an innovative material division including related services in order to response the need of the various industrial factories. The 3 products lines are still available as the core product line of the Company.

In 1984 the Company established Engineering Product Technology Company limited ("Engineering Product") to render design engineer services and industrial pump distribution and other industrial engineer equipment systems to the factories.

Due to the government's policy of Eastern Seaboard project for economic growth, causes the huge of investment in the Eastern of Thailand which in the key of industrial areas in respect of the transportation and industrial investment especially in Map Ta Phut Industrial Estate, Rayong Province. As a result, the industrial factories rapidly grow faster than other section. Consequently, the chief executive decided to expand its business into industrial distribution through the newly established SiamEast Solutions Public Co., Ltd. The primary objective of SiamEast is to render industrial product suppliers in relation to a technological pump which covering every nature of usages, liquid, thick water, and equipment related to the industrial factories. The primary target is industrial factories located at the industrial estates in Rayong and relevant provinces nearby the Eastern of Thailand. With the excellent relationship and the customers approaching, enabling the Company to understand the customers' needs. In consequent, the Company increased productivity about pipe production and system and innovational product group including services related.

With the vision of the management team which aims to expand its business in relation to industrial product distribution and to provides services through customer's demand in every industry of Thailand. In 2009, the Company established its Bangkok office with recruiting more people in the team of sales engineers to offer and sell the 3-industrial products line of the Company such as products and technologies pump systems, process management and piping systems, and innovative materials. The Company focuses on expanding its customer base in Bangkok, its suburbs, and regions including the opportunities to distribute its products to overseas customers.

The Company is operating under the idea of "Solutions Excellence" meaning that the Company will become the business complex of industrial goods in both supplier and distributor by selecting a quality of goods, proposing alternative ways and innovation, providing a fair service to meet the customer satisfaction including service engineering which related an industrial goods, providing after-sale services in order to increase its performance and sustain the product lifetime. On 18 March 2015, the Company then became listed as a public Company and was renamed " SiamEast Solutions Public Co., Ltd."

In the present, the Company registered capital is 120,000,000 Baht which comprise of the ordinary share of 240,000,000 shares, priced at 0.05 Baht per share. The paid-up share capital is 90,000,000 Baht and the remains ordinary share in the amount of 60,000,000 shares which issued for offering to the public as Initial Public Offering: IPO on February 9, 2017. The Company had increased its registered capital from 90,000,000 Baht to 120,000,000 Baht, by issuing 60,000,000 ordinary shares, with a par value of 0.50 Baht to be offered to public interested (Initial Public Offering) at price 2.45 Baht in the totaling amount of 147,000,000 Baht and starting to sell (First Trading Day) on 14 February 2017.

## **19.2) Business operation of the Company**

The Company operates its business in category of supply and distribution and giving services related to industrial factories in three lines of business as follows:

- Pumping System Technology Division
- Process and Piping Solution Division
- Innovative Material Division
- Business services started since January 2017 for supporting its expansion of business and service in future as follows

### **Pumping System Technology Division**

The Company offers distribution services about the pumping system and liquid used in industries, hotels, hospitals, high-buildings and water projects of official departments as categorized into two categories as follows:

- 1) Centrifugal Pump is a pump that uses an impeller to move water or other fluid from one place to another place, and it is designed for liquids with a relatively low viscosity that pours

like water or like a very light oil. Mostly used in public utility system and industrial production system. The types of Centrifugal Pump that Company provides as follows; Horizontal End Suction, Vertical In-Line Multi-Stage, Immersible, Vertical Turbine, Submersible, Horizontal Split Case, and Axial Flow.

- 2) Positive Displacement Pump is a pump that uses an impeller to move water or other fluid from one place to another place, and it is designed for high viscous fluid. Mostly used in an industrial production system. The types of Positive Displacement Pump that Company provides as follows; Screw, Piston, Peristaltic, Air Operated Double Diaphragm, and Diaphragm Metering. In addition, the Company also distributes other industrial equipment such as Liquid Ring gas and Centrifugal compressor

### **Process and Piping Solution Division**

The Company offers the equipment distribution about the production process and tunnel systems for industrial factories as follows:

- 1) The production equipment as follows:
  - Sorting equipment for examples, Stanners, Filter, Centrifuge, Mist collector
  - Absorbing equipment for examples, Desiccant and catalyst substance
  - Mass-exchange equipment
  - Burning and Heating systems
  - Air pollution management systems
- 2) Pipe systems and related equipment
  - Pipe systems and Joint systems
  - Plastic Tank
  - Pressure controller for example; inhalation valve, pressure relief valve
  - Protection system and explode protection for example; pressure relief plan, explode protection with no flame, cut valve, and Fire block spray

### **Innovative Material Division**

The Company offers waste distribution in the processing of production and maintenance in industrial Company as follows:

- 1) Glue products, for example, Cyanoacrylate; Anaerobic; Epoxy
- 2) Sealant products, for example, silicone sealant; acrylic sealant; and polyurethane sealant
- 3) Coat surface products, for example, surface coating, and anti-rust lubricant
- 4) Hygiene products and safety
  - Industrial hygiene products, for example, industrial cleaning paper and cleaning liquid
  - Personal safety products, for example, glass glove, and safety suit
  - Industrial safety product, for example, fiberglass cloth, safety guard for chemistry, chemistry, heat endurance glass, closed cell, pipe leak wrapping repair and cutting dish.

### **Service Business**

- 1) Coating

The Company offers coating surface services for mechanism and equipment to prevent corrosion caused by acid or base chemistry and to increase the endurance of clash force and frictional force including surfacing repair to improve the quality of products and time. And the engineering team will provide coating surface services at customer's factories or our Company
- 2) Removable Insulation Jacket

The Company offers design and cutting insulation services for mechanism and equipment which reduce the heat and cold loss, noise at work. The Company will inquire customer for their needs about selecting the material and cutting insulation to meet customer satisfaction. The insulation quality endures water, high temperature and chemistry harmed

to mechanism and equipment. This insulation is washable and reused.

3) Piping Installation

The Company offers in various kind of Pipe services in relation to withdrawal, assembly, installation, and wind – water testing. And substitute pipe leak with a material pipe which differs from others such as a material pipe with plastic inner PE, PP-R as new choices for better quality.

4) Pump Services

The Company offers maintenance services including new pump installation services through preventive maintenance examination and also pump energy analysis for saving cost and increasing quality.

**19.3) Business trends**

The Company has determined its direction and strategies and goals for business operation as follows:

- Increase the sale volume and market share

The Company has set the target of sale volume and market share by emphasis and adjust the varied business strategies to secure the order in each project. The Company plans to develop and create the new line of service business as well as expand its business to each region of Thailand and ECC

- Human Resource Development

The Company shall provide the human resource development to each department and the area of work by way of providing the knowledge, skill, and service-mind. The Company shall also revise the remuneration of the employees and determine the scope of work to meet with each employee's ability and expertise as well as and the career growth.

- Marketing

The Company has its policy to develop the Company's database and its software, sale tools to be ready for utilizing. The Company also has the plan to support and maintain the relationship with clients and generate other income from the new line of business

**19.4) Board of Directors as at 9 March 2018**

<b>Name of Board of Directors</b>	<b>Position</b>
Mr. Thanachart Numnonda	Chairman of the Board of directors, Independent Director and Chairman of the Audit Committee
Miss Orasa Vimolchalao	Director
Mr. Saengpet Tantaatipanit	Director
Mr. Sittichai Leekasem	Director
Mr. Vichai Maikaensarn	Director
Mrs. Chanchira Smakthai	Director, Independent Director and Audit Committee
Miss Jiranat Sumannont	Director, Independent Director and Audit Committee

**19.5) Executive Managing Director as at 9 March 2018**

<b>Name of Executive Managing Director</b>	<b>Position</b>
Miss Orasa Vimolchalao	Chief Executive Officer
Mr. Saengpet Tantaatipanit	Managing Director
Mr. Vichai Maikaensarn	Assistant Managing Director / Finance and Accounting Manager
Mrs. Sittha Saeteow	Support Manager

Mr. Narongsak Torungrueangyos	Sale Manager in Products and Technologies of Pump Systems
Mrs. Malee Intorn	Sale Manager in Product Line of Process Management and Piping Systems.
Mr. Kittipan Chuerthong	Sale Manager in Innovative product

**19.6) The first 10 major shareholders as of the Book Closing date on 9 March 2018**

No	Name of Shareholders	No. of shares	% of total shares
1.	Miss Orasa Vimolchalao	95,646,400	39.583
2.	Mr. Kirk Leekasem	48,950,000	20.396
3.	Mr. Saengpet Tantaatipanit	25,780,000	10.742
4.	Mrs. Krittika Puavilai	8,500,000	3.542
5.	Mr. Nattapol Ungmaneeprasert	2,770,000	1.154
6.	Mr. Anurak Boonsawaeng	1,334,000	0.556
7.	Mr. Vinit Hongniporn	1,320,000	0.550
8.	Mr. Somchai Wichitseangrat	1,150,000	0.479
9.	Mr. Wittaya Kittithadakul	960,000	0.400
10.	Mr. Chaiyos Yossakda	900,000	0.375

**19.7) Summary of financial position and operating results**

Summary of the financial statements for last 3 years and present year until latest quarter with an explanation and financial analysis and outcome for last year and present year until latest quarter

**19.7.1) Table showing the financial position and operating results of SiamEast Solutions Public Co., Ltd as at 31 December 2015-2017**

Consolidated statements of financial position	As at 31 December					
	2015		2016		2017	
	Audited		Audited		Audited	
	million Baht	%	million Baht	%	million Baht	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	94.32	41.44	97.79	42.89	95.89	23.81
Current investments					147.00	36.50
account receivable and others	93.34	41.01	86.24	37.82	76.12	18.90
inventory	17.39	7.64	18.27	8.01	25.15	6.24
<b>Total current assets</b>	<b>205.05</b>	<b>90.09</b>	<b>202.30</b>	<b>88.73</b>	<b>344.16</b>	<b>85.44</b>
<b>Non-current assets</b>						
Long-term investments	8.48	3.73	12.36	5.42	8.80	2.18

Consolidated statements of financial position	As at 31 December					
	2015		2016		2017	
	Audited		Audited		Audited	
	million Baht	%	million Baht	%	million Baht	%
Property, plant and equipment	4.91	2.16	4.85	2.13	4.99	1.24
Assets on long term lease	8.00	3.51	7.60	3.33	43.50	10.80
Deferred tax assets	0.74	0.33	0.87	0.38	1.33	0.33
Non-current assets	0.42	0.19	0.01	0.01	0.01	0.00
<b>Total Non-current assets</b>	<b>22.55</b>	<b>9.91</b>	<b>25.69</b>	<b>11.27</b>	<b>58.63</b>	<b>14.56</b>
<b>Total assets</b>	<b>227.60</b>	<b>100.00</b>	<b>227.99</b>	<b>100.00</b>	<b>402.79</b>	<b>100.00</b>
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Account payable and others	106.73	46.89	80.06	35.11	96.20	23.88
amounts due within one year	0.71	0.31	0.34	0.15	0.33	0.08
<b>Total current liabilities</b>	<b>107.44</b>	<b>47.21</b>	<b>80.40</b>	<b>35.27</b>	<b>96.53</b>	<b>23.97</b>
<b>Non-current liabilities</b>						
Liabilities under the financial lease contract	0.67	0.30	0.33	0.15	0.00	0.00
Employee benefit obligations	3.70	1.63	4.67	2.05	7.24	1.80
<b>Total non-current liabilities</b>	<b>4.38</b>	<b>1.92</b>	<b>5.00</b>	<b>2.19</b>	<b>7.24</b>	<b>1.80</b>
<b>Total liabilities</b>	<b>111.82</b>	<b>49.13</b>	<b>85.40</b>	<b>37.46</b>	<b>103.78</b>	<b>25.76</b>
<b>Shareholders' equity</b>						
Authorized share capital						
Ordinary shares of 240,000,000 shares, par value of 0.50 Baht per share			120.00		120.00	
Ordinary shares of 900,000 shares, par value of 100.00 Baht per share	90.00					
Ordinary shares of 50,000 shares per value of 100.00 Baht per share						
Issued and paid-up share capital – ordinary shares						
Ordinary shares of 240,000,000 shares, par value of 0.50 Baht per share					120.00	29.79

Consolidated statements of financial position	As at 31 December					
	2015		2016		2017	
	Audited		Audited		Audited	
	million Baht	%	million Baht	%	million Baht	%
Ordinary shares of 180,000,000 shares, par value of 0.50 Baht per share			90.00	39.48		
Ordinary shares of 900,000 shares, par value of 100.00 Baht per share	90.00	39.54				
Ordinary shares of 50,000 shares, par value of 100.00 Baht per share						
Share premium						
Ordinary share premium	10.12	4.45	10.12	4.44	121.00	30.04
Accumulated income						
Reserve as required by law	1.97	0.86	3.31	1.45	5.10	1.27
Unappropriated	13.69	6.02	39.16	17.18	52.91	13.14
<b>Total shareholders' equity</b>	<b>115.78</b>	<b>50.87</b>	<b>142.59</b>	<b>62.54</b>	<b>299.02</b>	<b>74.24</b>
<b>Total liabilities and shareholders' equity</b>	<b>227.60</b>	<b>100.00</b>	<b>227.99</b>	<b>100.00</b>	<b>402.79</b>	<b>100.00</b>

19.7.2) Table showing financial position and profit and loss results of SiamEast Solutions Public Co., Ltd on 31 December 2015-2017

Consolidated statements of comprehensive income	As at 31 December					
	2015		2016		2017	
	Audited		Audited		Audited	
	Million Baht	%	million Baht	%	Million Baht	%
Revenues from sales and services	410.82	100	426.65	100	403.18	100
Cost of sales and services	(308.90)	75.19	(318.28)	74.60	(282.85)	70.16
<b>Gross profit</b>	<b>101.91</b>	<b>24.81</b>	<b>108.37</b>	<b>25.40</b>	<b>120.33</b>	<b>29.84</b>
Other income	10.61	2.58	7.66	1.80	9.62	2.39
<b>Profit before expenses</b>	<b>112.52</b>	<b>27.39</b>	<b>116.03</b>	<b>27.20</b>	<b>0.00</b>	<b>0.00</b>
Selling expenses	(40.20)	9.79	(40.31)	9.45	(43.21)	10.72

Consolidated statements of comprehensive income	As at 31 December					
	2015		2016		2017	
	Audited		Audited		Audited	
	Million Baht	%	million Baht	%	Million Baht	%
Administrative expenses	(32.78)	7.98	(41.66)	9.76	(41.37)	10.26
<b>Total expenses</b>	<b>(72.98)</b>	<b>17.77</b>	<b>(81.97)</b>	<b>19.21</b>	<b>(84.58)</b>	<b>20.98</b>
<b>Profit (Loss) before income tax expenses</b>	<b>39.54</b>	<b>9.62</b>	<b>34.06</b>	<b>7.98</b>		<b>0.00</b>
Financial cost	(0.10)	0.03	(0.06)	0.01	(0.03)	0.01
Earnings before Tax	39.43	9.60	34.00	7.97	45.34	11.24
Income tax expense	(8.37)	2.04	(7.20)	1.69	(9.41)	2.34
Earning for year	31.06	7.56	26.81	6.28	35.92	8.91
<b>Other comprehensive income</b>						
Item not to be reclassified subsequently to profit or loss						
Profit (loss) from the valuation of defining employee benefits	0.00		0.00		(1.47)	
Income tax on the transaction that is not classified in profit or loss.	0.00		0.00		0.29	
Total items that are not classified in profit or loss	0.00		0.00		(1.18)	
Other profit (loss) from income tax of the year	0.00		0.00		(1.18)	
<b>Total profit for the year</b>	<b>31.06</b>		<b>26.81</b>		<b>34.74</b>	
Basic earnings per share						
Basic earnings per share (Baht per share)	0.00		0.00		0.00	
Weighted average number of ordinary shares (million shares)	13.26		180.00		233.59	

### 19.7.3) Analysis of operating results and financial position

#### Operating results in 2015-2017

- **Revenues**

The Company's revenues primarily came from sales and services, which consist of products distribution and pump system technology, process and piping solution division, innovative material division, coating surface services, insulation cutting services, pipe and pump installation services which accounted for 410.82 million Baht, 426.65 million Baht and 403.18 million Baht of total revenues in 2015-2017 respectively.



Due to economic expansion, the total revenues increased to 15.83 million Baht or 3.86% in 2016 compared to 2015. This was because the Company distributed its product directly to customer target market. As a result, the revenue received from distribution and service in the pumping system technology increased in the amount of 6.65 million Baht and the revenue received from the pipe and pump installation increased to 11.70 million Baht.

For 2017, total revenues declined to 23.47 million Baht or grew from 2016 to 5.50%. This was because the revenues from pumping system technology declined to 29.29 million Baht or 32.47% and the revenue from the pipe and pump installation services increased to 9.98% comparing last year or declined 4.27% of total revenues as 403.18 million Baht for 2017. This was because its customers did not invest in the big project.

- **Cost of sales and services**

In 2015-2017, the Company had a cost of sales and service in the amount of 308.90 million Baht, 318.28 million Baht and 282.85 million Baht respectively.

In 2016, the Company has cost of sales and service increase from last year by 9.38 million Baht or 3.04% due to the increasing of cost according to income of Products and Technologies Pump Systems 131.32 million Baht, increase from last year 11.14 million Baht or 9.27%, and the increasing of process and management product and pump system cost 87.44 million Baht, increase from last year by 1.60 million Baht or 1.86% which conform to increasing of process and management product and pump system income. Because of the Company supply and distribution the high-cost product to important customers who are famous industrial factory and contractor on the demand of the customer. And due to the Company supply and distribution the spare parts product for using in the maintenance of equipment in the production process of an industrial factory. Moreover, when the customer needs to maintain the equipment from the Company, it needs to use the spare parts from the same brand which increase the cost of process and management product and pump system of The Company.

In 2017, the cost of sales and service decreased from last year about 3.43 million Baht or 11.13%, due to the reducing of process and management product and pump system cost 100.60 million baht, which decreased amount 30.72 million Baht or 23.40%. The reducing of process and management product and pump system cost 72.05 million Baht, decreased from last year 15.38 million Baht or 17.59, it conforms to decreasing of process and management product and pump system income because The Company can increase the cost such as Import costs.

- **The sale and administration expense**

In 2015-2017, the Company had the sale and administration expense amount 40.20 million Baht, 40.31 million Baht and 43.21 million Baht, respectively.

In 2016, the Company has the sale expense increased from last year by 0.11 million Baht or 0.27%. In 2017, the Company has the sale expense increased from last year by 2.9 million Baht or 7.19% due to the employee and marketing expense which increase according to increasing the sale and service.

In 2016, the Company had administration expenses increased from 2015 in the amount of 8.88 million Baht or 27.09%. This was because the administrative expenses had increased. As a result of the consultant fees as to the preparation in listed in the Stock Exchange of Thailand (“SET”) in the amount of 4.75 million Baht, the employee recruitment fees for supporting development of Company in the amount of 3.20 million Baht and other inevitable expenses including to land rental fees to be office and warehouse in Rayong province in the amount of 0.72 million Baht, Directors' remuneration in the amount of 0.73 million Baht, debt reserves money in the amount of 1.08 million Baht and office's maintenance fee located in Rayong in the amount of 0.75 million Baht.

In 2017, The administrative expenses decreased from 2016 in the amount of 0.29 million Baht or 0.70%. As a result of the decline in some Company's expenses such as Training fees and admission fee to SET.

- **Financial cost**

Financial cost includes a short interest loan and a financial lease. In 2015-2017, The Company had financial cost for 0.10 million Baht, 0.06 million Baht and 0.03 million Baht respectively or 0.02%,0.01%,0.01% respectively.

- **Net Profit**

In 2015 – 2017, the Company had the net profit of 31.06 million Baht, 26.81 million Baht and 34.74 million Baht respectively.

In 2016, the Company had the net profit of 26.81 million Baht decreased from last year by 4.25 million Baht or 13.68 %, due to the increase in the selling & administration Expenses i.e., the expensed for preparation for listing in the Stock Exchange of Thailand, employee's expenses, rental for the office and the warehouse at Rayong, the determination of doubtful account of debtors resulting the decrease of the net profit and NI margin.

In 2017, the Company has a net profit of 34.74 million Baht increased from last year by 7.93 million Baht or 29.58 %. Since the Company has increased its ability to earn more gross profit from the sale department from the sale of the pumping system technology, piping solution, and the service business.

#### **Financial Condition as at 31 December 2015, 2016 ,2017**

- **Assets**

As at 31 December 2015 -2017, the Company has total assets of 227.60 million Baht, 227.99 million Baht and 402.79 million Baht, retrospectively consisting of cash on hand, account receivables and other receivables, inventories, plant and equipment, cash in the bank with encumbrance per the following details:

In 2016, the Company has total assets of 227.99 million Baht increased from last year by 0.39 million Baht or 0.17 % of the total asset as of 31 December 2016 due to the increase of the inventory and goods in transit of 25.15 Baht, plant and equipment consisting of the plant and its attachment equipment, office equipment, tools, containers, vehicle of 4.99 Baht. In addition, the Company has executed the lease agreement with the related person for the office premises at Rayong for the term of agreement of 20 years resulting in that it is deemed to be the assets on the long-term lease of 43.50 Baht. Thus, the total assets of 2017 have been increased cash on hand of 97.79 million Baht and the inventory in a warehouse for selling to the client of 18.27 million Baht, the case in the bank with encumbrance as the collateral for the loan of 12.36 million Baht.

In 2017, the Company has total assets of 402.79 million Baht increased from last year by 174.8 million Baht or 76.67 % of the total asset as of 31 December 2015

- **Liabilities**

As at 31 December 2015 -2017, the Company has total liabilities of 111.82 million Baht, 85.40 Baht, and 103.78 Baht, retrospectively consisting of account payables and other payables, due liabilities, liabilities on the lease, employees' benefits with the following details:

In 2016, the Company has total liabilities of 85.40 million Baht, decreased from last year by 26.42 million Baht or 23.63% of total assets due to the fact that the Company has procured the goods

and service from the distributor and contractors in the late 2015 and made the payment in early 2016, therefore, at the end of 2015, the account payables of the Company has been increased. Despite the payment in early 2016, the account payables of 2016 must be decreased as well as the liabilities of the vehicle hire-0.33 million Baht have also decreased purchase from the financial institution.

In 2017, the Company has total liabilities of 103.78 million Baht, increased from last year by 18.38 million Baht or 21.52 % of total assets as at 31 December 2016 due to the main increase of the account payables from last year by 7.22 or increased 14.27 %. The Company has ordered the goods and services since the Company has got the special prices causing the increase of account payables. Additionally, the Company has liabilities on employees' benefits of 7.24 million Baht.

- **Shareholders' Equity**

As at 31 December 2015 – 2017, the Company has shareholders' equity of 115.78 million, 142.59 million and 299.02 million Baht, retrospectively.

In 2016, the Company's shareholders' equity has increased from last year by of 26.81 million or 23.16% due to the increase in net profit of the business operation of 2016 of 26.81 million. The 2016 Shareholder's Annual General Meetings, convening on 12 March 2016 has resolved to amend the par value of the ordinary shares from 100 Baht per share to 0.50 Baht per share and increase its capital from 90 million Baht to 120 million Baht by issue the newly issued shared of 60 million shares with the par value of 0.50 Baht for initial public offering.

In 2017, the Company's shareholders' equity has increased from last year by of 156.43 million or 109.71 % due to the capital increase on 9 February 2017 which the Company has increased its capital from 90 million Baht to 120 million Baht by issue the newly share capital of 60 million with par value of 0.50 Baht, totaling to 30 million for initial public offering.

Net profit of the business operation of 2016 of 26.81 million. The 2016 Shareholder's Annual General Meetings, convening on 12 March 2016 has resolved to amend the par value of the ordinary shares from 100 Baht per share to 0.50 Baht per share and increase its capital from 90 million Baht to 120 million Baht by issue the newly issued shared of 60 million shares with the par value of 0.50 Baht for initial public offering. The premium of share from the IPO is 60 million Baht with a par value of 2.45 Baht whereby with the new par value of 0.50 baht, the premium of a share shall be 110.88 million Baht which is the net of the admirative expenses for IPO of 6.12 million Baht

## 19.8) The connected transaction

In 2015-2016, The Company entered into the transaction with Company's connected persons, the transaction is normal business transaction and has the agreements in the way that reasonable person should do according to trade term and agreement term between The Company, can be summarized as follows;

	The Company's connected persons and relationship	Agreement	Consolidate financial state at 31 December 2015 (Unit: Baht)	Consolidate financial state at 31 December 2016 (Unit: Baht)	Necessity and Reasonableness
1	<p><b>Mr. Kirk Leekasem</b> <u>Relations</u></p> <ul style="list-style-type: none"> <li>• The majority shareholder of The Company by 21.44 of paid-up capital amount 120,000 Baht.</li> <li>• As a child of Miss Orasa Vimolchalao who is the executive director and the majority shareholders of The Company and Mr. Sittichai Leekasem who is the director of The Company.</li> </ul>	<p><u>Land rental in Rayong</u></p> <ul style="list-style-type: none"> <li>- rent</li> <li>- other payable</li> </ul>	<p>720,629</p> <p>225,629</p>	<p>720,629</p> <p>361,259</p>	<p>In 2016, The Company did a leasing agreement, land area 2000 square wah, with Mr. Kirk Leekasem for being an office location and the warehouse. The term of the lease agreement is 20 years from 1 January 2016 until 31 December 2035 in rate 45,000 Baht per month and lease fee will increase 10% every 3 years. The lease fee referred from an Estimation of Sims property consultants Co., Ltd., which is an independent appraiser, authorized by Stock of exchange.</p> <p>The Company does not take other benefits from this asset, only to be an office location and the warehouse.</p>
2	<p><b>Miss Orasa Vimolchalao</b> <u>Relations</u></p> <ul style="list-style-type: none"> <li>• A Director of The Company.</li> <li>• An administrator of The Company in Chief Executive Officer position.</li> <li>• An authorized director.</li> <li>• The majority shareholder of The Company by 40.02 of paid-up capital amount 120 million Baht.</li> </ul>	<p><u>The Right of superficies in Rayong</u></p>	<p>-</p>	<p>-</p>	<p>In 2016, The Company has the right of superficies in the land deed no. 117368, land area 0.23 square wah, from Miss Orasa Vimolchalao to be a part of office location and parking. The term of right 20 years from 1 January 2016 until 31 December 2035 without payment.</p> <p>The Company does not take other benefits from this asset, only to be an office location and the warehouse.</p>

	The Company's connected persons and relationship	Agreement	Consolidate financial state at 31 December 2015 (Unit: Baht)	Consolidate financial state at 31 December 2016 (Unit: Baht)	Necessity and Reasonableness
3	<p><b>Mrs. Malee Intorn</b> <u>Relations</u></p> <ul style="list-style-type: none"> <li>• Sale manager position of The Company in the product line and piping system</li> </ul>	<p><u>Sell product</u></p> <ul style="list-style-type: none"> <li>- Sale and service income</li> </ul>	5,560	-	<p>In 2016, Mrs. Malee Intorn bought spare parts for using with water pump amount 4,280 Baht. From selling this, The Company got profit 12%.</p> <p>The Company has the policy for selling its products to personnel, for Contribution the Company's product. The bought product is not allowed to resell or speculate. The Company takes 10% profit from selling a product to personnel.</p> <p>In this agreement, The Company sold the product to Mrs. Malee Intorn, who is some personnel of the Company, in rate profit 12% which is a transaction according to the policy of The Company.</p>
4	<p><b>Kessel (Thailand) Co., Ltd. ("Kessel")</b> <u>Relations</u></p> <ul style="list-style-type: none"> <li>• Plastic Lined Pipe and plastic Lined Tank manufacturing.</li> <li>• Joint directors are Miss Orasa Vimolchalao and Mr. Sittichai Leekasem.</li> <li>• The shareholder in Kessel is PPM engineering Co., Ltd. ("PPM"), and Crane Asia Pacific Pte., Ltd. ("Crane") by 51% and 49% of paid-up capital amount 8.00 million Baht. and the shareholder in PPM is Miss Orasa Vimolchalao by 99.99 of</li> </ul>	<p><u>Office rental</u></p> <ul style="list-style-type: none"> <li>- Rent and service</li> <li>- Other Payable</li> </ul>	132,372 24,080	132,372 23,325	<p>In 2016, The Company did a new land lease and service agreement with Kessel in term of 3 years from 1 January 2016 until 31 December 2018, in rent and service rate 11,031 Baht per month, referred from an Estimation of Sims property consultants co. ltd which is an independent appraiser, authorized by Stock of exchange.</p>

	The Company's connected persons and relationship	Agreement	Consolidate financial state at 31 December 2015 (Unit: Baht)	Consolidate financial state at 31 December 2016 (Unit: Baht)	Necessity and Reasonableness
	paid-up capital, and Joint director between PPM and The Company is Miss Orasa Vimolchalao and Mr. Sittichai Leekasem				
		<u>Phone usage</u> - Telephone charge	6,314	4,046	Due to The Company had rented office space from Kessel at Bang Sao Thong, Samut Prakan for being an office of The Company in Bangkok. Kessel allowed The Company to use Kessel's phone number and charge rate as used
5	<b>Utility Business Alliance Co., Ltd Relations</b> <ul style="list-style-type: none"> <li>• Providing environmental management services.</li> <li>• Joint directors are Miss Orasa Vimolchalao and Mr. Sittichai Leekasem</li> <li>• The shareholder in UBA is PPM and Nawarat Patanakarn Public Company Limited ("NWR) by 40% and 60% of paid-up capital amount 40.00 million Baht, and the shareholder in PPM is Miss Orasa Vimolchalao by 99.99 of paid-up capital, and Joint director between PPM and The Company is Miss Orasa Vimolchalao and Mr. Sittichai Leekasem.</li> </ul>	<u>Sell product</u> - Sale and service income  - trade receivables	547,140  80,507	15,209,300  166,706	In 2017, The Company sends a quotation to supply and selling water pumping to UBA amount 26 item in 22.04 million Baht.  The Company needs to reduce the cost of the product lower than market price for being able to compete on price with competing companies, moreover, to make The Company have a reference agreeing with Department of Drainage and Sewerage Bangkok and other government sector and chance to get a maintenance project in future.  However, in 2016, The Company got a quotation for buying 3 item amounts 471,900 Baht and about 26 items which mention above, The Company got a quotation for buying 8 item amounts 15.21 million Baht. In this selling, The Company got profit in 14.92%. For other quotation, amount 1.49 million Baht, UBA had

	The Company's connected persons and relationship	Agreement	Consolidate financial state at 31 December 2015 (Unit: Baht)	Consolidate financial state at 31 December 2016 (Unit: Baht)	Necessity and Reasonableness
					informed that they do not need to accept, and other 8 items, amount 5.34 million Baht, are in the consideration process. This selling cost can be comparable to selling to outsider.
6	<b>Akkarawin-Engineering, Ltd-Part. ("Akkarawin")</b> <u>Relations</u> <ul style="list-style-type: none"> <li>• Construction business</li> <li>• The joint director is Mrs. Malee Intorn, sale manager position in the product line and piping system.</li> <li>• The majority shareholder is Mrs. Malee Intorn by 41.67 of paid-up capital amount 2.40 million Baht</li> </ul>	<u>Sell product</u> <ul style="list-style-type: none"> <li>- Sale and service income</li> <li>- Trade receivables</li> </ul>	<p>-</p> <p>-</p>	<p>38,825</p> <p>41,543</p>	In 2017, The Company sold the Fireproof fabric of HEPTAGON brand, the pipe type product of Thai PPR brand and liquid adhesive glue of LOCTITE brand to Akkarawin. This selling cost can be comparable to selling to an outsider.
7.	<b>BJC Heavy Industries Public Company limited. ("BJC")</b> <u>Relations</u> <ul style="list-style-type: none"> <li>• Engineering business, manufacturing, and installation of equipment used in manufacturing processes in industrial.</li> <li>• The joint director is Mrs. Chanchira Smakthai</li> </ul>	<u>Sell product</u> <ul style="list-style-type: none"> <li>- Sale and service income</li> </ul>	7,695	-	In 2016, The Company sold the gasket of LOCTITE brand to BJC, the cost of selling is cost plus profit. For the rate of profit can comparable with the cost of the gasket which The Company sells to an outsider. This transaction is a normal business in condition and term like selling to an outsider.

	The Company's connected persons and relationship	Agreement	Consolidate financial state at 31 December 2015 (Unit: Baht)	Consolidate financial state at 31 December 2016 (Unit: Baht)	Necessity and Reasonableness
8.	<b>Vimolchalao Co., Ltd. ("Vimolchalao")</b> <u>Relation</u> <ul style="list-style-type: none"> <li>• Run a real-estate lease business.</li> <li>• Have Ms. Orasa Vimolchalao as a mutual director of the Company</li> <li>• Major shareholder is Ms. Orasa Vimolchalao with 30 percent of paid-up registered capital</li> </ul>	<u>7.1 Lease meeting room</u> -Management expense  -Another creditor	1,896  -	-  -	As at 11 May 2016, the Company has leased a meeting room at Siam Rajathani Building Bangkok to set-up the meeting for audit committee 2/2559 and board of director meeting 2/2559 because head office of the Company located at Rayong but the most of director are convenient to attend the meeting at Bangkok. So, the Company is necessary to lease the meeting room at Siam Rajathani Building for conduct this meeting with leasing price lower than other meeting rooms in this area.
		<u>7.2 Selling product</u> -Sell and service income.  - Account receivables	-  -	220,480  -	In 2017 the Company sold the pump product in the type of water and liquid pump brand Tsurumi to Vimolchalao which selling price is reasonable for cost and profit. Using rational it can compare with profit rate that the Company sells to the outside so, this deal is the ordinary course of business by having same price and condition as another customer. TSURUMI PUMP MODEL: 50U2.75 Selling price = 220,480 Cost = 181,740 Profit = 17.57 %
8.	<b>PPM Engineering Co., Ltd. ("PPM")</b> <u>Relation</u> <ul style="list-style-type: none"> <li>• Run an investing business.</li> <li>• Have 2 mutual directors of the Company which are Ms. Orasa</li> </ul>	<u>Selling product</u> - Sell and service income - Account receivables	-  -	659,800  -	In 2017 the Company sold the pump product in the type of water and liquid pump brand Grundfos to PPM Engineering which selling price is lower than selling to the other because the Company necessary to decrease the price lower than the regular price for competing the



	The Company's connected persons and relationship	Agreement	Consolidate financial state at 31 December 2015 (Unit: Baht)	Consolidate financial state at 31 December 2016 (Unit: Baht)	Necessity and Reasonableness
	Vimolchalao and Mr. Sitthichai Leekasem <ul style="list-style-type: none"> <li>Major shareholder is Ms. Orasa Vimolchalao by 100 percent from paid-up registered capital of 15.00 million Baht.</li> </ul>				price with the Company competitor. GRUNDFOS PUMP MODEL: NBG50-32-160/177 A-F-B-BAQE Selling price = 659,800 Cost = 594,777.87 Profit = 9.85 %
9.	<b>Siamraj Travel Co., Ltd.</b> <u>Relation</u> <ul style="list-style-type: none"> <li>Have 2 mutual directors as the Company which are Ms. Orasa Vimolchalao and Mr. Kirk Leekasem</li> </ul>	<u>Purchase product</u> - Account payables	- -	55,640	Plane ticket fee on a tour of investigation with Utility Business Alliance Co., Ltd.
11.	<b>11.1 Ms.Orasa Vimolchalao</b> <u>Relation</u> <ul style="list-style-type: none"> <li>Director of the Company</li> <li>Executive of the Company by the position of chief of the executive officer.</li> <li>Authorized director of the Company</li> <li>The major shareholder of the Company by 40.02 percent from paid-up and registered capital of 120 million Baht</li> </ul> <b>11.2 Mr. Saengpet Tantaatipanit</b> <u>Relation</u> <ul style="list-style-type: none"> <li>Director of the Company.</li> <li>Executive of the Company by the position of managing director.</li> </ul>	<u>Guarantee</u> - Fixed deposit of Company (Credit detail: -Overdrafts money - Letter of credit and trust receipt - Foreign exchange contract - Guarantee letter)	<u>Financial amount</u> 124,790,000 Baht		Guarantee credit limit with financial institutions that supports credit limit to run the Company business that depends on financial institution's condition however this guarantee has no consideration.  After the Company registered with the Stock Exchange of Thailand, the Company conducts a negotiate with financial institute no.1 for release guarantee to Ms. Orasa Vimolchalao and Mr. Saengpet Tantaatipanit successfully.  For financial institution No.2, the Company already conduct releasing request but still in the approval process. In case of the Company is going to loan or request credit with any bank that has director guarantee condition, Mr. Orasa Vimolchalao and Mr.

	<b>The Company's connected persons and relationship</b>	<b>Agreement</b>	<b>Consolidate financial state at 31 December 2015 (Unit: Baht)</b>	<b>Consolidate financial state at 31 December 2016 (Unit: Baht)</b>	<b>Necessity and Reasonableness</b>
	<ul style="list-style-type: none"> <li>Authorized director of the Company Major shareholder of the Company by 10.33 percent from paid-up and registered capital of 120 million Baht</li> </ul>				Saengpet Tantaatipanit agree to be the guarantor of that loan with no consideration from a guarantee in any way, and decided to release those guarantees when the Company has another property to replace.

#### **The future direction of related party transactions**

The Company has a related transaction that would happen in the upcoming are leasing land at Rayong from Mr. Kirk Leekasem and the Right of superficies from Ms. Orasa Vimolchalao, the term of 20 years, for set-up building office and the warehouse of the Company and lease office area from Kessel for set-up Bangkok office. Which this transaction already checked and approved in principle by the audit committee and board of director as a consequence of audit committee of the Company is verify and comment to related transaction which are ordinary course of business or ordinary supporting business in quarter period however, transaction that not in ordinary course of business in upcoming, the Company will always provide audit committee to check necessity and reasonable of transaction before making transaction .

In case of the Company wishes to make related transaction with person who have conflict of interest, stakeholder or could have a conflict in upcoming the Company would follow strictly to policy and procedure that fore describe by means of the Company assigned audit committee review and suggest related to reasonable for the complete transaction and reason of the transaction price. In case of audit committee are not proficient to diagnose related transaction that will happen the Company will find the capable person e.g., independent appraiser, independent specialist or the auditor to provide suggestion about related transaction then opinion of the audit committee or specialize person will lead to consideration of board of director or shareholder as the case may be. Furthermore, the Company shall comply with the law of Securities and Exchange and rule, announcement, order or Stock Exchange of Thailand regulation. And disclosure related transaction according to regulation and law of Securities and Exchange and rule, announcement, order or Stock Exchange of Thailand regulation.

**19.9) Financial estimation of the Company (if any)**

-N/A-

**19.10) Other information that may significantly affect investor**

-N/A-

**19.11) Opinion of the Board of Directors concerning working capital sufficient**

-N/A-

**19.12) Significantly lawsuit or claim that during perform**

As at 9 March 2018, the Company has no significant dispute case that may have an effect against the Company business and the Company have no dispute case that may affect the Company asset more than 5 percent of owner's equity.

**19.13) Interest or related transaction between the Company and director executive and shareholder including directly and indirectly more than 10 percent**

Please consider a related transaction in 19.8

**19.14) Summary of the Company's liabilities**

**(a) Debt Instrument**

N/A

**(b) The total amount loans with the specific payment period including the liability to place assets as collateral**

N/A

**(c) Liabilities under financial lease contracts**

As of 31 December 2017, the Company has the total liabilities under the financial lease contracts as follows:

<b>Liabilities under the financial lease contract</b>	<b>Amount (million Baht)</b>
Due not over one year	
Present value of liabilities	0.33
Interest to be incurred	0.01
<b>Total amount due not over one year</b>	<b>0.34</b>
Due over one year to five years	-
Present value of liabilities	-
Interest to be incurred	-
<b>Total amount due over one year to five years</b>	
<b>Total amount to be paid</b>	<b>0.34</b>

As of 31 December 2017, and 2016, the Company has entered into finance lease contract on vehicles. The total leasing fees must be paid month within 2018, the ownership right to the assets still belong to the lessor until the company makes purchase payment according to the obligation under the contract.

**(d) The total value of debts on other categories including overdrafts, indicating the liabilities to place assets as collateral**

As of 31 December 2017, and 2016, the Company has the credits on overdrafts, letter of credit (LC), Trust Receipt (TR) and forward contract with the Bangkok Bank PLC and Kasikorn Bank PLC in the amount of 72.79 million Baht and 60.00 million Baht, retrospectively. The cash in the current account of 8.80 million Baht and 12.36 million baht was placed as collateral. As of 31 December 2017, and 2016, the Company's director has executed the forward contract in the

amount of 0.35 million Baht, and 2.56 million Baht, retrospectively.

As of 31 December 2017, the Company has the liabilities for such 2 banks by issuance the letter of guarantee for the client for 4.69 million Baht (as at 31 December 2016, equivalent to 20.04 million Baht and 73,010 USD)

As of 31 December 2017, and 2016, the Company has the liabilities on the receipt of the client's deposit per the purchase order of 9.57 million Baht and 14.13 million Baht, retrospectively. The Company has received the deposits of 2.51 million Baht and 4.30 million Baht, retrospectively. As of 31 December 2017, and 2016, the Company has the liability to pay the security fees under the security service contract ending 31 April 2018 for 0.23 million Baht and 0.22 million Baht, retrospectively.

**(e) Contract Obligations**

As of 9 March 2018, the Company commits under the agreement as follows:

- (1) The Company commits to pay the rental fees for the Company's premises and warehouse at Rayong to Mr. Kirk Leekasem and Kessel (Thailand)Co., Ltd. (the Lessor) in the amount of 720,629 and 132,372 per annum.
- (2) The Company has entered into the account and audit service with DIA International Auditing Co., Ltd., and MA Consulting Co., Ltd in the amount of 1,200,000 Baht and 480,000 Baht per annum

**(f) Indebtedness to be incurred in the future**

As of 28 February 2018, the Company has the liabilities on the overdrafts, letter of credit (LC), Trust Receipt (TR), forward contract and letter of guarantees with the Bangkok Bank PLC and Kasikorn Bank PLC in the amount of 84 million Baht and 40.79 million Baht, retrospectively, with the utilized amount equivalent to 4.24 million Baht and 1.50 million Baht, totaling to 5.75 million Baht. The outstanding balance is totaling to 119.04 million Baht, and the cash in the current account of Bangkok Bank Plc of 8.00 million Baht and Kasikorn Bank Plc of 0.80 million baht was placed as collateral

The Company has the liabilities for Bangkok Bank Plc by issuance the letter of guarantee for the client for 2.62 million Baht and a forward contract in the amount of 1.63 million Baht, therefore, the outstanding balance as at 28 February 2018 totaling to 79.75 million Baht.

In addition, the Company has the liabilities for Kasikorn Bank Plc by issuance the letter of guarantee for the client for 1.50 million Baht with the outstanding balance as at 28 February 2018 totaling to 39.29 million Baht.

**19.15) Summarize significant contract within 2 years**

<b>(1) Distributorship Agreement</b>	
<b>Contract parties</b>	Henkel (Thailand) Co., Ltd. ( " Henkel" ) and SiamEast Solutions Public Company Limited.
<b>Objective</b>	Appoint distributor as its non-exclusive in Thailand and determine the relation between Henkel (Thailand) Co., Ltd. and SiamEast Solutions Public Company Limited.
<b>Signed date</b>	9 July 2007 and 9 December 2007
<b>Period</b>	31 December 2007 automatically prolong for further periods of 1 year each.
<b>Right and duty of the party</b>	<ul style="list-style-type: none"> <li>• Henkel will appoint Company as its nonexclusive distributor in Thailand</li> <li>• Company shall buy and sell the product in its own name</li> <li>• Company shall purchase the product at a value not less than the value which agrees upon by the parties at the end of each calendar year for the following year.</li> <li>• Henkel will supply the products to Company directly or through companies designated by it at its net export prices prevailing from time to time. Henkel may adjust the price every three months. Provided that Henkel shall announce to Company such adjustment with at least 1-month in advance.</li> </ul>

<b>Termination of contract</b>	<ul style="list-style-type: none"> <li>• Either party with 3 months written notice before the end of the initial period or any consecutive period.</li> <li>• Either party may terminate this agreement at any time in the event of a breach by the other party of any of terms and condition herein, provided that prior written notice of the alleged breach or misconduct is delivered to its best interests and the latter fails to cure its default within 30 days.</li> <li>• Henkel may terminate this agreement at any time by giving not less than 3-month prior written notice if <ul style="list-style-type: none"> <li>• Any money due to Henkel should remain unpaid for 30 days from the date the same shall become payable and notified</li> <li>• Company insolvent or a winding-up order has been made against it</li> <li>• Company have a fundamental change in the ownership, structure, control or management.</li> <li>• Company, for what reason, fails to obtain within a reasonable period or is deprived of, any official permit required for the performance of its activities under this agreement.</li> </ul> </li> <li>• Henkel may terminate this agreement if Company has not achieved the minimum purchase amount.</li> </ul>
<b>Note</b>	The agreement still effects because of automatically prolong period as in detail of certificated of an authorized distributor of Henkel. Issued in January 2018 effective from 1 January 2018 to 31 December 2018

<b>(2) Non-exclusive distributorship agreement</b>	
<b>Contract parties</b>	Orihara Manufacturing Co., Ltd. (“Orihara”) and SiamEast Solutions Public Company Limited.
<b>Objective</b>	Appoint distributor as its non-exclusive in Thailand and determine the relation between Henkel (Thailand) Co., Ltd. And SiamEast Solutions Public Company Limited.
<b>Signed date</b>	7 June 2013
<b>Period</b>	1 year since 7 June 2013 and thereafter shall be automatically extended for successive periods of 1 year.
<b>Right and duty of the party</b>	<ul style="list-style-type: none"> <li>• Orihara grants to Company a non-exclusive right to sell products in the territory.</li> <li>• Company shall not, during the term of this agreement, manufacture or distribute any products which directly or indirectly compete with the product except some epoxy product from Loctite, USA</li> <li>• Both parties agree to cooperate each other for sales promotion of the product in Thailand.</li> <li>• All disputes which may arise between the parties hereto, in relation to this agreement shall be finally settled by arbitration in Singapore, in accordance with the Arbitration Rules of The Singapore International Arbitration Center (SIAC Rules of Arbitration)</li> <li>• On the occurrence of any event of Force Majeure, the party so affected shall immediately provide written notice to another party of such date and the nature of such Force Majeure.</li> </ul>
<b>Termination of contract</b>	Either party has notified to the other party in writing at least 3 months before the expiry of this agreement or any extension thereof.

<b>(3) Agency agreement</b>	
<b>Contract party</b>	Hanbal Masstech Limited Co., Ltd. (“Hanbal”) and SiamEast Solutions Public Company Limited.
<b>Objective</b>	Appoint the agent in Thailand and determine the relation between Hanbal Masstech Limited Co., Ltd. and SiamEast Solutions Public Company Limited In the territory.
<b>Signed date</b>	16 June 2015
<b>Period</b>	3 years and shall continue to be in force thereafter unless or until terminated by either party by giving 30 days notice to another party of its intention to terminate this agreement.
<b>Right and duty of the party</b>	<ul style="list-style-type: none"> <li>• Company shall issue a corresponding invoice. The principal shall pay to the agent the commission 30 days after invoice date.</li> </ul>

	<ul style="list-style-type: none"> <li>Each party undertakes that it shall not anytime during this agreement and for one year after termination discloses to any person any confidential information.</li> </ul>
<b>Termination of contract</b>	either party by giving 30 days notice to another party of its intention to terminate this agreement.

<b>(4) Distributorship agreement</b>	
<b>Contract party</b>	Tomoe Engineering Co., Ltd. ("Tomoe") and SiamEast Solutions Public Company Limited.
<b>Objective</b>	Grant Company a distributorship for certain product and territory and determine the relation between Tomoe Engineering Co. Ltd. and SiamEast Solutions Public Company Limited.
<b>Signed date</b>	16 May 2015
<b>Periods</b>	3 years since 16 May 2015
<b>Right and duty of the party</b>	<ul style="list-style-type: none"> <li>Company shall promote sales and procure sales in the territory at a price stated by Tomoe.</li> <li>Tomoe reserves the right to appoint another Company or person for a distributor or an agent of the sales and promotion of products</li> <li>Company shall provide support service in respect of the products supplying to the customer by Tomoe.</li> <li>Tomoe shall pay a commission to Company by that Tomoe previously notified Company. The commission rate to be adopted in the transaction shall be time to time decided by the parties.</li> <li>Company shall immediately inform Tomoe of any change in Company's organization or method of doing business which might affect the performance of its duties.</li> <li>Tomoe shall make timely supplies and provide Company proper document and information concerning Tomoe.</li> <li>Tomoe warrants that all products sold hereunder are to be free of defects in material and workmanship.</li> </ul>
<b>Termination of contract</b>	<ul style="list-style-type: none"> <li>When the end of the contract period and have no further agreement.</li> <li>Company commits any material breach of any of its obligations hereunder fails to remedy such breach.</li> <li>Company commits an act of bankruptcy.</li> <li>Company is winding-up.</li> <li>A change of control of Company.</li> <li>Company ceases for any reason to be able to carry on business as a distributor for a period more than 6 month.</li> <li>No sales performance for 12 months.</li> </ul>

<b>(5) Distributorship agreement</b>	
<b>Contract party</b>	Grundfos Thailand Co., Ltd. ("Grundfos") and SiamEast Solutions Public Company Limited.
<b>Objective</b>	Determine relation between Grundfos Thailand Co., Ltd. and SiamEast Solutions Public Company Limited for being a distributor of Grundfos products.
<b>Signed</b>	4 June 2015
<b>Period</b>	1 January 2015 to 31 December 2020
<b>Right and duty of the party</b>	<ul style="list-style-type: none"> <li>Company agree to purchase a product from Grundfos at a price listed and condition by Grundfos</li> <li>Price and payment condition may change with written notice prior more than 30 days to Company</li> <li>Payment for the product shall pay under Grundfos credit condition that is 60 days or pays in cash not exceed 7 calendar days by having 1.5 percent discount. Grundfos will be charge interest 15 percent per year from the date of default until fully disburse.</li> </ul>
<b>Termination of contract</b>	When the end of the contract period.

<b>(6) Agency agreement</b>	
<b>Contract party</b>	Teikoku Electric Mfg Co., Ltd. ("Teikoku") and SiamEast Solutions Public Company Limited.

<b>Objective</b>	Appoint an agent in Thailand and determine the relation between Teikoku Electric Mfg Co., Ltd. and SiamEast Solutions Public Company Limited.
<b>Signed date</b>	8 January 2015
<b>Period</b>	5 years from 1 January 2015
<b>Right and duty of the party</b>	<ul style="list-style-type: none"> <li>• The relationship between both parties shall be that of an agent or a seller or buyer. Company is no legal representative of Teikoku</li> <li>• Teikoku agree on Company a rate of commission at 20 percent of the total amount of a product order by a user within the territories</li> <li>• Company shall commit the annual order amount to Teikoku and prepare a business plan. Additionally, Company shall issue a monthly report at the end of every month describing the results of activities for the month and a plan of activities for a next month.</li> <li>• Teikoku agrees to export product of a high-quality meeting the requirements to Company. In case of quality of product turns out not to meet the quality requirements, Company can claim a replacement against those inferior products.</li> </ul>
<b>Termination of contract</b>	<ul style="list-style-type: none"> <li>• If either party fails to perform any obligation hereunder or otherwise commits any breach of the agreement, the other party may terminate the agreement by giving to the party in default a written notice, which shall become effective 10 days.</li> <li>• If Company fails to achieve the minimum product order as agreement.</li> <li>• If gross negligence or willful misconduct is found on activities of Company.</li> <li>• If Company fails to pay the contract price to Teikoku</li> <li>• If any insolvency or bankruptcy is instituted by or against either party.</li> <li>• In the event Company is merged, consolidated, sells all or undergoes any substantial change in management or control, Teikoku may forthwith terminate this agreement.</li> </ul>

<b>(7) Agency agreement</b>	
<b>Contract party</b>	Wepuko Pahnke GmbH (“Wepuko”) and SiamEast Solutions Public Company Limited.
<b>Objective</b>	Appoint the agent in Thailand and determine the relation between Wepuko Pahnke GmbH and SiamEast Solutions Public Company Limited.
<b>Signed date</b>	16 October 2012
<b>Period</b>	1 January 2012 to 31 December 2012 automatically prolong every 12 months
<b>Right and duty of the party</b>	<ul style="list-style-type: none"> <li>• Company shall take care of the interest of Wepuko and shall negotiate a contract of sale on behalf of Wepuko</li> <li>• While negotiating a contract of sale, the agent shall respect the price as well as the condition of delivery and payment prescribed by Wepuko</li> <li>• Company shall always keep Wepuko informed of his activities.</li> <li>• Wepuko shall not be entitled to appoint another agent in the territory.</li> <li>• Wepuko shall assist Company in the performing his duties. In particular, Wepuko shall give the necessary information.</li> <li>• Wepuko shall immediately inform Company on price changes and modification of delivery and payment condition.</li> </ul>
<b>Termination of contract</b>	<ul style="list-style-type: none"> <li>• The contract can be terminated at any time with 6 months’ notice.</li> <li>• The contract may be terminated without prior notice, the termination taking effect immediately, the reason for termination could be. <ul style="list-style-type: none"> <li>• Cooperation of the agent with a competitor of Wepuko</li> <li>• Company is not working satisfactorily for Wepuko</li> <li>• Company does not provide requested information to the customer.</li> </ul> </li> </ul>

<b>(8) Distributorship agreement</b>	
<b>Contract party</b>	Kimberly-Clark Thailand Co., Ltd. (“Kimberly”) and SiamEast Solutions Public Company Limited.
<b>Objective</b>	Appoint distributor of the product and determine the relation between Kimberly-Clark Thailand Co., Ltd. and SiamEast Solutions Public Company Limited.
<b>Signed date</b>	1 January 2015
<b>Period</b>	2 years since 1 January 2015 to 31 December 2016

<b>Right and duty of the party</b>	<ul style="list-style-type: none"> <li>· Company received distributorship from Kimberly to sell the Kimberly product in the territory that prescribes.</li> <li>· Kimberly will deliver product to Company according to purchase order.</li> <li>· If purchasing order value, product price or other debt is behind in payment to Kimberly more than 3 times of purchasing order value, Kimberly has right to decline that purchasing order.</li> <li>· If Company is the default, Kimberly has right to decline Company Purchasing order.</li> <li>· The product will deliver to Company with the standard packaging of Kimberly at the decided place.</li> <li>· Kimberly will in charge of delivery fee for defect product from manufacturing processing or casualty while delivering from factory to warehouse.</li> <li>· Company shall in charge of collecting pays from customer</li> <li>· Kimberly may adjust product price if any cause changed, by inform Company prior.</li> <li>· Company will make monthly activities report according to Kimberly request and meeting with Kimberly officer who in charge of that territory every month.</li> <li>· Company shall be responsible for compensation to Kimberly officer and agent of the distributor that happen from this agreement, either direct or indirect.</li> <li>· Both parties shall strictly keep a trade secret.</li> </ul>
<b>Termination of contract</b>	<ul style="list-style-type: none"> <li>· This agreement shall terminate by either party; <ul style="list-style-type: none"> <li>· In the event of either party fails to perform any obligation hereunder or otherwise commits any breach of the agreement and not corrected within 30 days after receiving written notice.</li> <li>· If any insolvency or bankruptcy is instituted by or against either party.</li> <li>· In the event of law, regulation or rule of administrative make modification in relation or right in this agreement.</li> <li>· Have the right to terminate within 30 days after receiving written notice from another party, an event that is changing major shareholder, structure, executive or merged.</li> <li>· If Company turn into manufacturer distributor or agent of the competitive product against Kimberly.</li> </ul> </li> <li>· This contract may be terminated in case of Company violate criminal offense or accused of violating criminal offense that may affect Kimberly reputation.</li> </ul>
<b>Note</b>	Company was granted a distributorship in 2018. The detail in a letter of distributorship appointment 1 January 2018 for 1 year.

**20) The proxy form that grants shareholder right to vote and at name audit committee of the Company at least one person to be proxy from the shareholder**

Detailed in the attached 7 and the attached 8

Board of director of the Company verifies that this information memorandum is accurate and complete.

Please be informed accordingly.

Sincerely yours,  
**SiamEast Solutions Public Company Limited.**

Mr. Saengpet Tantaatipanit  
Managing Director